



**Monday, April 11, 2022
5:30 PM
City Council Chambers**

Special Meeting City Council Agenda

I. Call to Order

1. Roll Call
2. Pledge of Allegiance

II. Appearance of Citizens

Policy relative to Appearance of Citizens:

A 30-minute time period is provided for citizens to appear and express their views before the City Council. Each citizen speaking will be limited to one appearance of up to 3 minutes. No immediate response will be given by City Council or City staff members. Citizens are to give their documents (if any) to the Police Officer for distribution to the Council. When the Mayor determines that all persons wishing to speak in accordance with this policy have done so, members of the City Council and key staff may make comments.

III. Study Session: Study Sessions are less formal meetings of the City Council called to discuss broad policy themes and obtain input from the governing body about proposals and initiatives that are still being developed. No formal votes are taken at Study Sessions, and no informal directions expressed at Study Sessions bind the City Council, or its individual members, to vote in a certain manner at a future City Council meeting. Members of the public should limit their remarks to three (3) minutes after Council discussion.

1. Neighborhood Revitalization Strategies & Initiatives Overview
2. Neighborhood Revitalization Recommendations

IV. New Business

1. Resolution Authorizing City Manager to Purchase Property Located at 805 East Johns Avenue, Decatur, IL

V. Adjournment

SUBJECT: Neighborhood Revitalization Strategies & Initiatives Overview

ATTACHMENTS:

Description

Type

Memo

Cover Memo

Teska Report

Backup Material

April 7, 2022

TO: Mayor Julie Moore Wolfe & Decatur City Council Members

FROM: Scot Wrighton, City Manager 

RE: April 11 Special Meeting and Study Session on Neighborhood Revitalization

Neighborhood revitalization in Decatur is an enormous, complex and multi-year set of projects, with numerous sub-component policies and initiatives. For this reason, it cannot be comprehensively addressed in any single meeting. This study session is intended to provide the City Council with a larger view of the strategies and initiatives being pursued, but it requests deliberation over, and council “go-ahead” for, only 8 specific recommendations in the area of housing rehabilitation, catalyst projects and space-making. In future meetings, staff will bring initiatives for additional code enforcement, changes in demolition processing, and additional targeted acquisitions. Many of these future decisions can be incorporated into regular council meetings without the need for a separate study session.

The community development staff and Teska consultant will make a presentation to begin the study session. Following the presentation, it is recommended that the City Council discuss each of the 8 rehabilitation, catalyst and place-making recommendations. Following discussion of the 8 recommendations, a general discussion of neighborhood revitalization issues would also be in order. Recommendations that are approved by the council at the study session will all require subsequent formal action by the City Council in the form of contracts with external entities. In this way, council members will have final approval authority over the details of each initiative.

Attachments to this memo include a lengthier document that provides additional back-up for the power point that summarizes the major themes of the power point and the 8 recommendations. Also attached is Teska’s housing analysis report. The Teska report has many similar themes as those found in the Macon County Comprehensive Community Assessment, commissioned by the HGB Foundation and completed on August 31, 2021.

City of Decatur, IL

HOUSING STRATEGY RECOMMENDATIONS



PREPARED BY TESKA ASSOCIATES, INC.

March 15, 2022

1 CONTENTS

1	Contents	1
2	Introduction	2
3	Executive Summary	4
4	Housing Data and Findings	6
4.1	Key Findings	6
4.2	Demographics	6
5	Housing Strategy Recommendations	16
5.1	Create a pool of qualified homeowners	16
5.2	Preserve existing housing	16
5.3	Define Target Areas (see Section 8).....	17
5.4	Create a home repair and moderate rehabilitation program for homeowners.....	17
5.5	Create an abandonment to rehab program	18
5.6	Assemble land for new development	18
5.7	Coordinate with day care, workforce training and transportation	19
5.8	Seek out placemaking opportunities to build neighborhood pride and safety (See Section 7) .	19
6	Placemaking Ideas.....	20
7	Defining Target Areas	25

2 INTRODUCTION

The City of Decatur is developing a strategic set of housing goals, programs and priorities to address several key challenges:

- Declining conditions of for-sale homes in several areas of the city
- Deteriorating conditions of rental housing stock while rental costs remain high for many households
- A lack of high-quality housing options in many areas, fueling households leaving the City in search of better housing

Decatur is building this strategy on several key assets:

- A network of partners and organizations that are willing to work together to address common challenges
- Participation in the Central Illinois Land Bank Authority that is a strong partner invested in the mission of addressing abandoned homes and stabilizing housing markets
- Major employers, Millikin University, Richland Community College and downtown Decatur provide stability and long-term assets to attract households to Decatur

Housing Goals:

- 1) Strengthen homeownership to rebuild the housing market in distressed areas and build household savings.
- 2) Support home repairs and rehabilitation to prevent decline in owner-occupied housing stock.
- 3) Renovate existing abandoned homes and sell to new homeowners.
- 4) Upgrade rental housing market to ensure safe and secure housing.
- 5) Provide housing counseling to renters and prospective homebuyers to build a ladder toward homeownership.
- 6) Build neighborhood confidence and private investment in housing and economic development.

These goals, taken together, are meant to stabilize the housing stock, provide a pathway to homeownership, and invest in Decatur's families so that they can build household savings and community well-being. A stronger, more vibrant housing stock, combined with economic development initiatives that expand job readiness and economic opportunities, aim to stem population loss and rebuild Decatur's neighborhoods through both public and private investment.

This report builds upon two recent studies conducted for the Central Illinois Land Bank Authority (CILBA) and the City of Decatur:

1) Central Illinois Land Bank Authority (CILBA) Housing Market Analysis and Feasibility Study, which found that:

- Housing vacancy rates remain high with 15% housing vacant housing in the City of Decatur;
- Nearly one in two rental households face high cost burden compared with one in seven homeowners
- There is a high concentration of vacant lots in Decatur (558)
- There is a high number of properties that have been listed at consecutive tax sales and tax deed sales. Only 30% of tax deeds were sold at recent auctions.
- There is a need to intervene early to prevent the decline of housing and repeating the tax cycle that leads to abandonment.

The Housing Market Analysis and Feasibility Study recommended strategies for CILBA to work with the City of Decatur and other partners on developing an abandonment to rehab program and intervening early to acquire abandoned homes to prevent the further decline of housing and bring the properties back to market to qualified purchasers.

2) City of Decatur Impediments to Fair Housing which found the following barriers to a robust housing market to serve all residents:

- Rehabilitation of units is often costly and is need of assistance to maintain properties.
- There is a need for affordable and appropriately sized rental units for vulnerable populations.
- There is a difficulty in accessing credit posing challenges for homeownership and rental opportunities.
- Potential new development would need to compete with existing less expensive housing stock, thus requiring gap financing.
- Small, local developers have difficulty securing the necessary funds and work experience to begin larger projects.
- Low and stagnant wages can lead to additional housing issues.

The Impediments to Fair Housing Study provided the following recommendations to address these impediments:

- Expand housing counseling for first-time homeowners to purchase homes and current homeowners to maintain their homes and prevent foreclosure.
- Invest in home repair programs.
- Support continuum of care services particularly for homeless and vulnerable populations.
- Coordinate with childcare and transportation services.
- Increase the supply of quality affordable housing, both market rate and subsidized.
- Educate landlords and tenants on their rights and responsibilities.
- Invest in placemaking to increase confidence in neighborhood viability.

3 EXECUTIVE SUMMARY

Decatur Housing Strategies	
1. Create a pool of qualified homeowners	a) Partner with a HUD approved counseling agency such as Community Investment Corporation of Decatur (CICD) to expand housing counseling for: i. financial counseling and credit repair for prospective homeowners ii. homeownership training for new homebuyers iii. foreclosure prevention for existing homeowners iv. work with current property owners to address liens on properties, unpaid water bills, etc. c) Decatur Housing Authority - queue up qualified renters to become prospective homeowners.
2. Preserve existing housing	a) City of Decatur – work with Center for Community Progress to inform ways to improve code enforcement efforts for residential properties to prevent deterioration and abandonment. b) City to refer homeowners to home repair program. c) Ensure multi-family properties meet building codes for health and safety. Provide assistance to families to relocate if needed for life safety. d) Develop a life safety and emergency repair program for rental properties targeted to small “mom and pop” landlords secured by a lien on the property. e) Create a vacant and foreclosure registry.
3. Define Target Areas	a) Utilize a variety of factors to identify target neighborhoods to focus on home repair and revitalization along with coordination regarding services and community-building and marketing efforts b) Use criteria including income eligibility by Census Tract, concentration of abandoned and housing in need of repair as well as community assets and local partners that may include parks, non-profit organizations, local schools and businesses that can aid in the revitalization process.
4. Create home repair and moderate rehabilitation program	a) City of Decatur - create a home repair program up to \$10,000 and a moderate rehabilitation program targeting existing homeowners for repairs up to \$45K for single-family homes and \$90K for two- to three-unit residential properties.
5. Create an abandonment to rehab program	a) CILBA - develop an abandonment to rehab program targeting properties that can be saved and rehabbed b) City of Decatur – convey abandoned properties for rehab and work with CILBA and County on abandonment petitions

6. Assemble land for new development	a) City of Decatur to identify target blocks/parcels in target neighborhoods for reinvestment b) City of Decatur or partner agency acquire and hold properties for new development including affordable housing c) City of Decatur or partner organization to assemble land and or buildings appropriate for commercial and institutional development to provide anchors and investment in target neighborhoods
7. Coordinate with day care, workforce training and transportation	a) City of Decatur to work with Continuum of Care and additional organizations to coordinate wrap-around services for day care, workforce training and transportation b) City of Decatur - determine if there are any gaps in services and seek grants to fill those gaps
8. Seek out placemaking opportunities to build neighborhood pride and safety	a) City of Decatur to identify highly visible locations to transform vacant property into neighborhood assets such as pocket parks, gateway features, public art, or community gardens.

4 HOUSING DATA AND FINDINGS

4.1 KEY FINDINGS

- The population of the City of Decatur declined 5,600 people between 2010 and 2020 in the City of Decatur, or a total of 7%. Reduced population reduces housing demand.
- The number of households, however, did not decline as rapidly. Households declined by 613 over the past ten years. This may be due to annexation as well as smaller household sizes.
- The number of housing units increased by 1%, primarily due to annexation.
- For-sale home value in Decatur are lower than Macon County (\$83,000 compared with 98,400), but rent is just as high (\$683 vs. \$684), indicating a tight rental market.
- Sixty-one percent of households are homeowners and 39% are renters.
- Fifteen percent of housing units are vacant.
- One-half of renters face high-cost burden. Only 13% of homeowner units are cost burdened (spend more than 30% of their income toward housing), but 49% of renters spend too much of their income for housing.
- The greatest housing needs are for households earning up to 80% of Area Median Income, or up to \$54,950.
- Home prices have been increasing since 2019, including a 10% increase from December 2020 to December 2021

4.2 DEMOGRAPHICS

The population of Decatur declined by 5,600 residents, or 7% from 2010 to 2020, while Macon County declined by 6,770 residents, or 6% during the same period. Households, however, declined by only 613 in the City of Decatur and 1,035 in Macon County, representing a decline of 2% in each jurisdiction.

Table 1: Decatur and Macon County Demographics

	Decatur	Macon County
2010 Population	76,122	110,768
2020 Population	70,522	103,998
% Change	▼ 7%	▼ 6%
2010 Households	31,762	44,947
2020 Households	31,149	43,912
% Change	▼ 2%	▼ 2%
Median Income	\$42,701	\$50,480
Poverty Rate	24%	17%
Unemployment (July '21)	8.9%	8.1%

Source: American Community Survey, 2010 & 2019 5 Year Estimates, Census 2020

The median household income in Decatur is \$42,701 compared with \$50,480 in Macon County.

Decatur is a majority owner-occupied city, with 61% of the units. Average household sizes are similar to Macon County, but median housing values are lower in Decatur than in the county as a whole.

While median for-sale housing prices are lower in Decatur than Macon County (\$83,000 compared with \$98,400), rental prices are the same. This indicates a “tight” rental market in which landlords can charge a relatively fixed price for units due to limited inventory. Based on interviews and focus group input, this also has resulted in landlords not maintaining homes properly, as they know they will be able to rent the unit, or the costs of repair are so high that they will not be able to pass on the costs to the tenants.

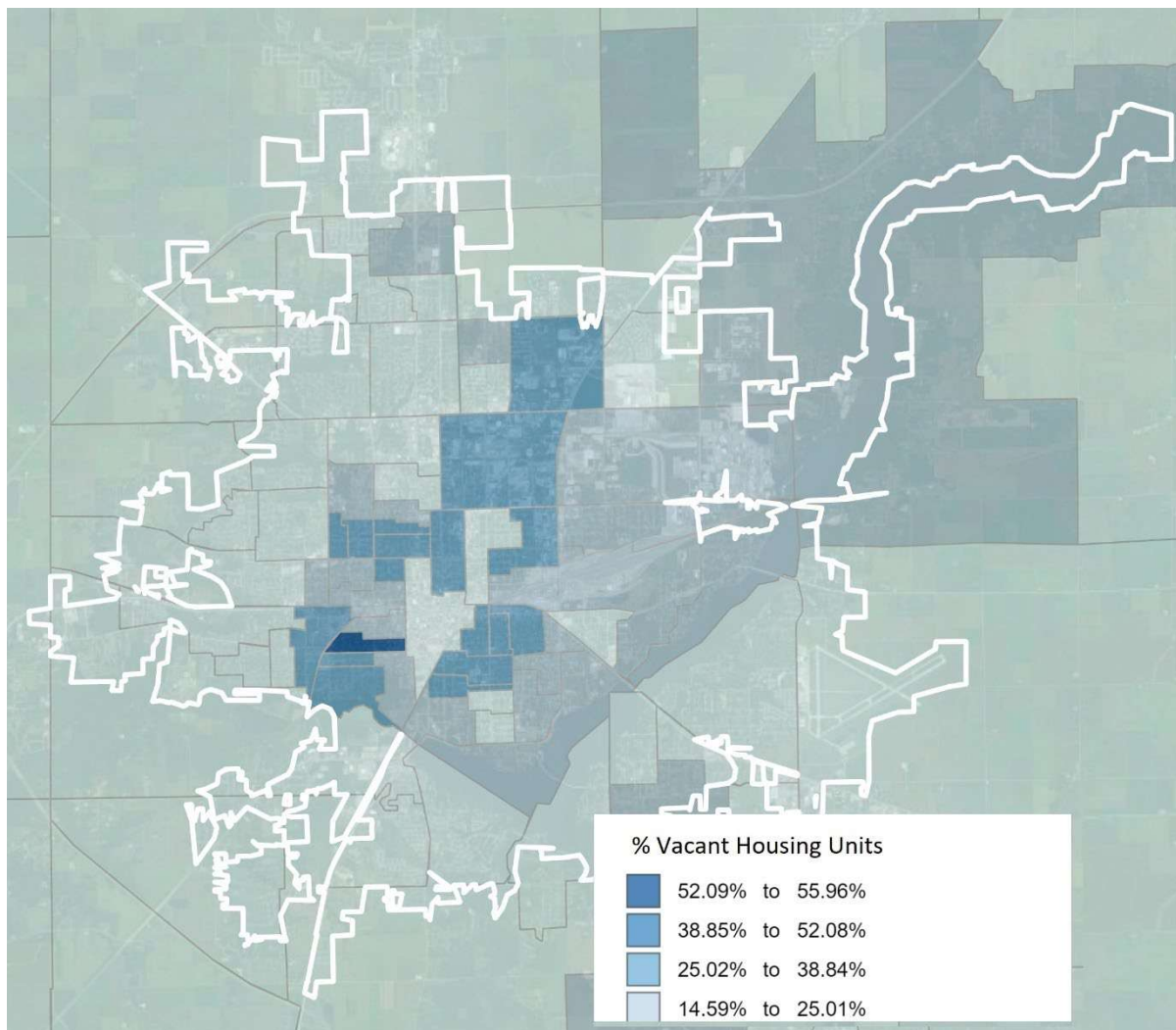
Table 2: Housing Characteristics

	Decatur	Macon County
Total households	31,149	43,912
Average household size	2.21	2.32
2010 total housing units	36,134	50,475
2019 total housing units	36,515	50,392
% Change	▲ 1%	-- 0%
Median housing value	\$83,000	\$98,400
Median rent	\$683	\$684
Owner-occupied housing units	19,112 (61%)	30,039 (68%)
Renter-occupied units	12,037 (39%)	13,873 (32%)
Vacant units	5,366 (15%)	6,480 (13%)

Source: American Community Survey, 2010 & 2019 5 Year Estimates

Decatur has 36,515 housing units, 5,366 of which (or 15%) are vacant. As shown in the figure below, vacancy rates are very high in particular Census Tracts, particularly in the central core of the city.

Figure 4-1: Vacancy by Census Tract



Source: ESRI Business Analyst, 2021

Decatur's housing market also has a higher proportion of cost burdened renter units than homeowners. Only 13% of homeowner units are cost burdened, but 49% of renters are spending too much on housing. Renters, who in general are more vulnerable to changes in the housing market, are spending a much greater share on housing each month than homeowners. The revitalization of the housing market in Decatur may present challenges for renters who are already spending a significant amount of their income each month on housing costs. Strategies that help renters purchase a home may help them reduce their cost burden.

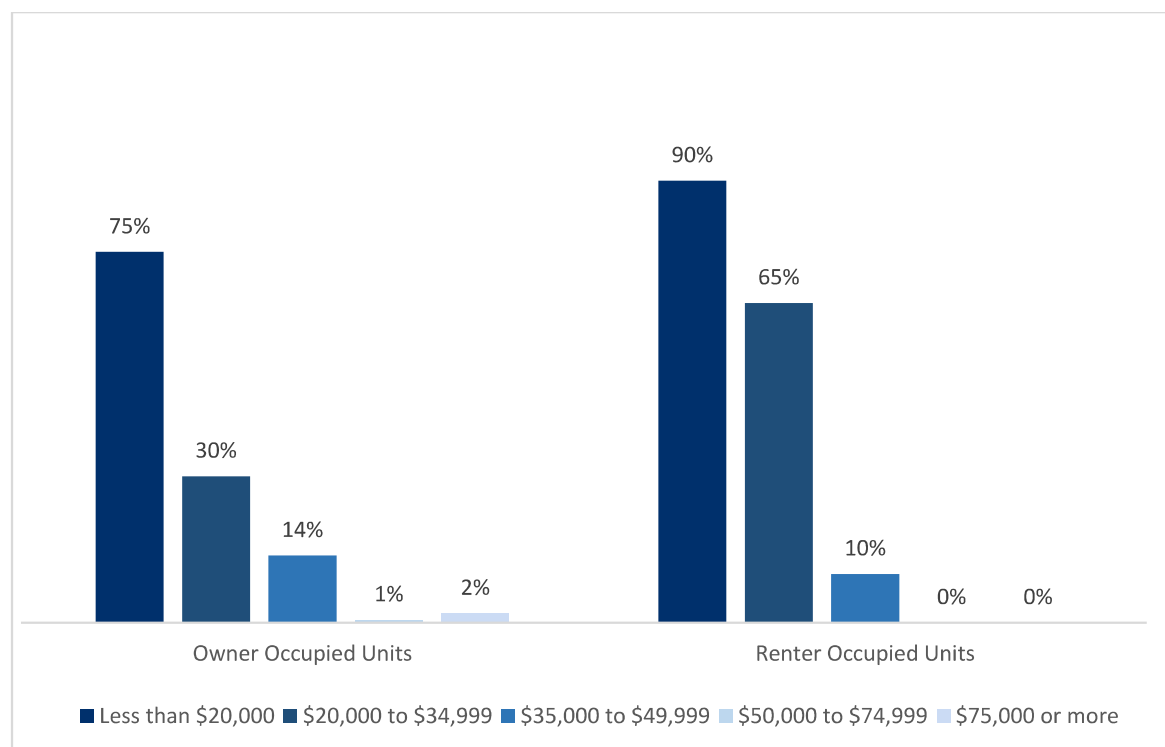
Table 3: Cost Burden for Homeowners and Renters

	Total Homeowner Units	Cost Burdened Homeowner Units	% Cost Burdened Homeowners	Total Renter Units	Cost Burdened Renter Units	% Cost Burdened Renters
Decatur	18,854	3,121	13%	11,517	5,597	49%

Source: American Community Survey, 2019 5 Year Estimates

When the data is further investigated, most very low-income residents are cost burdened, regardless of housing tenure, yet low- and moderate-income renters are much more likely to have high housing costs. In fact, 90% of renters earning less than \$20,000 of household income and 65% who earn between \$20,000 and \$35,000 have high cost burden.

Figure 4-2: Percent of Cost Burden by Household Income



Source: American Community Survey, 2019 5 Year Estimates

How much housing can households afford?

Households earning up to 50% of Area Median Income (AMI), or \$34,350 could afford a for-sale home purchase at \$60,000 or monthly rent of \$700. While there are homes and rental units priced at those levels, these homes and apartments tend to be in poor condition or in need of repair.

Households earning up to 80% AMI, or \$54,950, can afford homes up to approximately \$110,000, or approximately \$1,000 rent. At this level, households may be able find available housing product, but older homes and buildings may still require repairs.

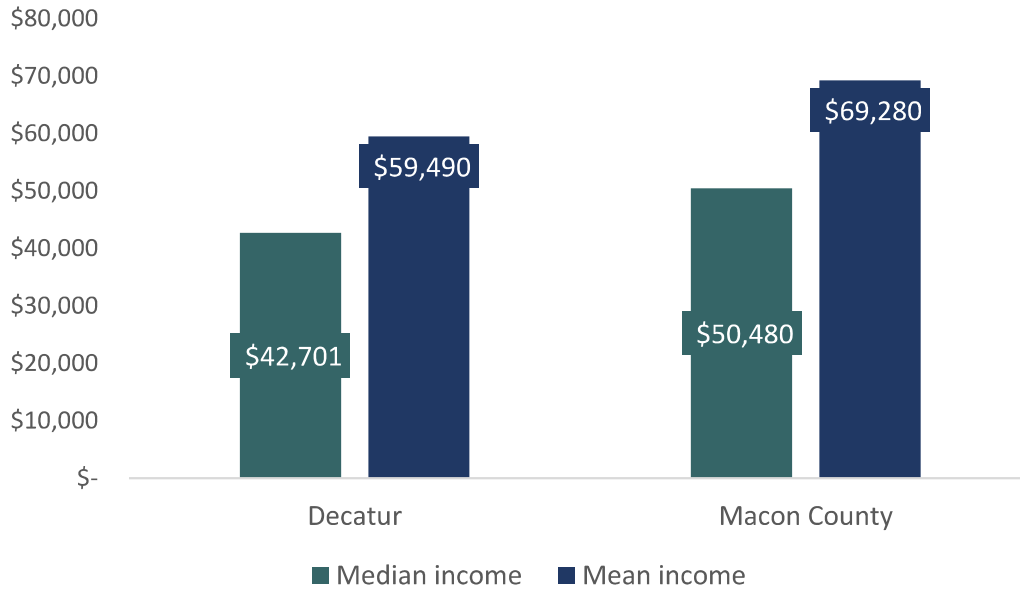
Table 4: Affordable Homes for Various Income Levels

Percent of Area Median Income	Income Limit	Owner Occupied Housing Units	Renter Occupied Housing Units	Affordable Home	Monthly Housing Payment or Gross Rent
50%	\$34,350	1,454	2,224	\$59,556	\$700
80%	\$54,950	2,856	2,157	\$109,327	\$992
100%	\$68,700	4,005	1,195	\$188,961	\$1,458

Source: ACS 2015-2019 Estimates; Freddie Mac Calculator

Housing affordability is, of course, a function of available housing compared with household incomes. Decatur's median household income of \$42,701 is, in fact, lower than 80% of AMI. This indicates that they would qualify for many state and federal housing programs.

Figure 4-3: Median and Mean Household Income



Source: American Community Survey, 2019 5 Year Estimates

A closer look at Figure 4 shows that nearly one-third of households earn less than \$25,000 and another quarter of households earn between \$25,000 and \$50,000. All of these households earn less than 80% AMI.

Figure 4-4: Percent of Households by Income Level

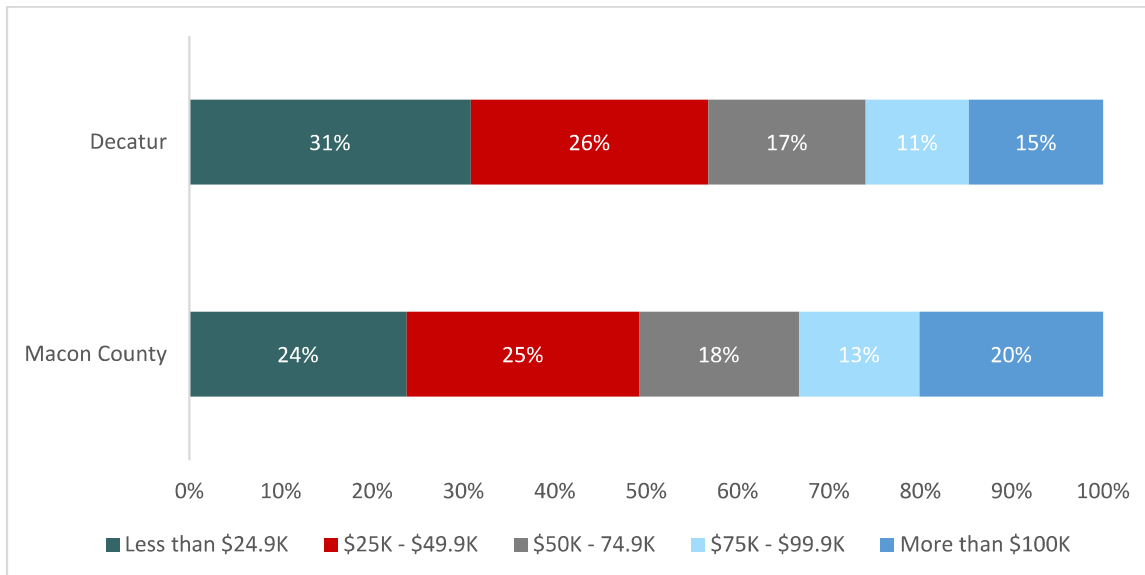


Table 4: Poverty Rate, Decatur & Macon County

Place	Poverty Rate
Decatur	24%
Macon County	17%

Source: American Community Survey, 2019 5 Year Estimates

Figure 7: Zillow Home Value Index, Decatur, Macon County, 2011 – 2021



Source: Zillow, December 2021

Table 6: Zillow Home Value Index

Home	Decatur	Macon County
Dec 2011	\$71,199	\$83,980
Dec 2021	\$87,904	\$102,000

Source: Zillow

Housing Conditions

Figure 4-5: Existing homes in need of repair and a vacant home



Figure 4-6: Moderate repairs can enhance typical properties



Figure 4-7: Sidelots are an important asset that provides additional yards and open space for neighboring properties



Figure 4-8: Demolitions are still needed in some areas



Figure 4-9: Well-maintained land can be preserved for new uses and eventual redevelopment as conditions improve



Figure 4-10: Parks and playgrounds can potentially be expanded to anchor residential neighborhoods



5 HOUSING STRATEGY RECOMMENDATIONS

5.1 CREATE A POOL OF QUALIFIED HOMEOWNERS

As shown in the data above, only 13% of homeowner units are cost burdened, but 49% of renters are spending too much (over 30% of their income) on housing. In fact, renters may be spending more on housing on a monthly basis than some homeowners. Based on input from local housing organizations, brokers, bankers and staff, this is due to a variety of reasons including poor credit, debt, unstable employment and a fixed rental market that drives up rental costs.

While not all residents will qualify to purchase a home, a ladder toward homeownership can be created to build a pool of qualified households over time. A three-prong approach would include:

- Financial counseling and credit repair for prospective homebuyers
- New homeownership training for those who do purchase homes
- Foreclosure prevention and financial counseling for existing homeowners so that they do not lose their homes

Building a pool of prospective buyers is important for another reason. In order for development pro forma to work to build affordable housing, lightly subsidized housing and market housing, there needs to be demonstrated demand for the units. Declining population dissuades both non-profit and for-profit developers from engaging in the complex development process if they do not believe there will be qualified purchasers of the housing product(s) they specialize in.

5.2 PRESERVE EXISTING HOUSING

Depopulation is a troubling concern in many Illinois and Midwest communities. Some cities are in fact reducing services due to declining tax base and population. Getting ahead of this curve is critical to prevent further decline and abandonment.

This starts with holding property owners accountable – both existing homeowners and landlords of rental housing. A “carrot and stick” approach is critical to both provide resources through the recommendations listed below such as home repair and rehab, as well as active code enforcement of existing property owners.

The City has recently engaged the Center for Community Progress (CCP) to develop code enforcement recommendations. CCP will look at a comprehensive set of policies to improve the City’s code enforcement process.

For example, a rental inspection program is recommended to be phased in. Due to the large number of rental properties, a rental registration program should be required for all owners of rental properties, along with contact information posted on the property. The City should consider pursuing a rental inspection program at a regular interval based on number of violations and at unit turnover and monitor compliance through the water bill and utilities to the property.

In order to preserve existing rental housing, the City should consider creating a life safety and emergency repair program for rental properties targeted toward small and locally-owned landlords. The loans would be no higher than \$45,000 per unit and be structured as a five-year forgivable loan, secured by a lien on the property.

In addition, a vacancy and foreclosure registry is recommended to provide accountability to property owners. The ordinance would require property owners to notify the City of any vacancy of six months or more. Lenders would need to notify the City of any foreclosure actions taken against a given property.

5.3 DEFINE TARGET AREAS (SEE SECTION 8)

With over 29,000 residents and over 14,000 housing units, spreading the efforts across the entire city will have very limited impacts. Concentrated activities, on the other hand, is recommended in order to change the perception of the area, build momentum for change, and revive the housing market in targeted areas. Public resources should be used to encourage private investment, e.g. a homeowner down the block that sees homes being rehabbed and then decides to replace their windows, repair the roof or install new landscaping.

The goal is to move from a declining cycle of disinvestment to an improving cycle of private investment.

In defining these target areas, it is recommended to not only look at housing needs, but local assets. Asset Based Community Development (ABCD) is a long-standing approach that can be used to build community capacity and resiliency. Thus, factors such as need are important (income eligibility, concentration of abandoned properties) but also local strengths and potential allies such as an involved Block Club, local parks, non-profit organizations, and schools. These are areas in which can be rebuilt through cooperative activities, providing ready partners to the City and CILBA in their housing related activities.

This effort can coordinate with a new Great Streets program that the City is launching that will involve neighborhood associations and businesses along key corridors.

The City should consider supporting Quality of Life Plans for target areas to focus on building partnerships and clear responsibilities among the City and partner organizations and non-profit organizations.

5.4 CREATE A HOME REPAIR AND MODERATE REHABILITATION PROGRAM FOR HOMEOWNERS

A strategic home repair and rehab program is a critical need for the City of Decatur. The program can achieve multiple objectives including stabilizing homes, providing forgivable loans to households who would otherwise not be able to afford critical repairs, and ultimately, to reduce abandonment of homes by intervening as early as possible.'

This model is based on the premise that it is much more efficient and less costly to the City to invest in homeowners ***before a property begins to quickly deteriorate***. By making needed repairs early on, the City can preserve homeownership and community wealth, rather than allow for the deterioration of properties that leads eventually to vacancy and

abandonment. The loss of tax base, the cost of demolition, and the cost of replacement housing would be far higher than intervening early to preserve existing homes.

It is recommended to focus the repair and rehab program in target areas and expand outward to additional areas once success is achieved. The program should partner with a housing counseling agency to both qualify for the program (e.g. if they have outstanding water bills or liens that need to be addressed to qualify) as well as provide on-going financial counseling for homeowners. There may be other wraparound services such as workforce training and referrals so that the income base of the household rises over time.

The program can be structured as a forgivable loan, such as a five-year zero-percent loan in which 20% is forgivable each year. If the house is resold, the outstanding balance would be due and paid out of proceeds of the sale. This structure provides an investment in the City's housing stock to rebuild equity and restore home prices. This also supports long-term homeownership by providing more livable housing that will build household equity.

5.5 CREATE AN ABANDONMENT TO REHAB PROGRAM

CILBA's Abandonment to Rehab Program will collaborate with the City of Decatur to identify abandoned properties that can be saved, rehab the home to code standards and sell to first time homebuyers. The goal of this program is to keep properties on the tax rolls that may likely become demolitions candidates in the next five years with no intervention, strengthen neighborhoods one block at a time with strategic rehabs, and provide homeownership opportunities to low- and moderate-income residents that want to purchase their first home.

This model is based in part on a successful program administered by Community Partners for Affordable Housing (CPAH) in suburban Chicago that funded the difference between rehab expenses and projected home value. If the abandoned home can be acquired from the City of Decatur or County Trustee, CILBA can match the property to contractors who would rehab the project. If the project costs \$100,000 and the market value of the appraised home after renovation would be \$50,000, the grant would cover the difference between rehab costs and market value. If successful, the grant amount would be reduced over time as market values increase.

This strategy also would benefit from building a pool of qualified homeowners as outlined in the first recommendation. It is recommended that the City of Decatur invest in this program by considering an allocation of \$500,000 of American Recovery Plan Act (ARPA) funds, providing seed capital to begin the program.

5.6 ASSEMBLE LAND FOR NEW DEVELOPMENT

The City of Decatur has been proactive in acquiring land from the County and other sources to pursue redevelopment projects. The City or partner organization can assist in this effort by acquiring, assembling strategic blocks and holding for an appropriate development, such as to fill the critical need for affordable multi-family housing, such as a LIHTC project. Other projects could include commercial development, institutional development and/or senior housing. The City should ensure that a well-qualified development and property management team is assembled who will provide high quality product and long-term well-maintained properties that bring investment into Decatur's neighborhoods.

5.7 COORDINATE WITH DAY CARE, WORKFORCE TRAINING AND TRANSPORTATION

As discussed above, Asset Based Community Development (ABCD) is built on the premise of strong partnerships that address a comprehensive community development approach. By making connections to local and regional organizations that provide critical services, the full picture of households can be addressed. These efforts build community resilience, so when an external shock hits an area (like the recent Pandemic and economic repercussions), the network of organizations is available to respond and address critical needs. Based on conversations with **Continuum of Care**, property managers and housing organizations, three critical needs are access to high-quality and convenient day care, workforce/employment training and transportation. Each of these should be addressed through partnerships focused on the target neighborhoods where the housing investments are being made.

5.8 SEEK OUT PLACEMAKING OPPORTUNITIES TO BUILD NEIGHBORHOOD PRIDE AND SAFETY (SEE SECTION 7)

Placemaking is the art of creating interactive public places – whether they are parks, plazas, community gardens, outdoor art installations, farmers markets, etc. Well-designed places build neighborhood safety by getting “eyes on the street” and having locations that neighbors can take pride in creating.

Early action projects can involve the community in the design process – whether it is designing a playground, garden or plaza. Placemaking can involve both lower-cost efforts to get the community involved, such as creating a community garden, to permanent - locations that offer a place for neighbors to gather to offer events and activities.

6 PLACEMAKING IDEAS





West Bloomington Revitalization Project - www.westbloomington.org

Starting out as a neighborhood quality of life plan, the steering committee incorporated after the planning process into the West Bloomington Revitalization Project. Their first project was a community garden that has since expanded. They also provide a range of services



**Art & Street
Beautification**

Murals



**Business & Economic
Development**



**Healthy Eating
Program**

Food and Gardening



Tool Library

Tools & Housing



Workshop Space

Tools & Housing



Bed Blitz

Tools & Housing



Bike Co-op

Bikes & Transportation



**Book Bike
Little Free Library**



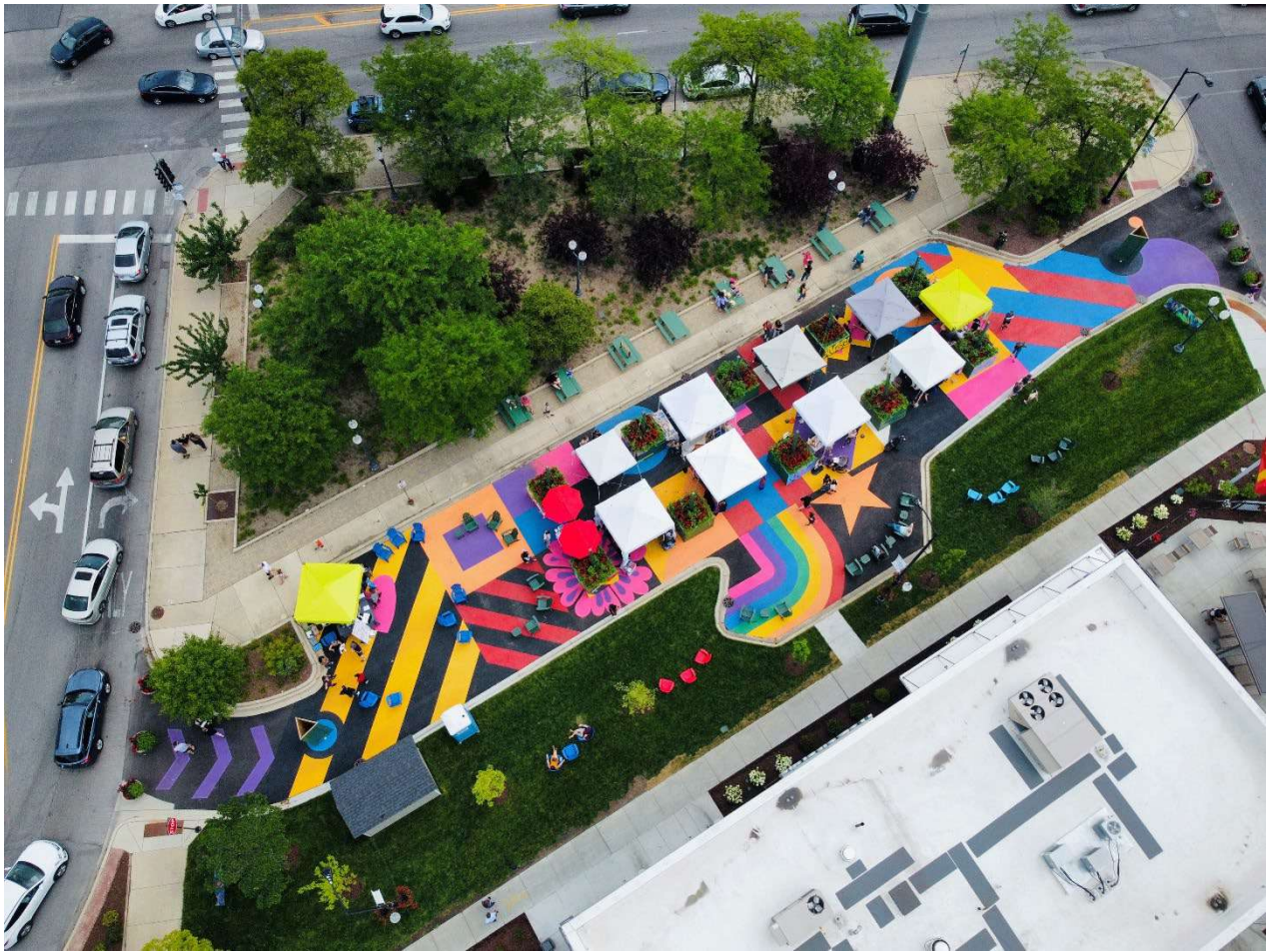
Barbers with Books

Books & Learning

Lincoln Square, Chicago

Working with a chamber of commerce on a master plan to support local businesses, one of the recommendations was to reclaim an underutilized public way. Sparked by the neighboring McDonalds seeking a permit to rebuild, the City of Chicago worked with the Chamber to design a placemaking intervention to create a special place for a wide range of event and local arts. Ainslie Arts Plaza was designed, built and opened all during the past 12 months.





7 DEFINING TARGET AREAS

As shown in the maps that follow, there is a concentration of housing abandonment, tax foreclosures and demolitions in certain areas of the City of Decatur.

A variety of strategies can be pursued to make a difference in housing values and productive use of space on a block-by-block basis. For example, in Zone 1 shown below, there are opportunities to encourage adjacent property owners to take on vacant neighboring lots, and for CILBA to pursue abandonment and rehabilitation of properties that have fallen into disrepair. For example, the figures below show examples of targeting specific properties for reuse, such as low-cost vacant lot purchase, a small community gardens. A nearby property such as 1920 N Edward St has no water service, has gone to two consecutive tax lien sales, and boarded up windows. This property is an excellent example of an opportunity to pursue both acquisition and disposition strategies. CILBA can go to court to get the property officially designated abandoned, wiping out back taxes and removing it from the tax lien sale system. Then, either through the outsource or partnership models, it can subsidize whatever the rehabilitation needs for the unit are and put this underutilized property back into productive use.

In Zone 2, there are properties with both water shut offs and two consecutive years at tax sale. These are the properties that would be considered for abandonment acquisition and potential reuse strategies. On the Northwest and Southwest of the study area shown there are parcels that are vacant and city owned that could potentially be assembled for a small developer if there was interest in investing in the area. There are many more vacant parcels that are not owned by the City of Decatur that the City or land bank can monitor over time.

Figure 8-1: City of Decatur Vacant and City-Owned Land and Tax Liens Sold

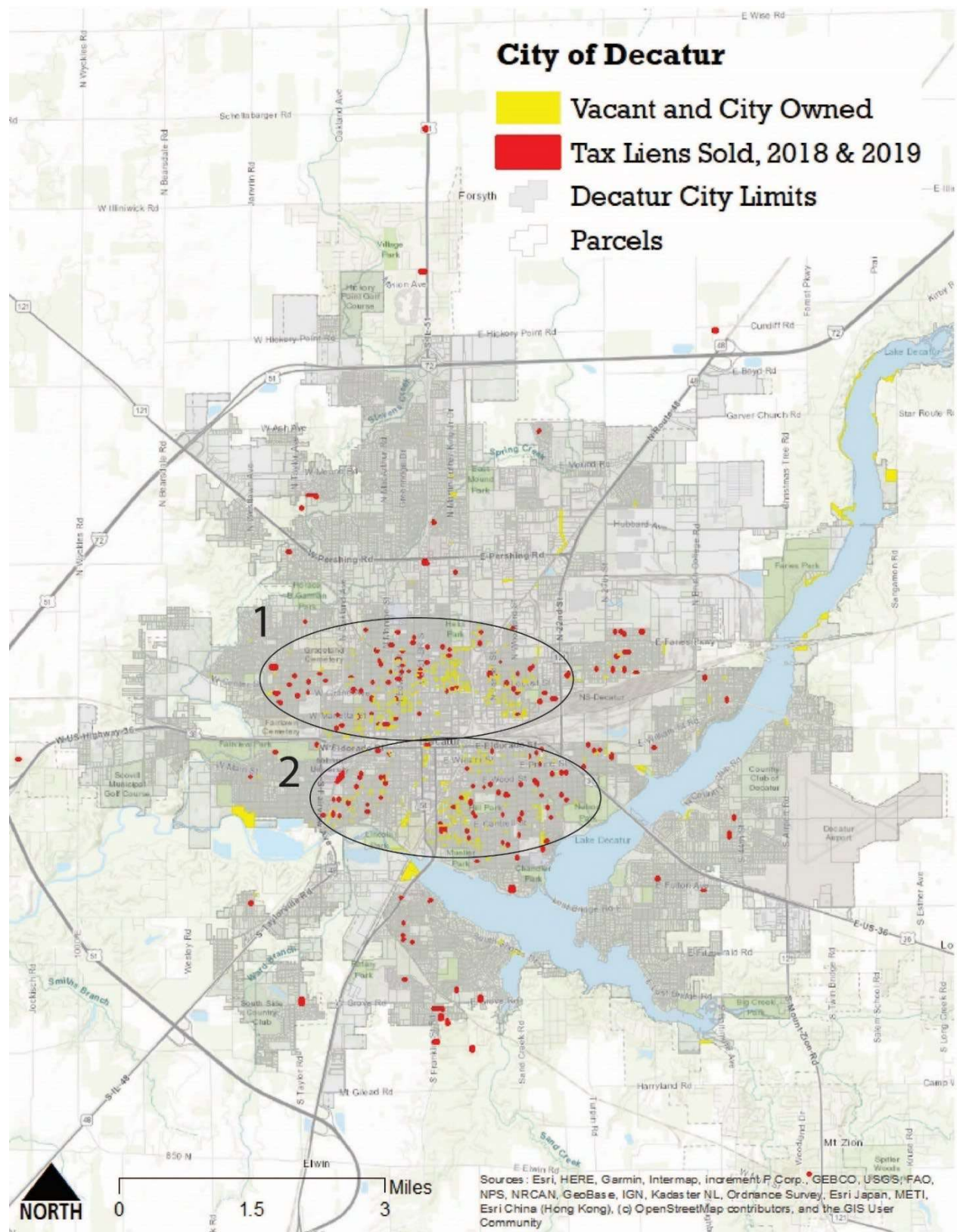


Figure 8-2: City of Decatur Zone 1 Example

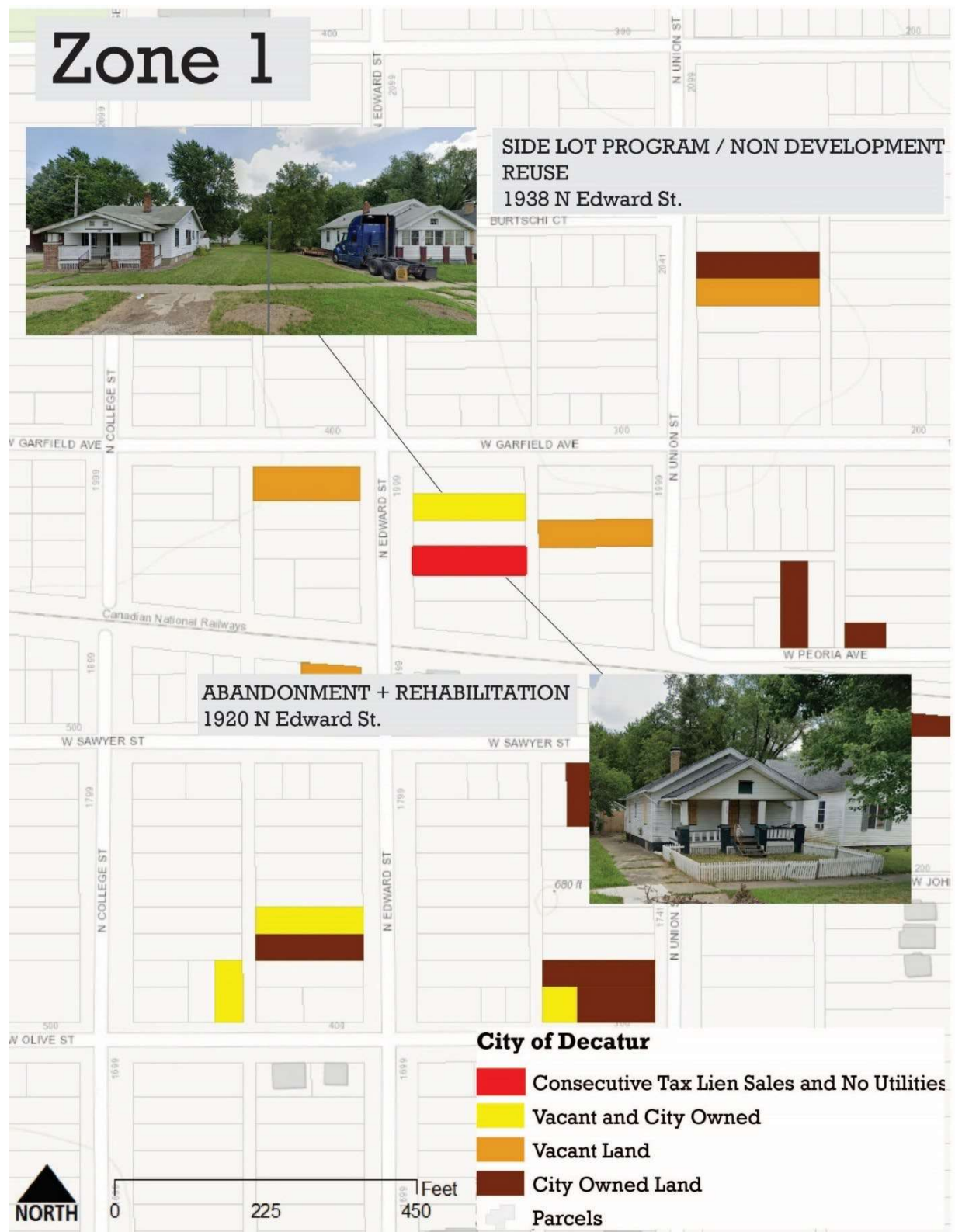
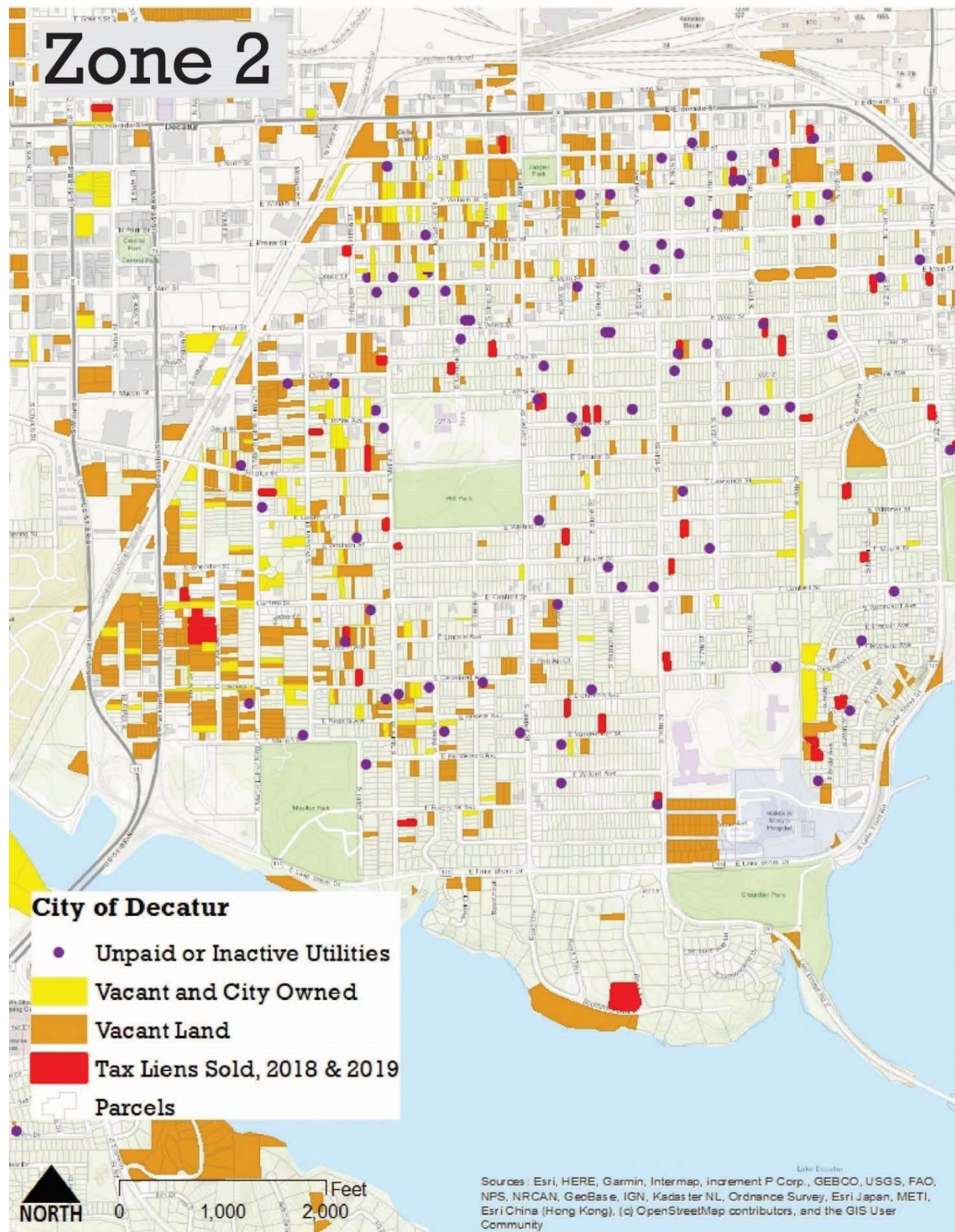


Figure 2.3: City of Decatur Zone 2 Example





SUBJECT: Neighborhood Revitalization Recommendations

ATTACHMENTS:

Description	Type
Housing Initiatives - Presentation Outline	Backup Material

City of Decatur Neighborhood Revitalization Study Session (Housing Initiatives)

Presented by: Economic and Community Development Department

This is a background document for the April 11 study session, and tracks with the power point presentation that will be used by staff at the meeting.

Framing the Discussion (Key legs of housing initiatives)

- Demolition
- Code Enforcement
- Rehabilitation
- Catalyst Projects and Placemaking

Key Principles – Housing initiatives and resource allocation recommendations are generally based on some of the following principles:

- Target neighborhoods should be selected BOTH on a basis of statistical blight indicators AND where neighborhoods (or sections of neighborhoods) should remain residential (as opposed to being eventually repurposed)
- The city will use its 2019 baseline data (or a modified version of it) and update the data base every three years to quantify progress toward the city's neighborhood revitalization objectives
- In the short-term, residential rehabilitation will be a more cost-effective strategy for providing more affordable housing in Decatur than new construction projects
- The city should not financially support rehabilitation of structures that are likely to be demolished in 5 to 10 years
- Government subsidy of residential rehabilitation will be required until trend lines for fair market values meet trend lines for acquisition/rehabilitation costs
- The types of rehabilitation and repair needed in Decatur vary greatly; consequently, there should be different types of assistance programs anticipating these different needs
- To best achieve the city's objectives, the City and community leaders should establish community partnerships with CDCs, businesses and non-profits wherever possible

Success Stories – The city has already approved a contract for housing rehabilitation with the Central Illinois Land Bank Authority (CILBA) and is negotiating others. It is also continuing with CDBG rehabilitation investments. Before and after pictures of homes that have been revitalized, or that have been demolished, and others that are now back in productive use, are illustrated in the power point to be displayed at the study session. These initiatives and pictures are just the tip of the iceberg as it relates to the housing rehabilitation challenges the community faces; but the “take away” is this: the city is developing the ability to foster real change, and will continue to do so if it uses the right tools.

Neighborhood Blight Scores – In 2019, city staff developed baseline data for target areas, comprising nearly a third of all residential structures in Decatur. This data scored EAV, crime, condition of structures, vacancy (no use), and degree of owner-occupancy. The City Council's subsequent selection of target areas was driven by this data. As the staff has continued to track these data points, it has become clear that the city should put a boundary (of additional resource investment) around the central core to contain the spread of vacant, abandoned and deteriorated properties, or the distress will continue to spread.

Demolition – Additional recommendations will be brought to the City Council later in the year based, in part, on the recommendations of the Center for Community Progress (CCP). Those recommendations will include ideas to streamline efforts to mitigate the harms imposed by vacant properties, which may include strategies to prioritize and improve our ability to demolish dangerous structures in a more timely and efficient way. The report may also touch on how to address dangerous conditions on vacant lots, including publicly owned vacant lots (e.g. MCT-owned), nuisance abatement processes, use of liens and foreclosure, and other tactics to address vacant properties. In conjunction with this report, staff will also outline ways to achieve another City Council objective as it concerns demolitions—providing a dedicated revenue source for an aggressive level of demolitions after ARP is exhausted, but funding ideas are not a part of the April 11 study session.

Code Enforcement - The City of Decatur is also partnering with Center for Community Progress to assess the systemic legal, policy, and operational challenges that impact the City of Decatur’s ability to address vacant, abandoned and substandard properties through housing and building code enforcement. The Center for Community Progress will offer observations and recommendations for how the City’s approach to code enforcement, when working in tandem with key City departments (neighborhood revitalization requires the entire organization) and local stakeholders with shared goals, can play a critical, more equitable, and more effective role in helping to alleviate the harms imposed by problem properties on homeowners, tenants, and neighbors in Decatur. The mission of Center for Community Progress is to foster strong, equitable communities where vacant, abandoned, and deteriorated (VAD) properties are transformed into assets for neighbors and neighborhoods. The timeline for this project is as follow:

- Task #1: Code Enforcement Research, Preparation, and Project Administration (Completed)
- Task #2: Site visit to interview City and Community Stakeholders (Completed)
- Task #3: Draft Final Report (Due May 2022)
- Task #4: Present Findings and Deliver Final Report to City officials, Local Stakeholders and City Council (July 2022)

Also, we will briefly discuss the need to reimagine how we do code enforcement from a policy perspective, this may include process changes as it relates to enhancing our ability to work with and educate property owners, prioritize our responses to the range of issues we face, and assessing how we approach and enforce penalties more strategically. Reimagining code enforcement also includes understanding how new tools may improve our ability to respond to problem properties, which could include tools to help monitor, track, and hold owners of vacant properties more accountable (for example, a distressed/vacant property registration ordinance (VPRO)); tools to better address or approach nuisances like a chronic nuisance ordinance; and a rental licensing and inspection ordinance. Many of these types of tools are used widely in communities across the country to address specific similar challenges that communities have in trying to advance neighborhood revitalization goals. While it is not clear exactly which tools Community Progress will recommend, new and more effective tools and approaches could help Decatur better target problem properties that currently consume a significant amount of time and resources and which have a disproportionate impact on our

neighborhoods. We will not do a deep dive into these policy initiatives on April 11; these will come after the City has had the opportunity to review the CCP report. Their recommendations, however, will be used to inform policy changes, which will include ordinance changes, to make our code enforcement approach and policies operationally effective and thereby better address vacant, abandoned and substandard properties.

Rehabilitation/Repair: Restore Housing Stock – In this section of the study session, staff will make specific recommendations, based on the housing analysis completed by Teska, describing how we should utilize American Rescue Plan Act (ARPA) funds to address some of the housing challenges we have here in Decatur.

- **Recommendation #1:** Launch an owner-occupied rehab program that is targeted in the central core of the city, to include neighborhoods that we will discuss during the neighborhood blight scores discussion and not just the defined neighborhood revitalization target areas. The operations of the program will be a targeted lottery system, meaning home-owners that are within the target area will have a window to apply for the program (there may be several rounds depending on demand) and then selected through a lottery for the rehab services. There will be a cap on the amount of public subsidy; the owner/applicant will have to live in the house for at least 5 years to have the loan converted to a grant; and the house must be judged as eligible based on other criteria. The program objectives include:
 - Remove unhealthy or hazardous housing conditions in low and moderate income neighborhoods.
 - Encourage homeowners in low and moderate income neighborhoods to improve their homes and community.
 - Revitalize and preserve the existing housing stock.
 - Reduce utility costs of low and moderate income families.
 - Preserve and increase the property values in low and moderate income neighborhoods.
 - Create sustainable mixed-income neighborhoods in the urban core.
- **Recommendation #2:** Investment in personal capital by partnering with Land of Lincoln Credit Union to manage a revolving loan for a Home Improvement Fund and Contractor's Loan Fund. The Home Improvement Fund will provide access to capital for landlords, which in many cases, are unable to get a traditional loan for home improvements due to the value of the home (asset) being less than the loan amount needed for rehabilitation.

The Contractor's Loan Fund will provide access to capital for small contractors that may not have the cash flow for payroll, materials, supplies, transportation, lodging, etc., to take on the owner-occupied rehabilitation program. This will help small contractors build personal credit and build their capacity as a business, which is critical to the success of our housing initiatives.

Also, staff will partner with a local entity to provide in-person property maintenance training to all homeowners that participate in the owner-occupied rehab program. The training will be mandatory for those receiving grant funds through the owner-occupied rehab program and available to those that are aspiring to be homeowners, new homebuyers, and existing homeowners that may not be participating in the owner-occupied program. Thanks to the

generosity of Land of Lincoln Credit Union, the property maintenance training will be provided at no cost.

- Recommendation #3: Partner with Community Investment Corporation of Decatur (CICD) and [Justine PETERSEN](#) (JP), who are HUD approved counseling agencies to expand financial housing counseling and credit repair/building. Justine PETERSEN is a Community Development Finance Institution and their mission is to “connect institutional resources with the needs of low-moderate income individuals and families, helping them build assets and create enduring change – not just for each individual or family that we assist, but the community as a whole.” JP will assist and help build CICD’s capacity in program coordination, credit building counseling, office infrastructure for processing loan applications, underwriting loans, funding loans, leveraging additional capital investments and providing overall technical assistance over the next two years. JP and CICD will provide homeownership training for new and aspiring homebuyers and provide foreclosure prevention services for existing homeowners.

The city will also discuss partnering with Justine PETERSEN and Community Investment Corporation of Decatur to launch a “[700 Credit Score City Initiative](#).” This is a concept that has been tried and proven across the country. This initiative helps bring the investment in brick and mortar (housing) into alignment with investing in people. Credit scores are a major determining factor of what type of access and opportunities individuals have in changing the trajectory of their lives and family.

- Recommendation #4: Launch a small housing repair program in partnership with Northeast Community Fund. Northeast has a current pipeline of individuals that are in need of small minor repairs to their homes and consistently gets request from clients for this purpose. This also gives individuals that may have small repair housing violations an opportunity to correct those issues without further putting them into debt. The property maintenance training will be mandatory for those receiving grant funds through the small repair program at no cost. The small housing repair program should be targeted in the central core of the city, to include neighborhoods that we will discuss during the neighborhood blight scores discussion and not just the defined neighborhood revitalization target areas.
- Recommendation #5: – City of Decatur will partner with the Decatur Building and Construction Trades and Workforce Investment Solutions by providing abandoned properties through our current partnership with the Central Illinois Land Bank Authority, abandonment to rehab program as an opportunity for their students through the “Youth to Career Pathways Initiative” to learn hand-on skills. This will help build additional capacity in the City of Decatur in the building trades to keep pace with the demand needed for the owner-occupied rehabilitation program, small repair program and the abandonment to rehabilitation program. After a property has been identified and acquired by the City, the property will be transferred to CILBA. They will be responsible for all liability on the property, providing cost of repair estimates, procuring properties for rehabilitation (including through the “Youth to Career Pathways Initiative”), marketing the property for homeownership opportunities, partnering with local stakeholders (Banks, credit unions, employers, CICD, workforce partners, etc.) to create a pipeline of homebuyers and closing on the property. The proceeds from the sale of the property will be recycled back into the program to be used for other rehabilitation projects.

Catalyst Projects and Placemaking – In this section of the study session, staff will make specific recommendations, based on the housing analysis, opportunities to invest in catalyst projects in targeted neighborhoods, reuse vacant properties into neighborhood assets (placemaking), and the partners that we should be engaging in these efforts.

- **Recommendation #6:** Conduct a Brownfields-funded assessment of contaminated (and partially contaminated) sites in Decatur. This will aid investment in catalyst projects in targeted neighborhoods through acquisitions, donations, code enforcement or other means that will lead to the ownership of property. The Economic and Community Development Department is seeking \$500,000 in U.S. Environmental Protection Agency (EPA) Brownfields Assessment Grant funding to address brownfields or perceived brownfield properties and blight. The City of Decatur has compiled an initial Brownfield Inventory, identifying 114 sites ranging in size from former foundries of over 100 acres and former corner gas stations. It is critical that we begin to think strategically about opportunities for catalyst projects in targeted neighborhoods where there are environmental barriers to achieve the council's objectives.
- **Recommendation #7:** If approved by Illinois Housing Development Authority, enter into a redevelopment agreement to repurpose Garfield School (1077 W. Grand Ave). The City is currently pursuing tax credits from the Illinois Housing Development Authority for the repurposing of Garfield School. Currently, the City is master planning an overall campus style redevelopment to be completed in a series of highly coordinated phases. One of the primary overall goals is to include the creation of high-quality residential uses intended to grow the population of the area and support nearby businesses by adding to the "purchasing power" in the Neighborhood United neighborhood. The second overall goal will be for later phases to take on a mixed-use development style and, once there are additional roof tops at this location, we will seek to create new neighborhood commercial spaces on the site.
- **Recommendation #8:** On selected corridors in the urban core, deploy the principles of "Great Streets" to incentivize catalyst projects and improve placemaking. The city is releasing a request for proposals (RFP) to hire a consultant for this purpose, beginning with the Jasper Street corridor. Great Streets advances beautification and community-based economic development and quality of life improvements, by focusing on property re-purposing, beautification, infill development, and non-motorized transportation options on major road corridors where the historic emphasis on providing a high level-service to automobile traffic has proved to have a negative impact of neighborhood-scale access, mobility, aesthetics, livability, and economic health. Proposals are due April 22nd and project completion is summer 2023.

The Great Streets Principles are as follow:

- Great Streets are great places
- Great Streets integrate land use and transportation planning
- Great Streets accommodate all users and all modes
- Great Streets are economically vibrant
- Great Streets are environmentally responsible
- Great Streets rely on current thinking
- Great Streets are measurable
- Great Streets develop collaboratively
- Great Streets can stimulate catalyst redevelopment

Legal Department

DATE: 4/7/2022

MEMO:

TO: Mayor Julie Moore Wolfe & Decatur City Council Members

FROM: Scot Wrighton, City Manager
Jon Kindseth, Deputy City Manager
Cordaryl Patrick, Director of Community Development

SUBJECT: Resolution Authorizing City Manager to Purchase Property Located at 805 East Johns Avenue, Decatur, IL

SUMMARY RECOMMENDATION: It is recommended that the resolution and purchase option be approved.

BACKGROUND: The City Council discussed this item in executive session in January, and authorized staff to proceed as described in the executive session. This acquisition will enable the city to expend funds on a facility for transitional living in accordance with HUD/ARP special grant requirements. This project is compatible with the city's neighborhood revitalization objectives in general, and its goals for the Johns Hill neighborhood in particular.

ATTACHMENTS:

Description	Type
Memo	Cover Memo
Resolution Authorizing City Manager to Purchase Property Located at 805 East Johns Avenue, Decatur, IL	Resolution Letter
Continuum of Care Letter	Backup Material

ECONOMIC AND COMMUNITY DEVELOPMENT MEMORANDUM
No. 22-15

DATE: April 11, 2022

TO: Honorable Mayor Julie Moore Wolfe and City Council

FROM: Scot Wrighton, City Manager
Jon Kindseth, Deputy City Manager
Cordaryl “Pat” Patrick, Director of Economic & Community Development

SUBJECT: Resolution Authorizing the City Manager to Purchase Property located at 805 East Johns Avenue in Decatur

SUMMARY RECOMMENDATION: Staff recommends approval of a Resolution authorizing the purchase of 805 Johns Avenue, Decatur.

BACKGROUND: In the spring of 2021, the City was notified that the City had been allocated \$1,497,384 under HOME-ARP. The City historically has received both CDBG and HOME funds, but this additional allocation came out of the American Rescue Plan with a specific purpose of addressing homelessness.

The funds can be used for production or preservation of affordable housing, tenant-based rental assistance, supportive services, or development of shelters for homelessness. HUD recommends that communities engage their Continuum of Care (CoC) service providers to advise and guide the City on how to best locally allocate these new resources.

Over the past six months, City staff has met with our CoC to gather this input and support for making a meaningful impact in addressing the needs of homelessness in Decatur and Macon County. The consensus of the CoC was additional housing options were needed for permanent supportive housing for single adults along with temporary housing for families with children. Their request demonstrated to staff that the capital needs of acquiring and rehabilitating new housing was the greatest immediate need for our local service providers.

To this end staff has evaluated a number of multifamily properties around the City and has settled on the recommendation of 805 Johns Avenue, as the one best fitted to the grant requirements, and best matching local needs. City staff and Dove representatives have toured the facility and believe this property is the right one for investments with the HOME-ARP allocation. The property is the ideal size and is in good current condition to make for a cost effective rehabilitation project that meets the stated needs of the CoC.

Staff has also solicited and received the support of the host neighborhood association, SIA for this project and intended use. The City has negotiated and secured an option to purchase this property for \$190,000. With Council's authorization, the City would acquire and transfer title to Dove, Inc. After acquisition of the facility, Dove and CoC would secure the services of an architect to identify plans for the rehabilitation of the property.

Dove along with many other service providers would operate and provide supportive services that rightfully should go along with an effective supportive housing project.

POTENTIAL OBJECTION: There are no known objectors among the CoC for this proposed project.

INPUT FROM OTHER SOURCES: Continuum of Care of Macon County & Dove, Inc.

STAFF REFERENCE: Any additional questions may be directed to Jon Kindseth or Cordaryl “Pat” Patrick.

BUDGET/TIME IMPLICATIONS: Total project estimated between \$500K -\$1M of the HOME-ARP allocation for this purpose.

RESOLUTION NO. R2022-_____

**RESOLUTION AUTHORIZING CITY MANAGER
TO PURCHASE PROPERTY LOCATED AT
-805 EAST JOHNS AVENUE, DECATUR, ILLINOIS-**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR,
ILLINOIS:

WHEREAS, the City of Decatur, IL has an interest in neighborhood revitalization; and,

WHEREAS, the City of Decatur, IL has an Option to purchase the property located at
805 E. Johns Avenue, Decatur, IL; and,

WHEREAS, the City desires to exercise the Option so as to promote neighborhood
revitalization.

NOW THEREFORE; BE IT RESOLVED:

Section 1. That the City Manager is authorized to exercise the Option on 805 E. Johns
Avenue, Decatur, IL.

Section 2. That the City Manager is authorized to purchase the property located at 805 E.
Johns Avenue, Decatur, IL for an amount not to exceed One Hundred Ninety Thousand Dollars
(\$190,000).

PRESENTED and ADOPTED this _____ day of _____, 2022.

JULIE MOORE WOLFE, MAYOR

Attest:

CITY CLERK

Governing Board

Continuum of Care

A consortium of agencies serving the homeless population in the Macon County Area.

January 25, 2021

Mr. Cordaryl "Pat" Patrick
Community Development Director
City of Decatur
One Gary K. Anderson Plaza
Decatur, IL 62523

Dear Mr. Cordaryl "Pat" Patrick,

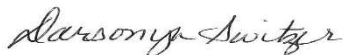
On November 19, 2021, the Macon County Continuum of Care (CoC) Governing Board met with you, as arranged by the CoC's governing board member Richelle Dunbar. During the meeting, the CoC governing board members, representing over 20 agencies, shared their perspectives regarding homelessness in Decatur. Each agency representative provided input and discussed gaps/needs from varying viewpoints. These gaps/needs included lack of housing and services appropriate for those experiencing homelessness in Decatur.

During the January 21, 2022, CoC Governing Board meeting, the board approved presenting the City of Decatur a formal recommendation for the HOME ARP funding allocation to be used to assist with ending homelessness in Decatur. The board formally recommends that the City of Decatur consider allocating funding to address the lack of permanent supportive housing (PSH) for single adult households and temporary housing for families with children. Additionally, the board recommends the City of Decatur considers utilizing funding to address the lack of employment training opportunities specific to adults experiencing homelessness.

As evidenced by the CoC's annual point-in-time count, coordinated entry, homeless management information system (homeless data tracking system) and other provider data, the largest demographic experiencing homelessness in Decatur are single adults. The lack of sustainable housing and income, along with other barriers, significantly impacts the ability of this demographic to obtain and/or maintain housing. It is for these reasons that the CoC asks for consideration of these recommendations.

Please do not hesitate to contact me with any follow up questions.

Respectfully submitted,



Darsonya Switzer, Macon County Continuum of Care Chair

Enclosed: List of Macon County Continuum of Care Governing Board Members

Governing Board

Continuum of Care

A consortium of agencies serving the homeless population in the Macon County Area.

MACON COUNTY CONTINUUM OF CARE GOVERNING BOARD MEMBERS

The Macon County Continuum of Care (CoC) Governing Board is a voluntary, unincorporated network of stakeholders. It has been around since 1994, and its role is to oversee planning and coordination of all organizations that provide services and housing for people who are experiencing homelessness.

The CoC governing board is made up of the chief executives or their appointees of the organizations below. The CoC governing board also includes at least one person who is now or has experienced homelessness in the past seven years.

Dove, Inc. – Collaborative Applicant
Baby TALK
Child 1st
City of Decatur
Community Investment Corporation of Decatur (CICD)
Crossing Healthcare
Decatur Housing Authority (DHA)
Decatur Memorial Hospital (DMH)
Decatur Public Library (DPL)
Decatur Public Schools, District 61 (DPS 61)
Department of Children and Family Services (DCFS)
Empowerment Opportunity Center (EOC)
God's Shelter of Love (GSOL)
Good Samaritan Inn (GSI)
Heritage Behavioral Health Center (HBHC)
Homeless/Formerly Homeless Representative
HSHS St. Mary's Hospital (SMH)
Land of Lincoln Legal Aid
Macon County Mental Health Board (MCMHB)
Northeast Community Fund (NECF)
The Salvation Army (TSA)
Water Street Mission (WSM)
Webster Cantrell Youth Advocacy (WCYA)
Workforce Investment Solutions (WIS)