

APAP FAQ

- **WHAT IS THE APAP PROGRAM?**

APAP is a program sponsored by the City of Chicago Heights to eliminate abandoned tax delinquent properties from residential neighborhoods by finding people or developers who are interested in acquiring ownership of an abandoned property in order to rehabilitate it.

- **HOW DOES THE PROGRAM WORK?**

Here is an example: let's say the house next door to you has been abandoned for a long time. No one takes care of it; the grass grows long, eventually it gets boarded up. You know its hurting the quality of life in your neighborhood and the value of your home. And you think, "If I could buy that, I could fix it up and sell it, or rent it, or move one of my children in. Typically, you can't even find the owner and if you do the delinquent property taxes outweigh the value of the home. So, you inquire about the APAP program with the City.

The APAP staff will do some preliminary research on the property for you, and as long as it isn't in a pending foreclosure or there doesn't exist a significant recent mortgage recorded against the property, it will probably be eligible for the program.

- **What happens then?**

The APAP staff will review the APAP application and agreements with you. You will be required to place a \$5,000 escrow fee when you submit the signed application. That fee will be placed in an escrow account only to be used in relation to your APAP account. The escrow fund will be used to fund the legal process that the City must initiate to acquire ownership of the property.

- **Do I have to hire a lawyer?**

No. The City is going to hire lawyers who will prosecute the case in the City's name to obtain ownership of the property.

- **Why don't I just hire a lawyer on my own to do that?**

Because Illinois laws give Cityies powers that individuals do not have. When the City takes ownership it is authorized to eliminate all the delinquent taxes, old mortgages, judgments or other liens against the property. An individual cannot do that. Consequently, when the City conveys ownership of the property to you, the title to the property will be completely clean and insurable.

- **How long does the legal process and all that take?**

Typically, it takes approximately nine months to complete the process. Sometimes the time frame is shorter. And, the COVID closures have caused some additional delays.



- **What happens once the City gets ownership?**

We'll let you know immediately to share the good news! We'll then process all the necessary paperwork to make sure the delinquent taxes are eliminated. That will take several more weeks. Once that is done we are ready for closing.

- **What else do I have to do at that point?**

It is important that you hire a lawyer to do your closing. You need to know you're protected. Advise of your lawyers name and telephone number and well do all the rest with him/her.

- **Are there any other expenses that I will encounter?**

Just the costs of closing: your attorney's fees, title insurance and a survey if you want one.

- **What happens after we close?**

The house is yours – congratulations! But, now you will have to begin the rehab process. So, your first step should be to put your project estimates together with your contractor and make an appointment to meet with the City's Code Enforcement Department Director, Mr. Miller, to review your plans and prepare for your building permits. City Code also requires that a repair escrow equal to 10% of the project cost be posted to ensure the completion of the project. But, that will be refunded to you when you're done.

- **What if I want to cancel my application after the process has started? What happens to my APAP escrow?**

You can cancel anytime you wish. The balance remaining in your escrow fund will be refunded to you. The escrow that has already been spent will not be refunded.

- **Is there a list of eligible homes available?**

Not yet – but were working on it. When driving through the City's neighborhoods, you will from time to time notice homes that are boarded up with black plywood. These are typically homes that would qualify for the APAP program.

- **How much does it cost to buy the home I applied for?**

The ultimate sales price will be the balance of your APAP escrow fund. So, if we have expended all of your escrow on legal fees, the sales price will be \$1; If we have only spent \$4,000 of your escrow, the sale price will be \$1,000, etc...

- **Will I be updated on status of property during the process?**

We will definitely contact you if there is a significant development of any kind. Other than that, no. But, if you have a question feel free to call at any time. As stated above, the process can take nine



months. So, patience is a virtue.

- **How many APAP properties can I apply for?**

You apply for 2 at the submission of your initial application.

- **How much will it cost to fix the property?**

That is between you and your contractor. But we suggest you thoroughly research the issue before you commit.

- **When can I get into the property to see it?**

That depends. If the property has been boarded-up by the City, we will unboard it for an inspection. If it has not been boarded up, we cannot enter until we get an administrative search warrant issued by the judge as part of the legal process we file. So, if you wish to cancel your APAP application after you have seen the inside of the house, you can as indicated above.

- **When can I move into the property?**

When your rehab project is done and the Code Enforcement Department has issued an occupancy certificate.

- **Am I responsible for any liens the City of Chicago Heights put against the property?**

City Liens will be eliminated as part of the APAP agreement. You will receive a clean title.

- **Is there any risk of not getting the deed after my escrow has been spent?**

There is a degree of risk involved in the program, as a judge, and not the City, will make the final decision whether to grant the deed, and there are legal reasons he could deny our request, such as a mortgage company coming in to defend its interest in the property. However, if someone were to come in to defend against our action, it likely would occur early in the process, and we would immediately dismiss our action so we wouldn't needlessly be spending any more of your escrow. That being said – it has never happened.