



Abandoned Property Acquisition Program

Please send completed application and escrow payment to:
Chicago Heights Economic Development Corporation, 365 W. 14th Street, Chicago Heights, IL 60411
Please make checks/money orders payable to: City of Chicago Heights

Basic Information:

Applicant Name: _____

Company/Organization (if applicable): _____

Mailing Address: _____
Address, City, State, Zip Code

Email: _____

Phone Number: (____) _____-____

Prospective Property Information:

Which property are you interested in purchasing?

Address: _____

PIN #: _____

Project Costs:

Please indicate how much you would be willing to pay for the property.

- Purchase Offer: _____

Please indicate the time you expect will be required to complete the project and the estimated repair price.

- Duration of Project: _____
- Estimated Repair Price: _____

Proposed Use:

Please check all that apply:

- ☐ Green Space ☐ Structure Rehabilitation ☐ Site Development (Fence, driveway, deck, garage, etc...)

I intend to: ☐ Reside in the property once owned. ☐ Rent property once owned. ☐ Sell property once owned.

☐ Other (Please describe): _____

Applicant History:

Does the applicant have an ownership interest in any real property within the City of Chicago Heights? ☐ Yes ☐ No

If yes, please list property parcel information below.

Address: _____

PIN #: _____

If yes, please list the address of each additional piece of real property below that the applicant has an ownership interest in within the City of Chicago Heights, and indicate whether that property is owned by you as an Individual, or as a member, partner, principal of an LLC, Corporation, Partnership or other entity. If needed, please attach additional pages.

Are there any open code violations or delinquent taxes or water bills on any of the properties you currently own or have an ownership interest in?

☐ Yes ☐ No If yes, please explain below.

Please note: Application will be rejected for delinquent taxes or water bills, or open code violations without an adequate explanation.

Signature Line:

The applicant certifies to the truth of the matters contained in this application and agrees to provide any other documents upon request. The applicant further certifies they have read and understand the APAP Agreement.

Signature

Date

Print name

Narrative

Please describe your intended use for the subject property in as much detail as possible, including the dollar amount you intend to invest in the redevelopment of the property.

Please attach any plans, surveys or repair estimates to this application at time of submission.



CITY OF CHICAGO HEIGHTS

CORPORATION COUNSEL

THOMAS "TJ" SOMER

Mr. John Doe
123 Main Street
Chicago Heights, IL 60411.

Re: Chicago Heights Abandoned Property Acquisition Program (APAP)
Property Address: 999 Lovely Boulevard, Chicago Heights, IL

Dear Mr. Doe,

You have recently submitted an application to the City to acquire the above captioned abandoned property from the City through the City's APAP Program. As you know, the City does not own the property you wish to acquire. However, the APAP program does offer a process whereby the City will attempt to acquire the property for you through various legal mechanisms with the intention of conveying the property to you if and when the City acquires the deed to the property. The APAP program requires you to post an advance escrow with the City in the amount of \$5,000 to pay for legal expenses incurred in filing and prosecuting the lawsuit that will allow us to acquire the deed to the property. Typically, the entire process takes about 8-9 months to complete. At the conclusion the City should have ownership of the property with a title clear of encumbrances including delinquent taxes. We will then close on the sale of the property to you. The sales price will be the greater of the balance remaining in your escrow fund or \$1.00 if there is no balance remaining.

The APAP Program is designed for individuals or businesses that intend to rehabilitate the property for an intended end use such as personal occupancy, rental or sale. **APAP IS NOT intended for those who seek to get ownership and then quickly sell the property without first rehabilitating it.** In fact, the contract and Redevelopment Agreement that you will sign as part of the process strictly prohibit "flipping" the property. The contracts also provide for an immediate reversion of ownership to the City in the event a flip is attempted. **So, please do not submit an application for the program if "flipping is your intent!"**

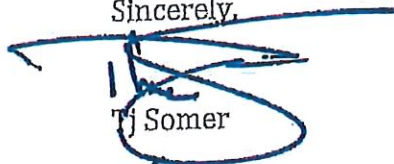
Enclosed is a copy of the APAP Program Agreement and Application for you to review. Please read it carefully and make sure you understand every aspect of the Agreement. If you are uncertain about anything, please take the document to an attorney for review. The Agreement does not guarantee that the City will be able to acquire the deed to the property simply because the City does not make the final decision on that issue. A

court or other government body makes that decision. The escrow you post will be used to pay for legal fees and other expenses the City incurs in trying to get title to the property as those fees and expenses come due. The City is usually successful in its efforts to acquire a deed. However, there may be occasions when the City's efforts are denied by the Court. So, understand that if the City's efforts to get the deed you seek are denied, you will neither get ownership of the property nor, a refund for your escrow funds that have already been spent.

If you wish to proceed with your APAP Program Application, please call the Economic Development Corporation at **708/821-0711** to make an appointment. At that time, you should be ready to return the enclosed Application, APAP Agreement and a check made payable to the "City of Chicago Heights" in the amount of \$5,000. The Economic Development staff will be available to answer all your questions.

We look forward to working with you to keep our neighborhoods clean and safe.

Sincerely,

A handwritten signature in blue ink, appearing to be "Tj Somer", with a large, stylized flourish extending to the left.

City of Chicago Heights
Abandoned Property Acquisition Program

PROPERTY ACQUISITION AND ESCROW AGREEMENT

WHEREAS, the City of Chicago Heights is a Home Rule Unit of government pursuant to the State of Illinois Constitution of 1970 and, thereby may promulgate any rule or regulation for the benefit of its citizens; and,

WHEREAS, _____ is the legal owner of record of the real estate located at _____, Chicago Heights, IL 60411, (hereinafter "*Subject Property*") PIN# _____ said property which is vacant and abandoned according to the City of Chicago Heights Vacant Property Ordinance; or, vacant and encumbered by numerous years of delinquent property taxes; or is vacant and has been unmaintained for an extended period thus resulting in it becoming encumbered by City liens; and, whereas, the Subject Property has become a blight upon the neighborhood and City; and, whereby all practical attempts to locate and contact the record owner have been futile; and,

WHEREAS, _____ (APAP Applicant's name) of _____ (address) has advised the City that he/she desires to acquire title to the Subject Property for the purpose of rehabilitating and redeveloping the subject property, and has presented a preliminary plan for said rehabilitation; or other reasons _____ (specify) and,

WHEREAS, such acquisition and rehabilitation would: eliminate the current blight being caused by the subject property, restore it to a useful purpose; generate employment opportunities; generate multiple revenues for the City; return the subject property to the active property tax roles; and, generally enhance the appearance, security and home values within the neighborhood of the Subject Property; and,

WHEREAS, the City is interested in Applicant's proposal and recognizes that the State of Illinois Compiled Statutes sets forth legal methods by which the City may acquire title to the subject property, including but not limited to: lien foreclosure, delinquent property tax purchases and abandoned property prosecution; and,

WHEREAS, the City is willing and able to initiate one of the above legal actions to acquire title to the subject property, but only on the assurance that the expenses associated in doing same are advanced by Applicant; and,

WHEREAS, Applicant is agreeable to advancing funds to be held in escrow by the used to pay for said acquisition expenses as they occur; and, any escrow balance remaining after acquisition is complete shall constitute the sales price of the property and shall be applied to such sales price, or if said escrow has been depleted such sales price shall be \$1.00; and, should legal expenses exceed said escrow balance, Applicant shall pay same to City upon demand; and,

WHEREAS, the Mayor and City Council believe that it is in the best interest of the City to enter into a Property Acquisition and Escrow Agreement with Applicant in order to eliminate the aforementioned blighted condition of the Subject property and to promote the general health and welfare of the Citizens of Chicago Heights and to allow the legal process to commence:

IT IS THEREFORE AGREED AS FOLLOWS:

1. That the above recitals are incorporated herein as though specifically set forth;
2. That Applicant hereby advises the City of his intention to have the City acquire ownership of the abandoned property located at _____, Chicago Heights, IL and Applicant makes this application for the purpose of purchasing the Subject Property from the City if and when the City acquires said Deed.
3. Applicant agrees to advance funds to be held in escrow by the City for the purpose of paying for expenses related to the acquisition of the Subject Property; The Parties agree that any escrow balance remaining after acquisition shall be applied to the purchase price of the subject property, or if said expenses exceed said escrow balance, Applicant shall pay same to City upon demand.
4. Applicant hereby agrees to tender to the City of Chicago Heights the sum of \$5,000 (*or as otherwise may be determined in the City's sole discretion*) to be held in escrow for the benefit of both parties and for the purpose of securing and making payments incurred by the City for acquisition expenses associated with the Subject Property. Applicant hereby authorizes the City to make payments from said escrow fund without further notice to Applicant as acquisition expense invoices come due. Such expenses shall include, but are not limited to: legal fees; filing fees; title insurance or search related fees; and, consultant fees.
5. Applicant acknowledges and agrees that the City can only acquire title and Deed to the Subject Property by prosecuting certain provisions of the State of Illinois Compiled Statutes, and that the City does not control the ultimate outcome of such prosecution. In other words, a court or other governmental agency presiding over the City's attempted acquisition of said Subject Property could

deny the City attempt to acquire such ownership and deed. In that event, the City could not acquire ownership and deed and therefore, the City would be unable to convey title and deed to Applicant.

6. Applicant understands the inherent legal risk in the process as set forth in paragraph 5 above, and for the good and valuable consideration set forth in this agreement, Applicant generally releases, holds harmless, indemnifies and will defend the City from any and all claims, actions, causes of action, responsibility or liability for any action or debt arising out of this agreement and the City's attempt to acquire title and deed to the subject property through a statutory process. Applicant especially releases the City from any and all claims for a refund of the money placed in escrow as set forth in this agreement other than that set forth in paragraph 3 above. Applicant understands and agrees that the escrow fund deposited is NON-Refundable to the extent said funds have been expended or expenses have been incurred that have not yet been paid.
7. The parties hereto further agree that the City is under no legal obligation to continue to attempt to acquire title to the subject property once the City's legal attempt to acquire is denied or if Applicant ceases to fund the escrow account after demand by the City.
8. In the event the City is successful in acquiring title to the Subject Property the City shall notify Applicant. Applicant shall then have seven days to advise the City in writing that he is ready to close on the purchase of the Subject Property. Should Applicant advise the City that he/she wishes to close, the City shall draft a Redevelopment Agreement and Purchase and Sale Agreement that will be presented to the City Council for approval. Once approved, said agreements shall be executed by the parties. Once the City has finalized the clearance of delinquent tax issues, tax buyer issues or other similar encumbrances the parties shall proceed to closing within 30 days or as otherwise may be agreed. Should Applicant fail to advise the City of his intentions within seven days of the City's notice, this agreement shall immediately terminate and the City shall be under no further obligation to Applicant.
9. The City's sole obligation to Applicant at closing is to issue a Quit-Claim deed to Applicant transferring to him/her the City's interest in the subject property. The City makes no representations, warranties or guarantees relative to the deed or chain of title or title exceptions or delinquent taxes relating to the Subject Property. The City shall incur no expenses in the closing. The cost of closing shall all be borne solely by Applicant, including costs customarily considered "sellers costs". The City will NOT provide title insurance, survey or a tax proration or proration of any kind. The City will not be required to clear title

exceptions. Applicant will be responsible for scheduling and obtaining City Code Department inspections and posting required repair escrows with Code Department. The sale of the Subject Property to Applicant is in an "as is" and "where is" condition.

10. Final sale price to Applicant shall be the balance remaining in the Applicant's escrow account after acquisition of the Deed by the City and same shall be reflected in the Purchase & Sale Agreement executed by the parties. Factors to be considered in determining the sales price shall include, but are not limited to: expenses incurred by the City, revenue unrealized by the City caused by the abandonment of the Subject Property, and condition of the Subject Property as compared to market value of similar properties in the vicinity.

AGREED AS OF THIS _____ DAY OF _____, 2020.

For Applicant:

Signature

Printed name & title

For City of Chicago Heights:

Signature

Printed name & title

ABANDONED PROPERTY ACQUISITION (APAP)
REHABILITATION AGREEMENT

The following information is being provided to ensure that you fully understand your obligations under City of Chicago Heights Abandoned Property Acquisition Program (APAP). The APAP guidelines will be enforced and we ask that you read this information carefully.

1. By participating in the APAP program you are guaranteeing the City that you have the financial funds available to complete the rehabilitation of the property and meet compliance with City Codes. Based on Code Enforcement data for the APAP program, the typical residential rehabilitation project costs between \$50,000 - \$90,000 depending on the condition of the property.
2. When you signed your APAP agreement, you paid the \$5,000 escrow fee for legal costs associated with securing title to the property. At that time, you were also asked to show a minimum proof of funds in the amount of \$50,000. Your signature on this document attests to your financial verification that those funds will be available to rehabilitate the property when you receive the deed. You will be required again, prior to closing, to show proof of these funds. Your failure to provide proof of these funds will result in a cancellation of your agreement with the City and forfeiture of the \$5,000 legal escrow fee that you initially posted.
3. The City will secure title and take ownership of the property during the APAP process. Prior to conveying the property to you and scheduling a closing, the Code Department will inspect the property to determine the estimated cost of the property rehabilitation. You will be required to post an amount equal to 10% of that estimate with the Code Department to secure the completion of the project. The construction escrow deposit will be returned to you when the project is complete, has passed inspection, and the property is in compliance with city code. Failure to post the construction escrow will result in no closing being scheduled and cancellation of the APAP agreement.
4. There are many aspects of the property rehabilitation that you can perform yourself. You **CANNOT** perform electric, HVAC, plumbing or roofing projects yourself. Those must be performed by a licensed electrician, HVAC, plumber or roofer. If you do not use licensed professionals for those projects you will not get an occupancy certificate and will forfeit your construction escrow deposit.

YOU MUST MEET THE FOLLOWING TIME FRAMES TO MAINTAIN COMPLIANCE UNDER APAP. IF YOU FAIL TO COMPLY WITH THESE TIME FRAMES, THE CITY WILL TAKE ACTION TO RECLAIM OWNERSHIP OF THE APAP PROPERTY:

- Within **two weeks (14 calendar days)** from the date of closing, you must complete outside clean-up of the property to remove weeds and any debris and secure the exterior of the property in compliance with city code;
- You must **meet with the Code Department within 30 days of closing** on the purchase of the property for review of the scope of work;
- You must apply for **building permits within 60 days of closing**;
- You must **complete the full scope of work for rehabilitation/construction within one year of closing**.

I hereby agree and acknowledge that I/(we) understand the above rules and agree to comply with all APAP program guidelines and time frames.

Applicant

Date

Applicant

Date

For the City of Chicago Heights:

Name/Title

Date