

# CILBA Housing Market Analysis and Feasibility Study



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# Introduction

Many Central Illinois communities have struggled with population loss and housing abandonment. As jobs have moved and population has eroded, the housing markets in many of these communities have suffered from declining values, limited investment, and vacant and abandoned properties. The Central Illinois Land Bank Authority (CILBA) has the potential, through strategic planning, investment, and direct intervention to stabilize and improve these housing markets and create new economic opportunities.

CILBA's mission is to assist member communities and forge partnerships with developers, end users and others that results in revitalized neighborhoods, increased property values, stabilized real estate markets and redevelopment of properties in Vermilion County, Champaign County and Decatur.

This Revitalization Strategy looks at two major areas in CILBA's service area: the City of Danville (as well as surrounding municipalities in Vermilion County) and the City of Decatur. These two cities will serve as "test beds" for CILBA's future revitalization work, to develop a strategic approach that will increase its effectiveness as a land bank and partner with local communities.

This study identifies strategies to make an impact in the target markets through:

1. Targeted Acquisition
2. Property Monitoring for Pursuing Abandonment
3. Marketing of Vacant Parcels
  - i. Establish and Promote Side Lot Programs
  - ii. Assemble and Sell Parcels for Development
  - iii. Identify Parcels for Non-Development Related Reuse
4. Rehabilitation of Existing Structures
  - i. Outsource Model
  - ii. Partnership Model
5. Expansion of Code Enforcement Activities
6. Expansion of Housing Counseling Services
7. Commercial and Institutional Development

# Demographic Summary

The following section summarizes key demographic data for Danville, Vermilion County, Decatur and Macon County. See Appendix 1 for more detailed information. While the study focuses on the City of Danville, Vermilion County and the City of Decatur, Macon County (where Decatur is located) data is also shown for comparison purposes.

Table 1: Demographic Summary

	Danville	Vermilion County	Decatur	Macon County
<b>2010 Population</b>	33,027	81,625	76,122	110,768
<b>2020 Population</b>	29,204	74,188	70,522	103,998
<b>% Change</b>	▼ 12%	▼ 10%	▼ 7%	▼ 6%
<b>2010 Households</b>	13,421	33,236	31,762	44,947
<b>2020 Households</b>	12,064	31,151	31,149	43,912
<b>% Change</b>	▼ 10%	▼ 6%	▼ 2%	▼ 2%
<b>Median Income</b>	\$36,172	\$46,515	\$42,701	\$50,480
<b>Poverty Rate</b>	29%	19%	24%	17%
<b>Unemployment (July '21)</b>	8.0%	7.0%	8.9%	8.1%

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

## a) Population

Danville and Decatur, both the largest cities in their respective counties, have seen a decrease in population since 2010 which has been confirmed in the 2020 U.S. Census.

- Danville's population decreased by **12%** between 2010 and 2020
- Vermilion County's population decreased by **10%** between 2010 and 2020
- Decatur's population decreased by **7%** between 2010 and 2020

## b) Race and Ethnicity

In general, the focus area cities of Danville and Decatur are more racially diverse than the counties in which they are located. Danville is the most racially diverse focus area, with 62% of residents identifying as White Alone and 33% identifying as Black or African American Alone. Between 88% and 98% of residents identify as White Alone in the smaller Vermilion municipalities, and few residents identify as Black or African American Alone, Some Other Race Alone, or Two or More Races. Decatur is 71% White Alone, 21% White Alone, and 8% identify as either Some Other Race Alone or Two or More Races. Both



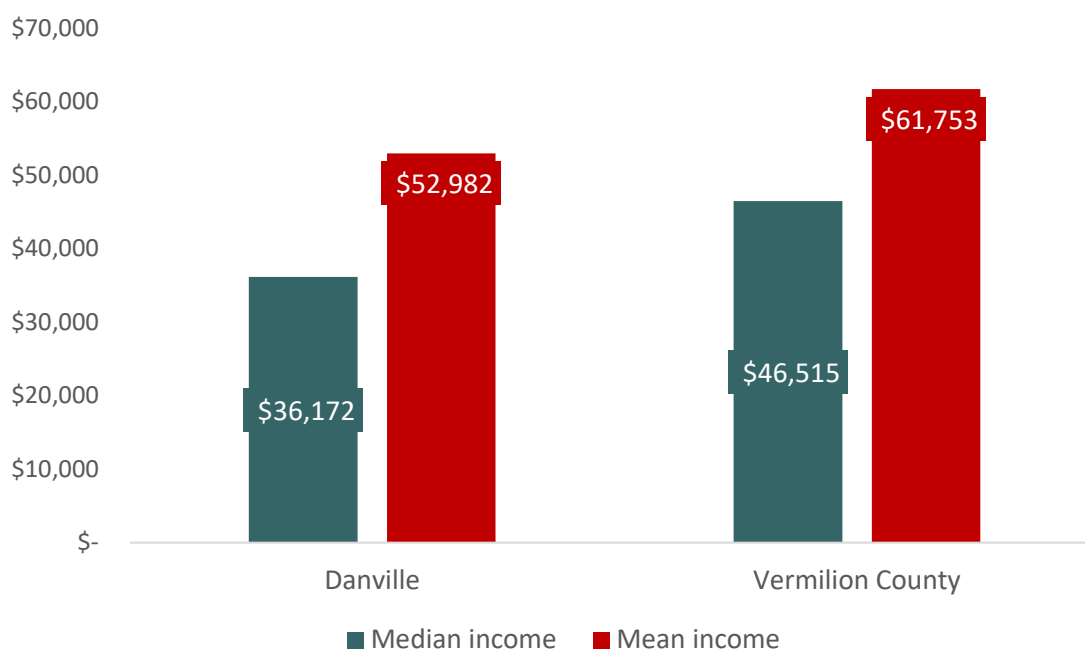
Danville and Decatur have a low percentage of Latino or Hispanic residents (7% of Danville and 3% of Decatur residents), although some of the smaller municipalities have slightly higher levels.<sup>1</sup>

### *c) Income and Poverty*

Median incomes are lower and poverty rates are higher in all focus areas than statewide averages. In Illinois, the median income in 2019 was \$65,886 and the poverty rate was 13%.

- Danville
  - Median income: **\$36,172**
  - Poverty rate: **29%**
- Vermilion County
  - Median income: **\$46,515**
  - Poverty rate: **19%**
- Decatur
  - Median income: **\$42,701**
  - Poverty rate: **24%**

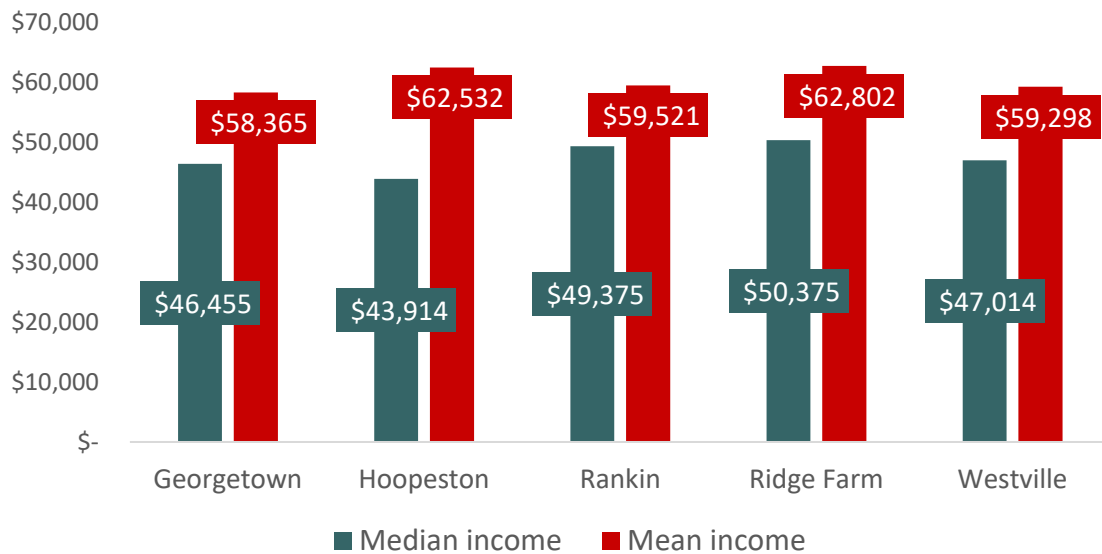
Figure 1: Median and Mean Household Income, Danville & Vermilion County



Source: American Community Survey, 2019 5 Year Estimates

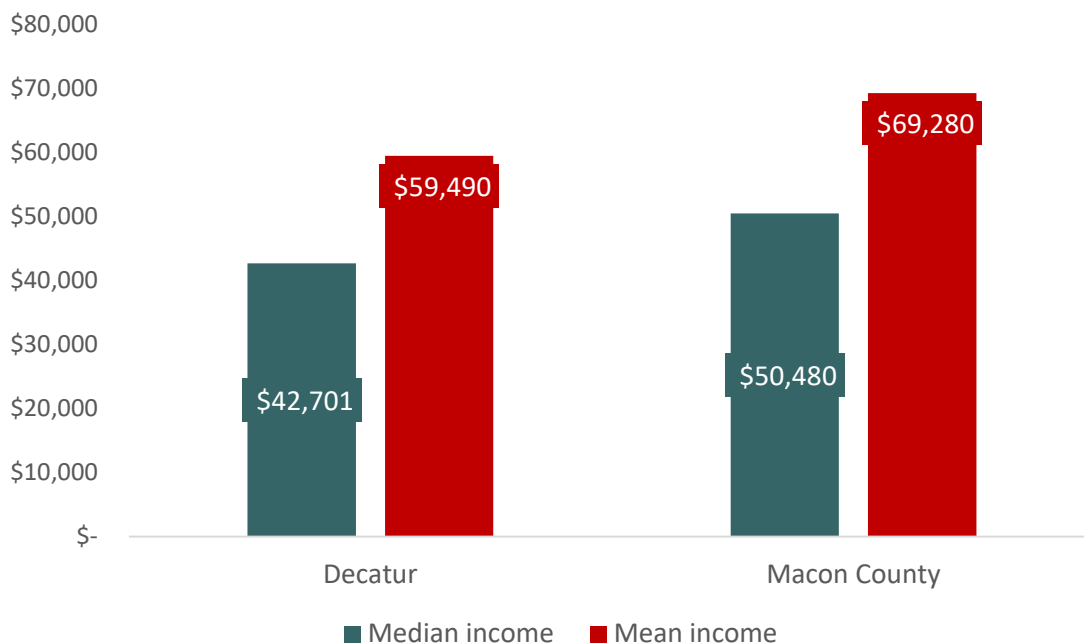
<sup>1</sup> Note that Latino or Hispanic Origin is a different question regarding ethnicity in the U.S. Census and reflects people of any race. More detailed demographic data can be found in Appendix 1 of this report.

**Figure 2: Median and Mean Household Income, Smaller Vermilion Municipalities**



Source: American Community Survey, 2019 5 Year Estimates

**Figure 3: Median and Mean Household Income, Decatur & Macon County**



Source: American Community Survey, 2019 5 Year Estimates

Lower incomes and higher poverty levels in the study area affects residents' ability to afford housing. Therefore a revitalization strategy to stabilize the housing market would benefit from a more comprehensive approach to raise local income levels over time.

## d) Jobs and Unemployment

In both Danville and Decatur, Educational Services and Health Care & Social Assistance employ the largest percentage of the workforce (25% and 23%), followed by Manufacturing (16% and 18%) and Retail trade (13% and 12%). According to the Illinois Department of Employment Security, the unemployment rate in July 2021 was 8% for Danville and 8.9% for Decatur.

Table 2: Danville Occupations

	Number	Percent
<b><u>Civilian employed population 16 years and over</u></b>	10,559	
<b>Agriculture, forestry, fishing and hunting, and mining</b>	29	0%
<b>Construction</b>	328	3%
<b>Manufacturing</b>	1,684	16%
<b>Wholesale trade</b>	359	3%
<b>Retail trade</b>	1,390	13%
<b>Transportation and warehousing, and utilities</b>	611	6%
<b>Information</b>	114	1%
<b>Finance and insurance, and real estate and rental and leasing</b>	611	6%
<b>Professional, scientific, and management, and administrative and waste management services</b>	846	8%
<b>Educational services, and health care and social assistance</b>	2,686	25%
<b>Arts, entertainment, and recreation, accommodation and food services</b>	1,003	9%
<b>Other services, except public administration</b>	571	5%
<b>Public administration</b>	327	3%

Source: American Community Survey, 2019 5 Year Estimates

Table 3: Decatur Occupations

	Number	Percent
<b><u>Civilian employed population 16 years and over</u></b>	28,097	
<b>Agriculture, forestry, fishing and hunting, and mining</b>	256	1%
<b>Construction</b>	812	3%
<b>Manufacturing</b>	5,118	18%
<b>Wholesale trade</b>	968	3%
<b>Retail trade</b>	3,288	12%
<b>Transportation and warehousing, and utilities</b>	1,255	4%
<b>Information</b>	694	2%
<b>Finance and insurance, and real estate and rental and leasing</b>	1,092	4%
<b>Professional, scientific, and management, and administrative and waste management services</b>	2,323	8%
<b>Educational services, and health care and social assistance</b>	6,471	23%
<b>Arts, entertainment, and recreation, accommodation, and food services</b>	3,254	12%
<b>Other services, except public administration</b>	1,462	5%
<b>Public administration</b>	1,104	4%

Source: American Community Survey, 2019 5 Year Estimates

# Housing Market

## a) Housing Market Characteristics

### **Danville & Vermilion County**

There are important differences in Danville and Vermilion County's housing markets, despite some. Housing values in Vermilion County tend to be higher than Danville's by \$13,200, but median rent is approximately the same (\$695 in Danville versus \$685 in Vermilion County). Taking into account Danville's lower median income, housing costs as a percentage of income are generally higher for renters in Danville than Vermilion County.

Although both Danville and Vermilion County have a majority of owner-occupied units, renter-occupied units are more common in Danville, where 43% of residents rent instead of own.

Vacancy rates are a cause for concern in the city and county. The statewide vacancy rate hovers at around 6%, but Danville and Vermilion County have double the percentage of vacancies, with 13% and 12% vacancy rates respectively. The high proportion of vacant properties presents unique challenges for CILBA in its efforts to revitalize the housing market.

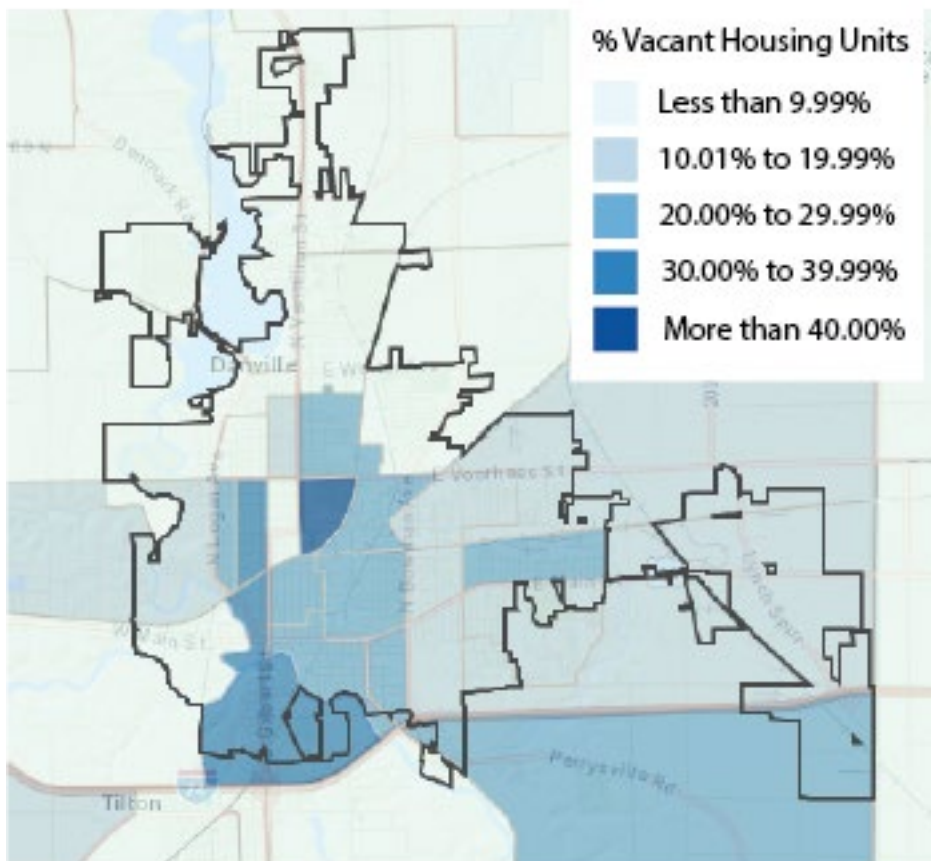
Table 4: Danville and Vermilion County Housing at a Glance

	<b>Danville</b>	<b>Vermilion County</b>
<b>Total households</b>	12,064	31,151
<b>Average household size</b>	2.4	2.4
<b>2010 total housing units</b>	14,607	36,109
<b>2019 total housing units</b>	14,719	36,318
<b>% change</b>	▲ 1%	▲ 1%
<b>Median housing value</b>	\$66,700	\$79,900
<b>Median rent</b>	\$695	\$685
<b>Owner-occupied housing units</b>	7,708 (57%)	22,994 (71%)
<b>Renter-occupied units</b>	5,713 (43%)	9,242 (29%)
<b>Vacant units</b>	1,987 (13%)	4,232 (12%)

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

The vacancy rates by Census Tract are shown in the figure below for Danville, where vacancy is concentrated near the downtown and in the southern portion of the city.

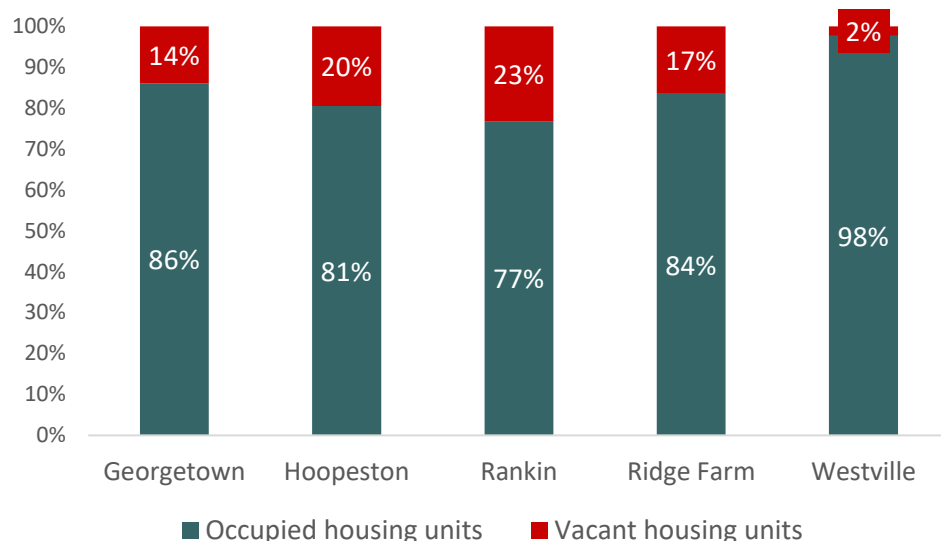
Figure 4: Vacancy by Census Tract, Danville, 2019



Source: ESRI

Vacancy is not just an issue in the City of Danville – it is also pervasive in many of the smaller municipalities in Vermilion County as shown in the figure below.

Figure 5: Housing Vacancy Rate, Smaller Vermilion Municipalities, 2019



Source: American Community Survey, 2019 5 Year Estimates

## Decatur

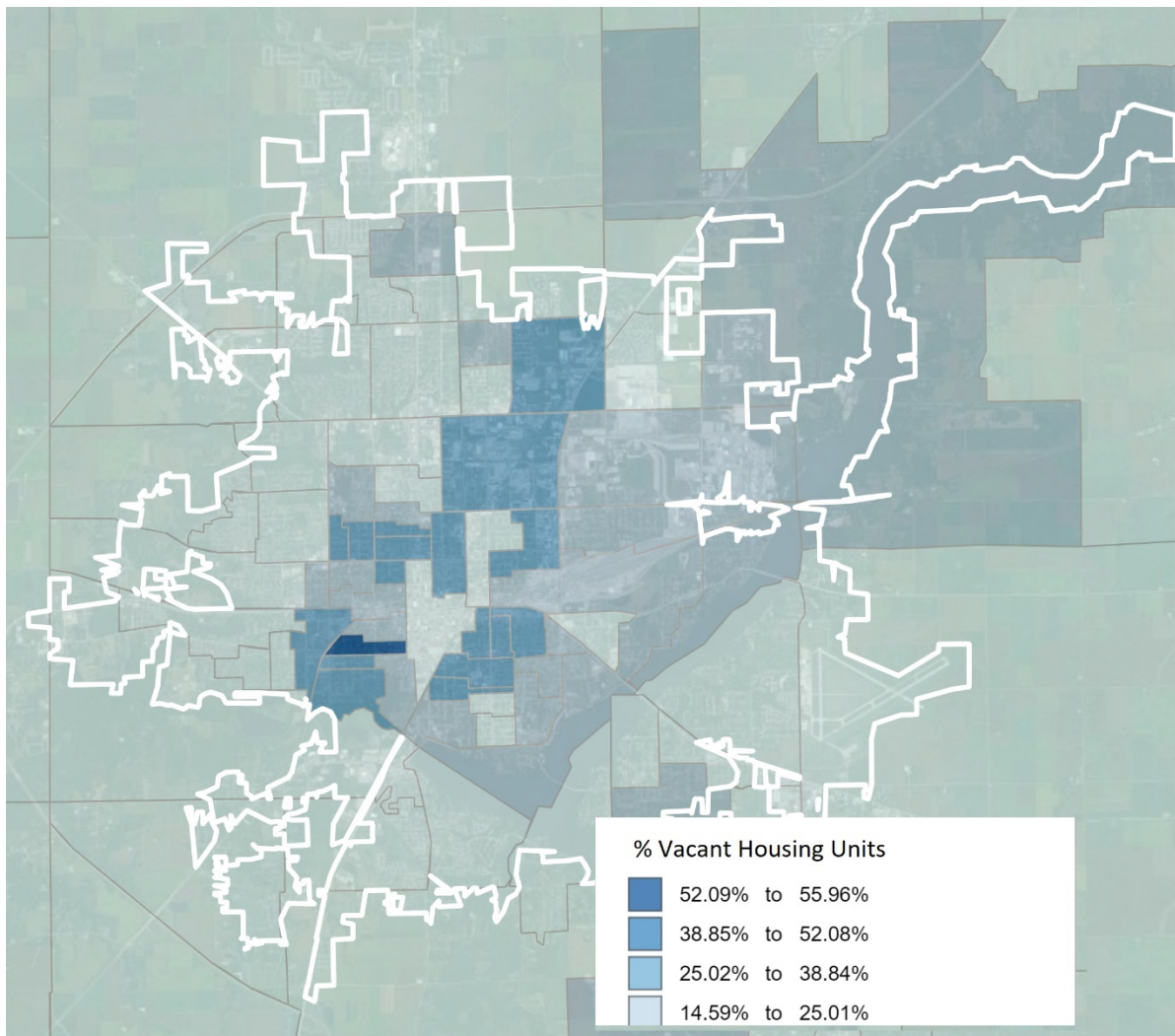
Decatur has 36,515 housing units, 5,366 of which (or 15%) are vacant. Of the four areas analyzed in this report, Decatur has the highest vacancy rate, posing challenges for revitalization strategies for the city's housing market. As with the other areas, Decatur is a majority owner-occupied city, with 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.

Table 5: Decatur & Macon County Housing at a Glance

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

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

As shown in the figure below, vacancy rates are very high in particular Census Tracts.



Source: ESRI

## *b) Housing Values*

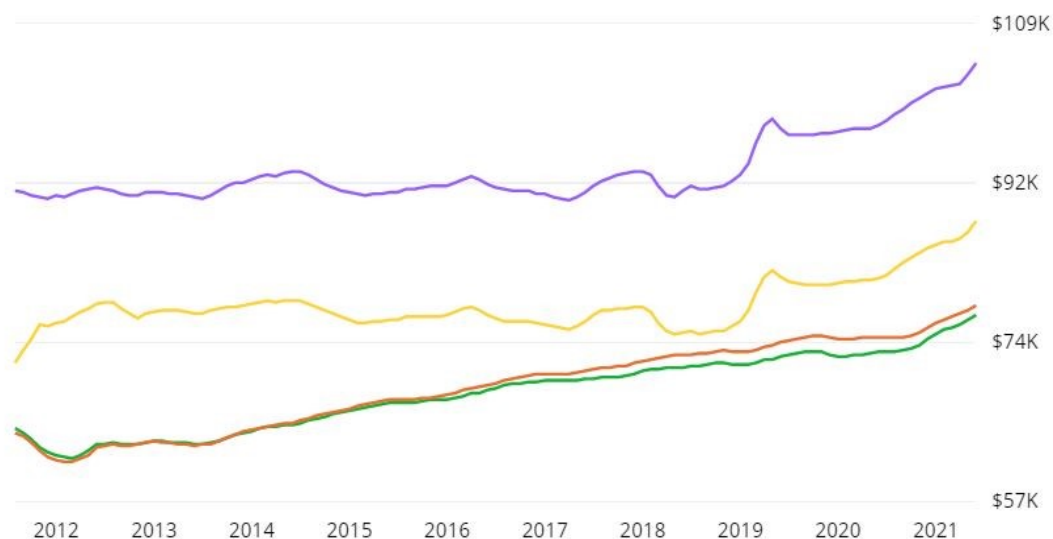
The overall strength and direction of the housing market can, in part, be reflected in the housing values over time. Housing values in Danville, Vermilion County, Decatur, and Macon County have seen a net increase in the past decade. Zillow's Home Value Index is a "seasonally adjusted measure of the typical home value and market changes across a given region and housing type," and shows that the market patterns for Vermilion and Macon Counties closely follow those of their largest cities.

Danville and Vermilion County's home values are similar in value and have followed the same trend since 2011. Decatur and Macon County have a greater variance over time, but also follow the same general. Decatur's typical housing value was \$87,844 in May 2021, and the typical housing



value for Danville at the same time was \$77,531. Decatur's housing value increased 22% between July 2011 and May 2021, and Danville's housing value increased by 19%. The increase of housing values in these areas, despite the sustained population loss, presents an opportunity for CILBA to build on this growth and further develop the housing market. Note that these numbers may not include all transactions, particularly among lower-valued homes that may not be listed through Realtors and other agents.

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



Source: Zillow

Table 6: Zillow Home Value Index

Home	Danville	Vermilion County	Decatur	Macon County
July 2011	\$65,080	\$64,660	\$72,242	\$91,204
May 2021	\$77,531	\$78,691	\$87,844	\$105,000

Source: Zillow

Based on current listings, there are many homes of far lower value than the index shown in this figure. The challenge in some areas with poor housing conditions and high vacancies is often to establish comparable sales so that homebuyers can purchase and finance a home.

### *c) Cost Burden*

A household is considered “cost burdened” when it spends more than 30% of its income on housing costs, whether rent, mortgage, or other housing-related payments. Households are considered “severely cost burdened” when they pay 50% or more of their income on housing. Paying high proportions of one’s income towards housing costs can severely hinder one’s ability to afford other important necessities (food; transportation; healthcare and medical costs; etc.). While the 30% threshold is not a perfect measure of the true burden of housing costs on each household, it can help give a sense of whether residents can afford other basic needs. To measure those who are spending more than the recommended proportion of their income on housing, but are not necessarily severely cost burdened, a threshold of 35% was used.

In Illinois, 16% of homeowner units are spend more than 35% of their monthly income on housing, and 37% of renter units do the same. In general, renters are much more likely to be cost burdened than homeowners, a trend that holds true in all the areas covered by this report.

### ***Danville & Vermilion County***

Danville’s renters and homeowners are more likely to be cost burdened than those throughout Vermilion County. Sixteen percent of homeowners and 47% of renters spend more than 35% of their monthly income on housing costs, whereas 12% of Vermilion County homeowners and 35% of renters spend the same proportion.

As nearly half of Danville renters are spending more than 35% of their income on housing, successful housing stabilization strategies will need to take into account the pressure on renters. Additionally, it has been reported that many of these rental units are in deteriorating condition, with landlords not upkeeping their properties.

However, rents and home values are relatively low in Danville and Vermilion County, and strategies to boost the housing market run the risk of making housing too expensive for current residents. A balanced strategy that can expand opportunities for local households to be able to affordably pay their rent for decent rental units, along with strategies that help these renters gain higher paying jobs and eventually be able to buy a home, are all critical components to a more stable housing environment.

Table 7: Cost Burden, Danville & Vermilion County

	<b>Total Homeowner Units</b>	<b>35%+ Monthly Income</b>	<b>% Cost Burdened Homeowner Units</b>	<b>Total Renter Units</b>	<b>35%+ Monthly Income</b>	<b>% Cost Burdened Renter Units</b>
<b>Danville</b>	7,663	1,228	<b>16%</b>	5,063	2,223	<b>47%</b>
<b>Vermilion County</b>	21,397	2,495	<b>12%</b>	8,844	3,028	<b>35%</b>

Source: American Community Survey, 2019 5 Year Estimates

## Decatur

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 42% 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. Much like the situation in Danville and Vermilion County, 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 8: Cost Burden, Decatur & Macon County

	Total Homeowner Units	35%+ Monthly Income	% Cost Burdened Homeowner Units	Total Renter Units	35%+ Monthly Income	% Cost Burdened Renter Units
<b>Decatur</b>	18,854	2,431	<b>13%</b>	11,013	4,675	<b>42%</b>
<b>Macon County</b>	28,561	2,557	<b>9%</b>	12,797	5,168	<b>41%</b>

Source: American Community Survey, 2019 5 Year Estimates

## d) Housing Demand

One of the key methods to determine demand is to look at the affordability for different income levels in a community. Households at 50%, 80%, and 100% of the area median income (based on a family of four) have different thresholds of affordability. The "Owner Occupied Housing Units" and "Renter Occupied Housing Units" denote how many units in the focus area are currently occupied by households at the corresponding income level.

The calculation of what constitutes an affordable home for households at each income level is calculated assuming a 5% down payment, a 3% interest rate, and a \$250 monthly debt.

## Danville

The table below describes how many homeowners and renters there are at each income level in Danville, and what they can afford to buy a home or rent an apartment. As can be seen in the data, there are far more renters at lower income levels than homeowners. As income levels increase and approach 80% - 100% of Area Median Income (AMI), these households are able to afford to either purchase or rent homes throughout Danville.

Table 9: Housing Demand and Affordability, Danville MSA

<b>Percent of Area Median Income</b>	<b>Income Limit</b>	<b>Owner Occupied Housing Units</b>	<b>Renter Occupied Housing Units</b>	<b>Affordable Home</b>	<b>Monthly Housing Payment or Gross Rent</b>
<b>50%</b>	\$33,950	1,993	2,596	\$59,556	\$700
<b>80%</b>	\$54,300	3,683	2,605	\$109,327	\$992
<b>100%</b>	\$59,300	6,014	1,473	\$176,244	\$1,384

Source: American Community Survey, 2019 5 Year Estimates & Freddie Mac Calculator

## ***Decatur***

There are similar trends in Decatur. The particular concern is for households at 50% of AMI. While they may be able to find a home at an affordable level of approximately \$60,000, the home will likely have deferred maintenance and repair costs. Once the household earns more 80% of AMI, it is likely the household can afford to either buy or rent a wide range of homes throughout the city.

Table 10: Housing Demand & Affordability, Decatur MSA

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

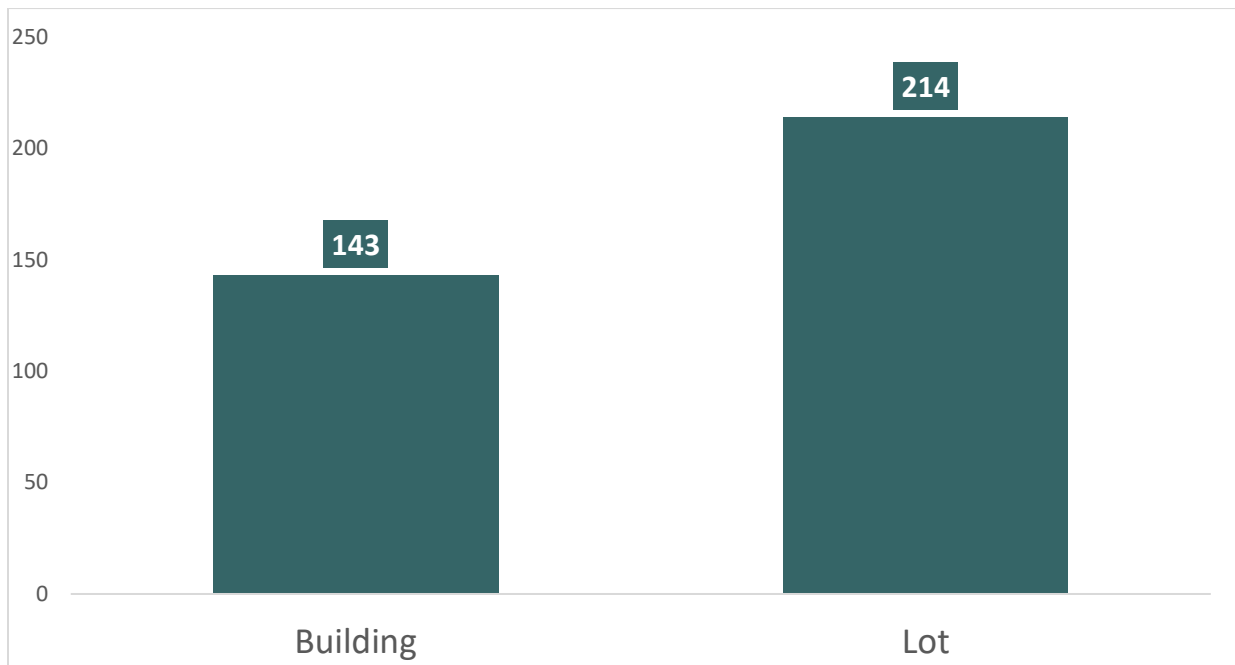
Source: American Community Survey, 2019 5 Year Estimates & Freddie Mac Calculator

## ***f) Housing Challenges***

### ***Danville & Vermilion County***

Sixty percent of city-owned parcels in Danville are vacant lots and 40% have structures on them. Most city-owned parcels are closer to the downtown area and central Danville, with few city-owned parcels on the Northern side of the city. Demolitions – both completed and under consideration by the City – follow a similar geographic pattern.

**Figure 8: Number of City Owned Properties, Danville**



Source: City of Danville



Figure 9: City of Danville City Owned Properties

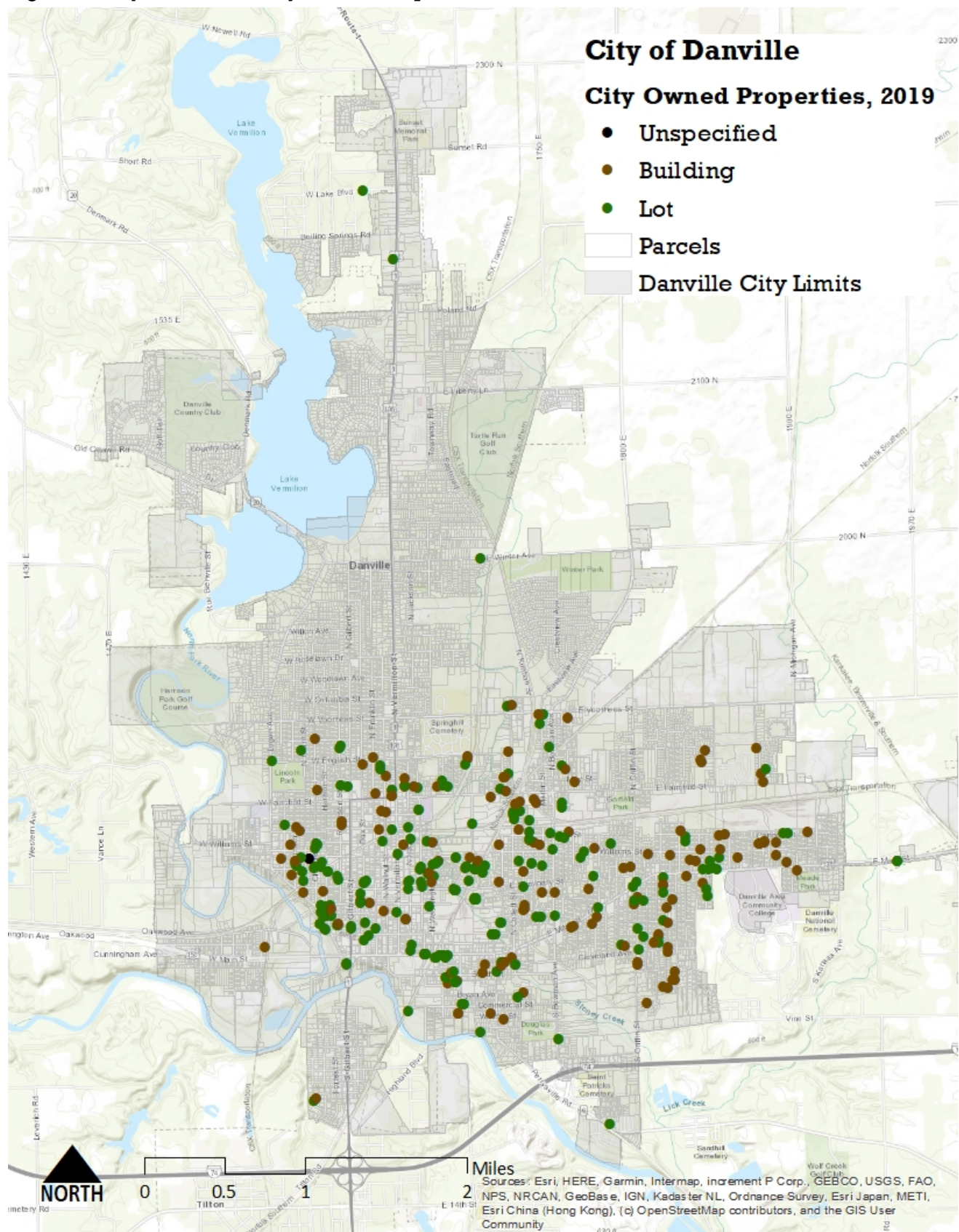




Figure 10: City of Danville Completed Demolitions

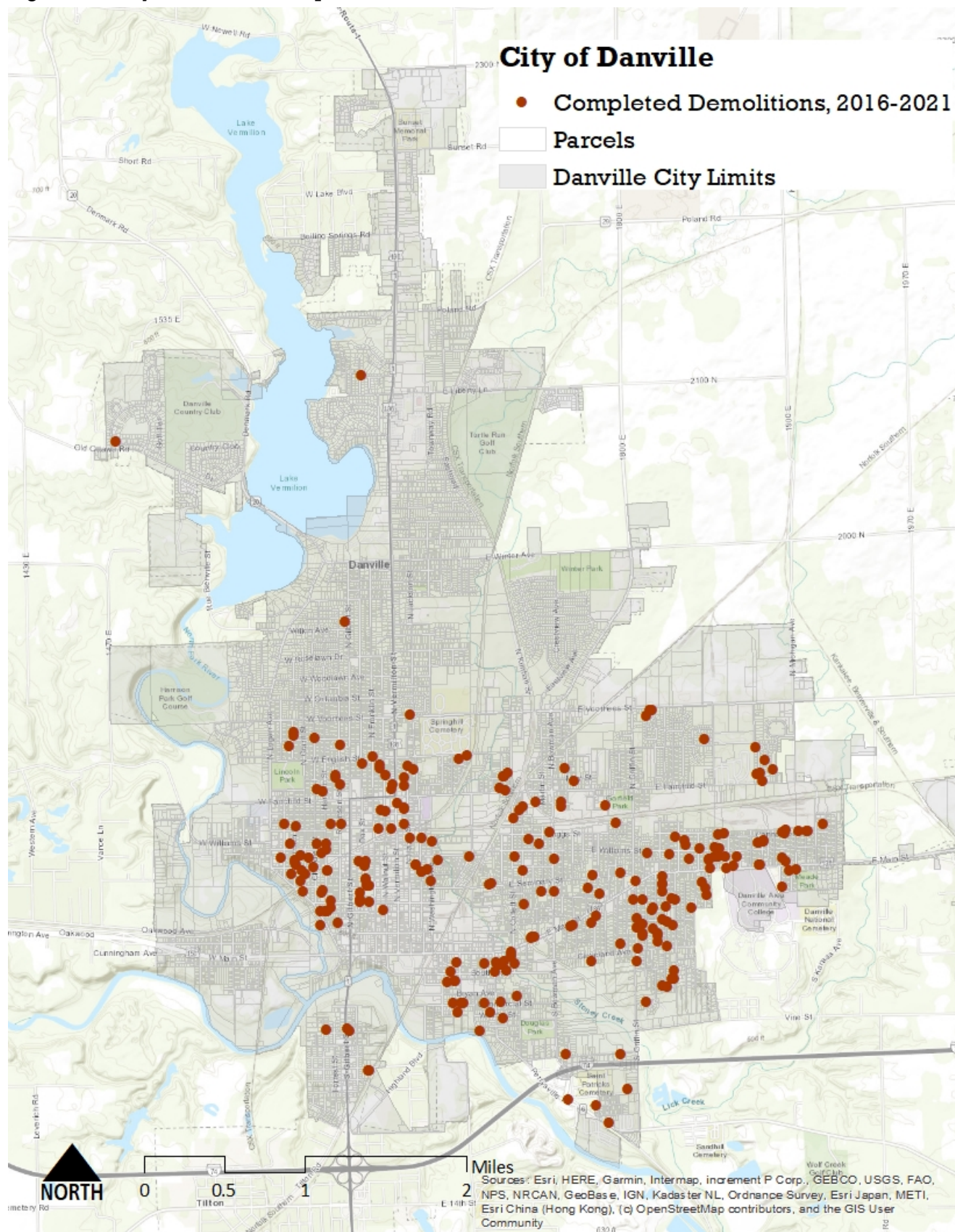
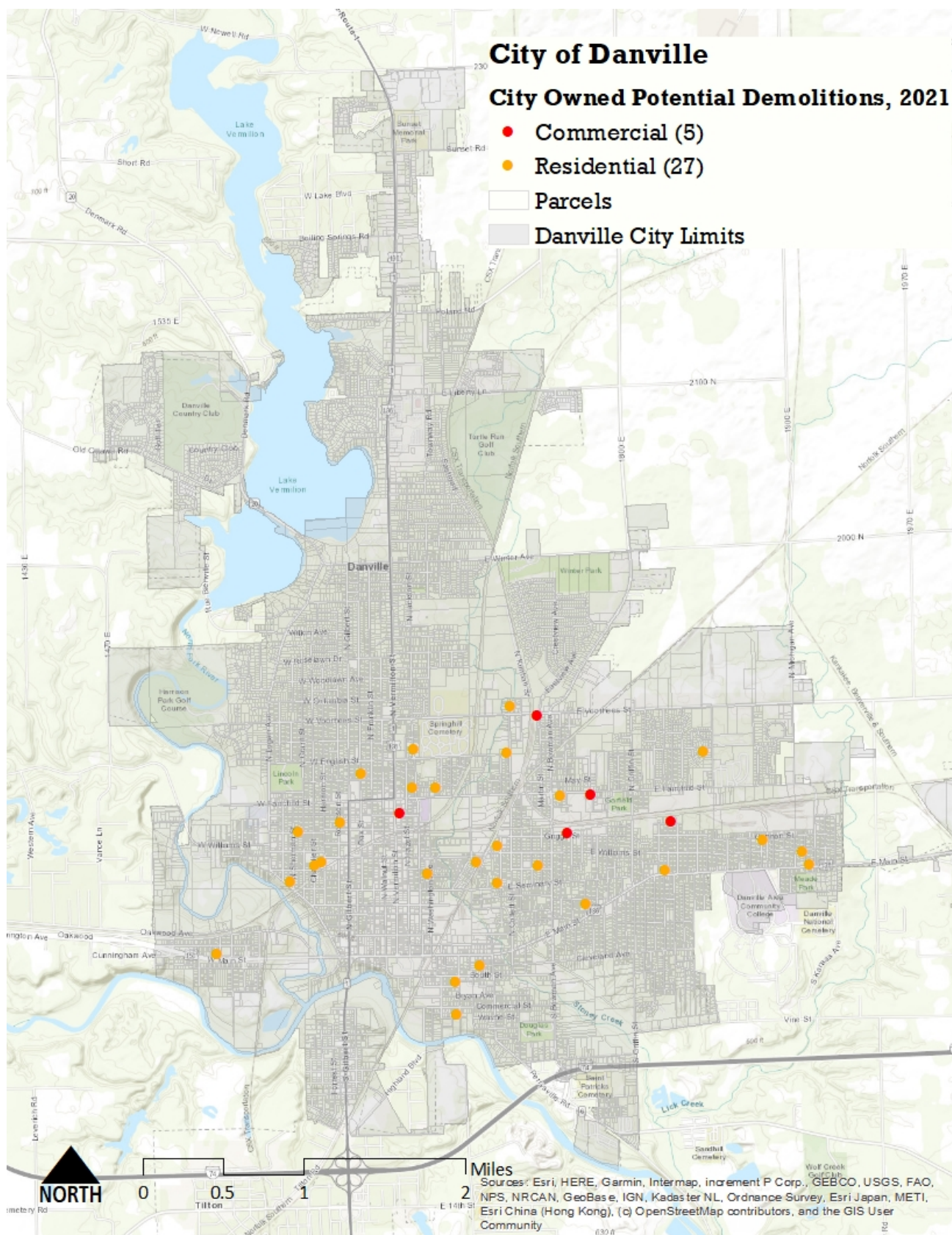




Figure 11: City of Danville City Owned Potential Demolitions



## ***Decatur***

In Decatur, 675 parcels are owned by either the City of Decatur or Macon County Trustee and are vacant. Of the land that is city-owned (regardless of whether there is a structure on the parcel or not), 836 parcels are not in “permanent use”; that is to say, there are 836 city-owned parcels that the City of Decatur does not have interest in keeping in their portfolio. 558 parcels are vacant, owned by the City or Macon County Trustee, and not in permanent use. These are the parcels on which CILBA should focus its funds since they are already in the City’s control and not being put to productive use.

Most of the parcels owned by the City are concentrated near the central core, as are the majority of code violations.

There was an uptick in demolitions in 2019, with more than double the number of demolitions occurring in 2019 than in the preceding year; a snapshot of demolition permits from June 2021 shows that there are almost five times as many residential demolitions permits issued than commercial ones.

Table 11: Vacant Land and City Owned Land Types

<b>Vacant Land</b>	
Macon County Trustee	466
City of Decatur	209
<b>City Owned</b>	
Not in Permanent Use	836
<b>Vacant &amp; City Owned</b>	
Macon County Trustee, City of Decatur, not in Permanent Use	<b>558</b>

Source: City of Decatur







Figure 13: City of Decatur City Owned Land (Close-Up)

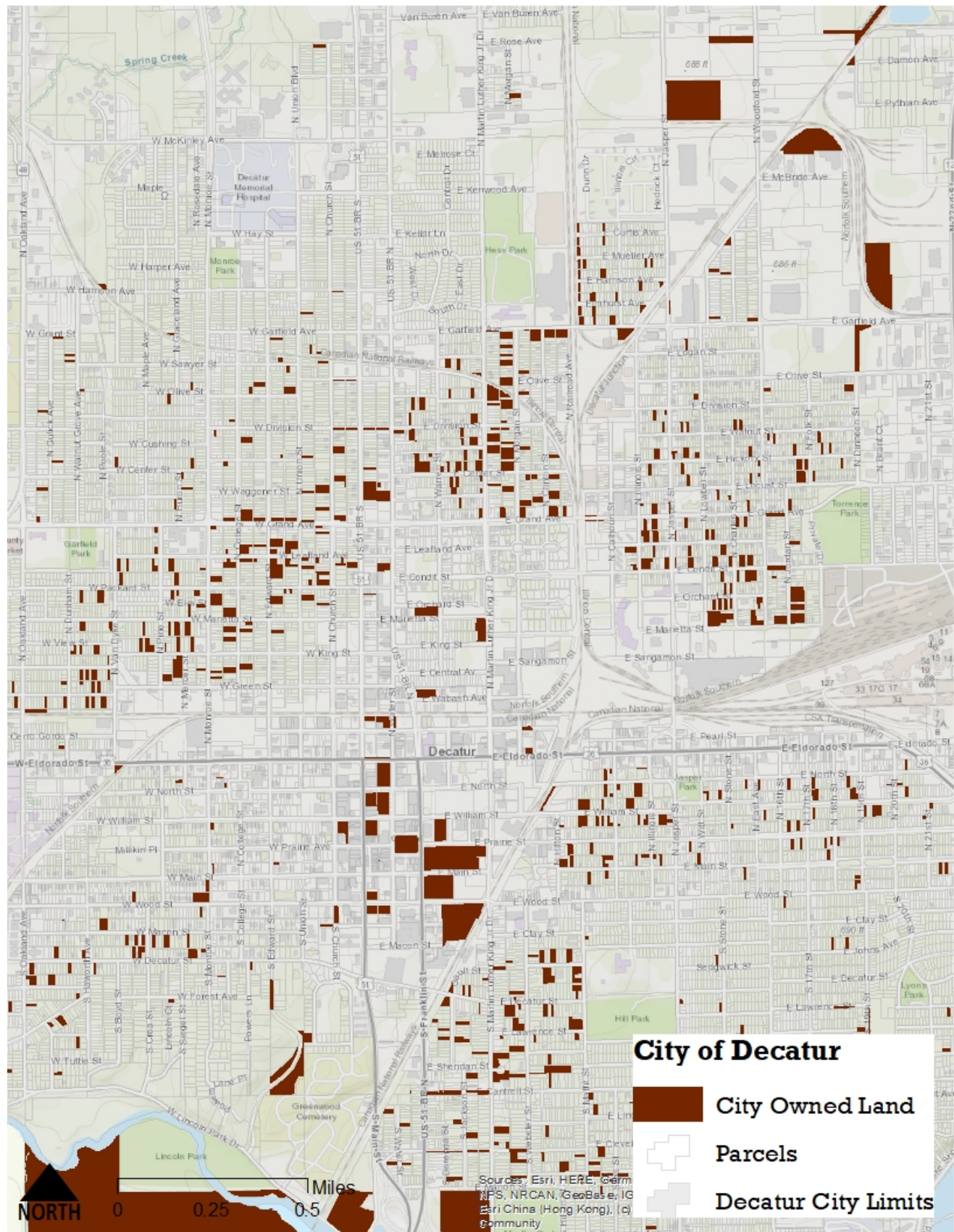
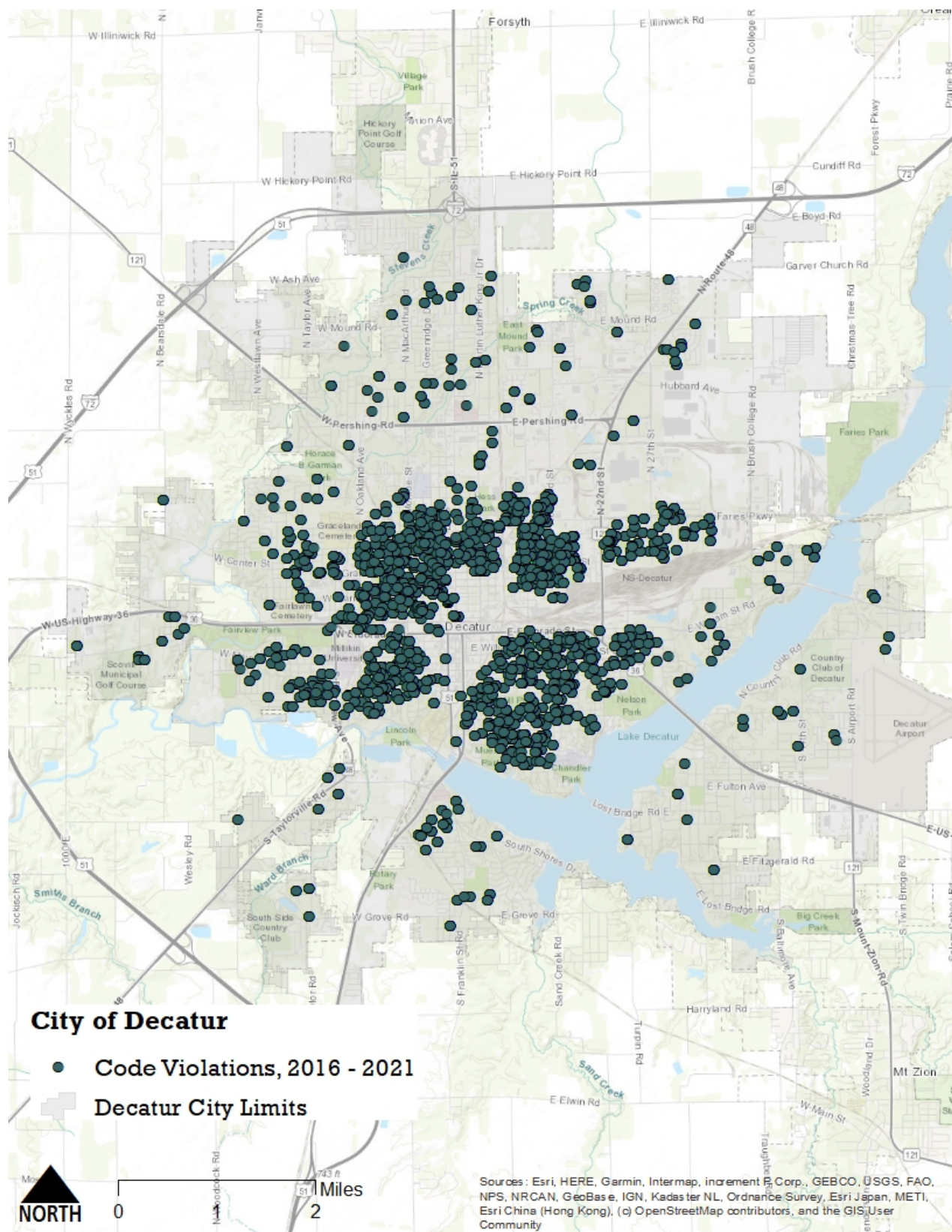
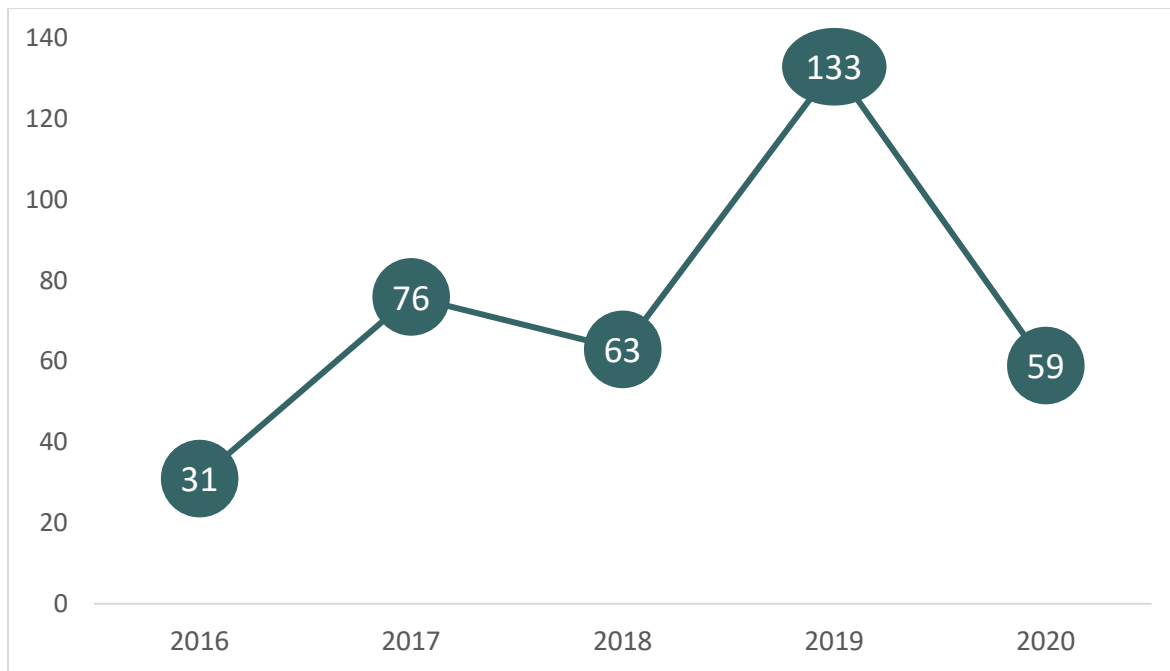




Figure 14: City of Decatur Code Violations

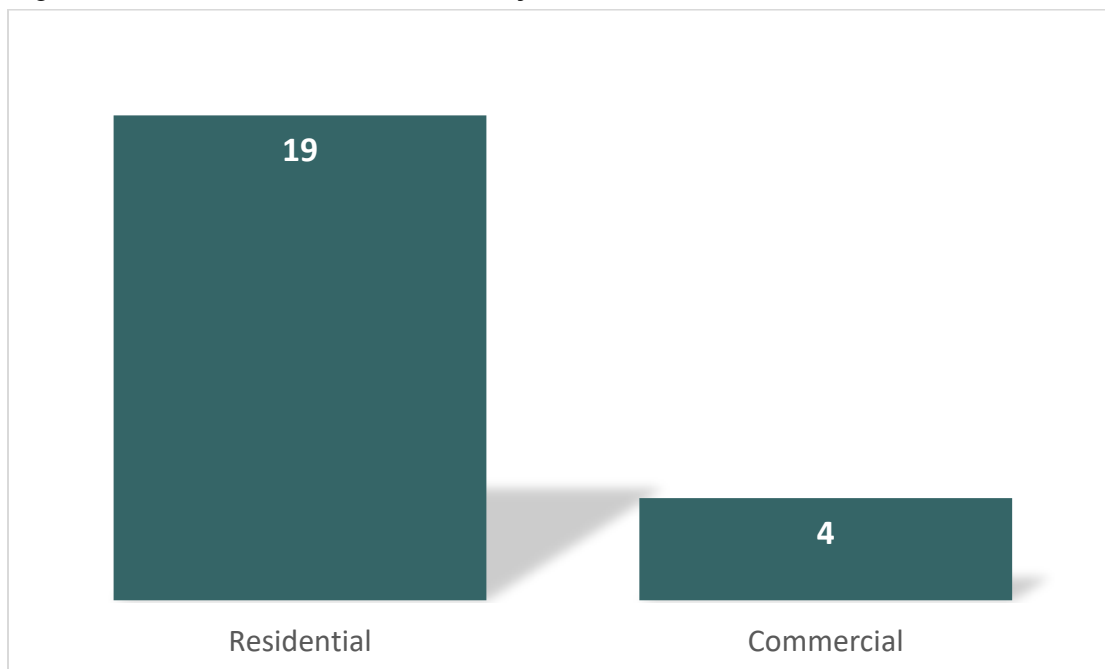


**Figure 15: Demolition Permits by Year, Decatur**



Source: City of Decatur

**Figure 16: Active Demolition Permits, June 2021**



Source: City of Decatur

# Tax Lien Sales and Tax Deed Sales

Tax lien sales and tax deed sales are a strong indication of weaknesses in the housing market especially if there are multiple properties cycling through the system on a yearly basis. Tax lien sales indicate that the taxes for that property have gone unpaid and they have been sold off to a third party. At a tax deed sale, the property itself is sold.

Properties with multiple consecutive tax lien sales should be considered for acquisition by CILBA. Some properties at tax deed sale may be strategic choices to include in CILBA's portfolio; for instance, if CILBA wanted to buy tax deed sale parcels on a particular block to be able to package multiple parcels for redevelopment.

## *a) Tax Lien Sales*

### ***Danville & Vermilion County***

A total of 5,731 transactions occurred between 2016 and 2019 and 3,637 unique properties went through the tax lien sale process. There were 1,117 unique properties that cycled through at least two tax sales in the years leading up to 2019. Each year Vermilion County saw more than 1,000 properties sold at tax lien sales, with 2018 seeing more than 1,800 liens sold. The high volume of tax lien sales in Vermilion County indicate that residents are either unwilling or unable to pay their property taxes.

Due to lack of taxbuyer bids at each auction, approximately one in five properties were "sold" every year to the County Trustee. Most years the percentage of properties sold to the County was between 20% and 32%, but in 2018 the liens of 47% of properties were sold to the County Trustee.

The County is not alone in buying tax liens, however. The County is the second highest cumulative buyer of tax liens in Vermilion County, behind ab investments, which bought 41% of the tax liens between 2016 and 2019.

Table 12: Tax Lien Sales – Vermilion County

<b>Total Properties at Lien Tax Sale - Vermilion County</b>	
<b>Year</b>	<b>Sold Properties</b>
2016	1,256
2017	1,376
2018	1,853
2019	1,246
<b>TOTAL</b>	<b>5,731</b>

Source: Joseph Meyer & Associates



Table 13: Properties at Multiple Tax Lien Sales: Vermilion County

<b>Properties at Multiple Tax Lien Sales</b>	
<b>Years</b>	<b># of Properties</b>
1 year	3,244
2 years	896
3 years	189
4 years	32
<b>*Years are not necessarily consecutive</b>	

Source: Joseph Meyer &amp; Associates

Table 14: Properties at Consecutive Tax Sales: Vermilion County

<b>Properties at Consecutive Tax Sales</b>	
<b>Consecutive Years</b>	<b>Properties</b>
2018-2019	160
2017-2019	64
2016-2019	32
<b>TOTAL</b>	<b>256</b>

Source: Joseph Meyer &amp; Associates

Table 15: Vermilion County Trustee as Trustee Buyer

<b>County as Trustee Buyer</b>		
<b>Year</b>	<b>Number</b>	<b>% of Yearly Total</b>
2016	248	20%
2017	333	24%
2018	872	47%
2019	385	31%
<b>TOTAL</b>	<b>1,838</b>	<b>32%</b>

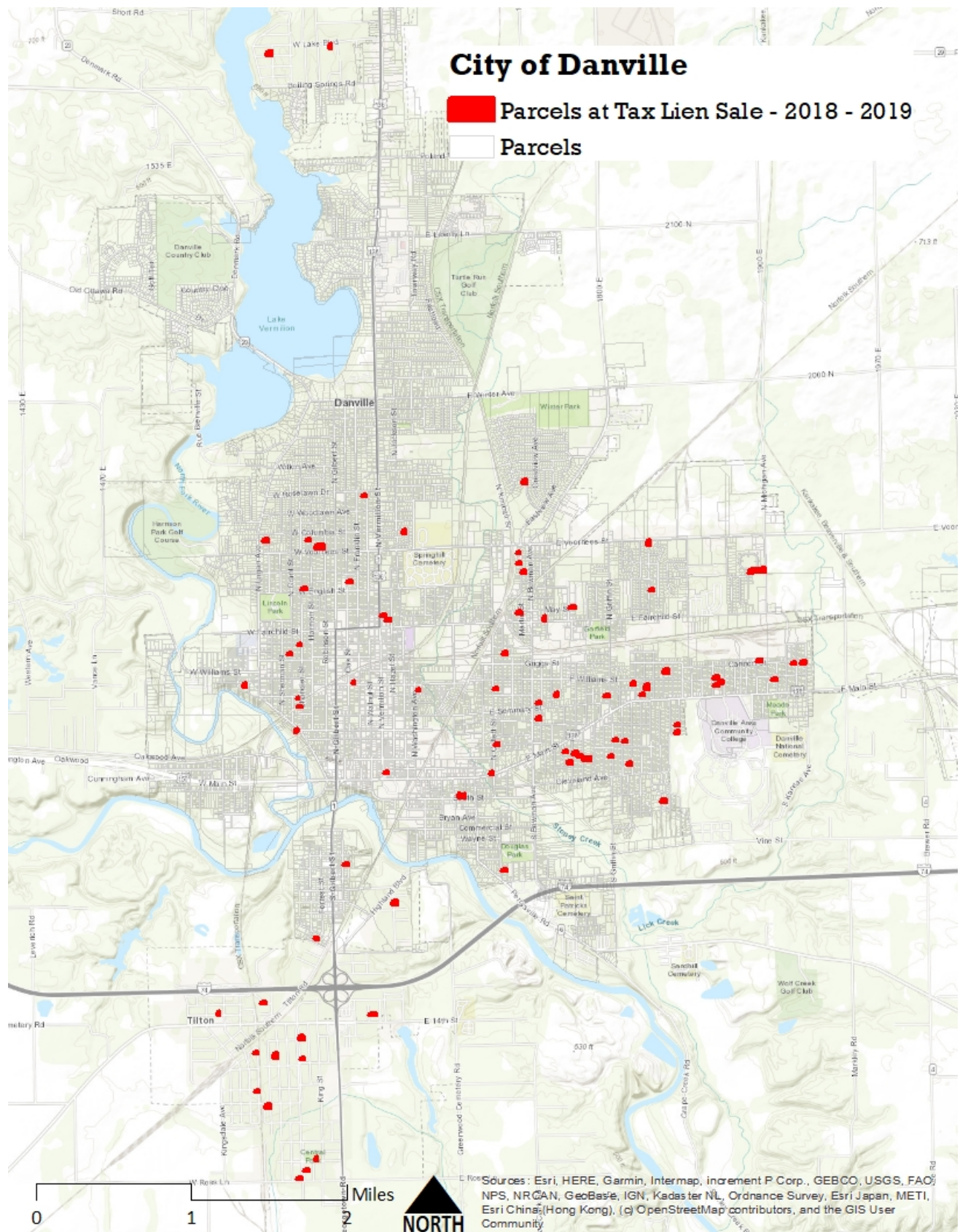
Source: Joseph Meyer &amp; Associates

Table 16: Top Tax Buyers – Vermilion County

<b>TOP BUYERS - ALL YEARS</b>	
<b>Buyer Name</b>	<b>% of Tax Sales - All Years</b>
ab investments	41%
County As Trustee	32%
jab securities inc	6%
JICTB	3%
BASS MASTER TAX INVESTMENTS	2%

Source: Joseph Meyer &amp; Associates

Figure 17: City of Danville Tax Lien Properties 2018-2019



## Decatur

There were a total of 5,291 tax lien sales between 2015 and 2019 in Decatur. Of these sales, 1,209 PINs were sold two or more times.

224 properties total that were sold at multiple consecutive tax lien sales, including 122 in the 2018-2019 period. Six properties have been at every tax liens sale since 2015. Properties that appear at consecutive tax sales are good target properties for CILBA's strategic planning because they have likely been abandoned and are continuing to cycle through the tax sale system.

Of the tax lien buyers, the County bought the highest proportion of tax liens from 2015 to 2019 due to lack of a private taxbuyer, representing 25% of properties in this period. The County has been the most prolific tax lien buyer in the County, followed by a smattering of other private companies that bought 8%-18% of properties in the same period. Unlike Vermilion County, where two buyers dominated the tax lien sales, Decatur's tax lien sales have more properties sold to different private buyers.

Table 17: Total Tax Lien Properties: Decatur

Total Properties at Tax Lien Sale - Decatur	
Year	Sold Properties
2015	1,086
2016	998
2017	1,197
2018	1,129
2019	881
<b>TOTAL</b>	<b>5,291</b>

Source: Joseph Meyer & Associates

Table 18: Properties at Multiple Tax Lien Sales, 2015-2019

Properties at Tax Lien Sales - Decatur	
Years	# of Properties
1 year	2,372
2 years	944
3 years	259
4 years	56
5 years	6
<b>TOTAL</b>	<b>3,581</b>

\*Years are not necessarily consecutive

Source: Joseph Meyer & Associates

Table 19: Properties at Consecutive Tax Lien Sales, 2016-2019, Decatur

<b>Consecutive Years</b>	<b>Properties</b>
2018 - 2019	122
2017 - 2019	74
2016 - 2019	22
2015 - 2019	6
<b>Total</b>	<b>224</b>

Source: Joseph Meyer & Associates

Table 20: Properties with County as Trustee as Buyer - Decatur

<b>County as Trustee Buyer - Decatur</b>		
<b>Year</b>	<b>Number</b>	<b>% of Yearly Total</b>
2015	229	21%
2016	267	27%
2017	309	26%
2018	293	26%
2019	236	27%
<b>TOTAL</b>	<b>1,334</b>	<b>25%</b>

Source: Joseph Meyer & Associates

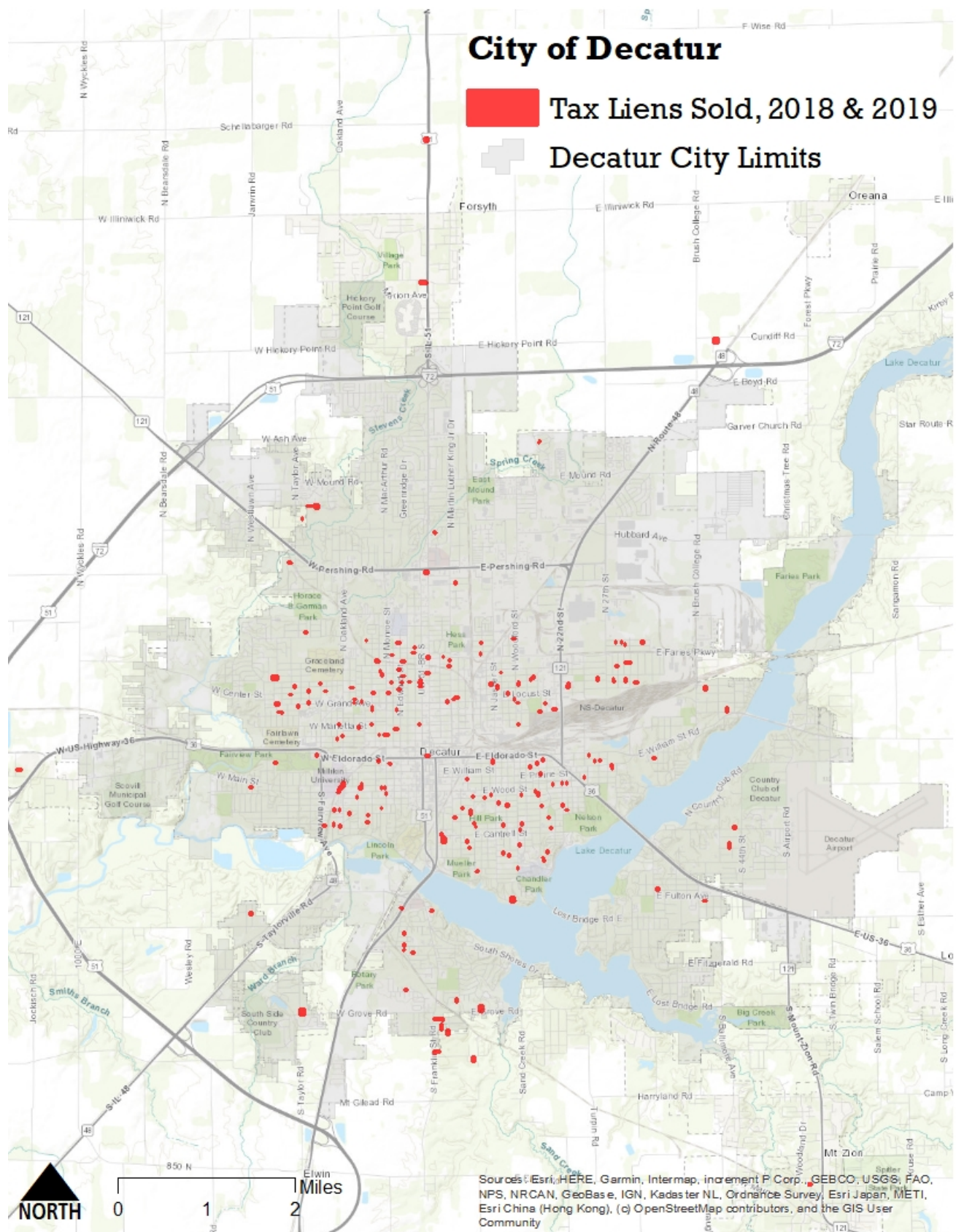
Table 21: Top Buyers at Decatur Tax Lien Sales, 2015-2019

<b>Buyer Name</b>	<b>% of All Tax Sales</b>
County As Trustee	25%
Publicani Investment Corp.	18%
Nova Holdings, LLC	16%
ANDREW R. HENDRIAN	12%
ab investments	8%

Source: Joseph Meyer & Associates



Figure 18: City of Decatur Tax Liens Sold, 2018-2019



## *b) Tax Deed Sales*

### ***Danville & Vermilion County***

The percentage of tax deeds sold in Vermilion County between 2016 and 2020 varied greatly from municipality to municipality. Overall, only 32% of listed tax deeds were sold in the County during this period. Danville only had 26% of its listed tax deeds sold compared to 86% in Ridge Farm. However, the number of transactions in the smaller municipalities is much lower than those in Danville – Ridge Farm, for example, had only 7 properties that went to tax deed sale.

Eighty-three percent of properties listed at tax deed sales between 2016 and 2020 in the County were in Danville, indicating that more properties are going to tax deed sale in Danville than proportional relative to its share of Vermilion County households. The low rate of tax deeds that were sold indicates a weaker housing market as there was a lack of interest by prospective buyers, indicating an opportunity for the need for CILBA to intervene.

Table 22: Tax Deed Sales, 2016-2020

<b>Total Properties</b>	<b>Available</b>	<b>Sold</b>	<b>% Sold in Municipality</b>
<b>Vermilion County</b>	1,924	622	32%
Danville	1,589	408	26%
Georgetown	73	42	58%
Hoopeston	83	47	57%
Rankin	56	39	70%
Ridge Farm	7	6	86%
Westville	25	16	64%
Other	91	64	70%

Source: Joseph Meyer & Associates

Table 23: Unique PINs at Multiple Tax Deed Sales

<b>Years</b>	<b>Danville</b>	<b>Vermilion County</b>
1 year	352	541
2 years	102	135
3 years	51	57
4 years	51	61
5 years	189	199
<b>TOTAL</b>	<b>745</b>	<b>993</b>

Source: Joseph Meyer & Associates

Table 24: Unique PINs at Tax Deed Sale by Year

<b>Years</b>	<b>Danville</b>	<b>Vermilion County</b>
2016	133	206
2017	87	138
2018	45	74
2019	80	122
2020	400	453
<b>TOTAL</b>	<b>745</b>	<b>993</b>

Source: Joseph Meyer &amp; Associates

Table 25: Buyers at Vermilion County Tax Deed Sale, 2016 - 2020

<b>Buyer Name</b>	<b># of properties</b>
City of Danville	178
Other Municipality	51
CILBA/VCLBA	26
Other Buyer	388

Source: Joseph Meyer &amp; Associates

## ***Decatur***

Decatur properties accounted for 96% of tax deed sales between 2016 and 2020. However, the tax deeds were only sold for 30% of those properties.

Table 26: Total Tax Deed Sale Properties, 2016-2020

<b>Total Tax Deed Sale Properties</b>	<b>Available</b>	<b>Sold</b>	<b>% Sold in Municipality</b>
Macon County	1,683	505	30%
Decatur	1,624	480	30%
Other	60	25	42%

Source: Joseph Meyer &amp; Associates

Table 27: Unique PINs at Multiple Tax Deed Sales

<b>Years</b>	<b>Decatur</b>	<b>Macon County</b>
1 year	519	539
2 years	735	749
3 years	9	11
4 years	0	0
5 years	0	2
<b>TOTAL</b>	<b>1,263</b>	<b>1,301</b>

Source: Joseph Meyer &amp; Associates



Table 28: Unique PINs at Tax Deed Sale by Year

<b>Years</b>	<b>Decatur</b>	<b>Macon County</b>
2016	144	149
2017	791	794
2018	110	119
2019	108	117
2020	110	122
<b>TOTAL</b>	<b>1,263</b>	<b>1,301</b>

### c) Smaller Municipalities in Vermilion County

The smaller municipalities in Vermilion County have different housing markets than the cities of Danville and Decatur. Of the nineteen properties in Vermilion County that have both water shut offs and two or more years of tax lien sales, eight are in Hoopeston. These are properties that would be well served by the abandonment acquisition strategy to stop these properties from cycling through the tax lien system. Ridge Farm has five such properties, Georgetown has four and Rankin just two (see property list in Appendix).

Pursuing abandonment in areas that have multiple consecutive tax lien sales and water shut offs, paired with proactive strategies like robust code enforcement procedures and housing counseling can help create stronger housing market in these smaller communities.

Figure 19: City of Georgetown Water Shut Offs and 2-3 Years of Tax Liens

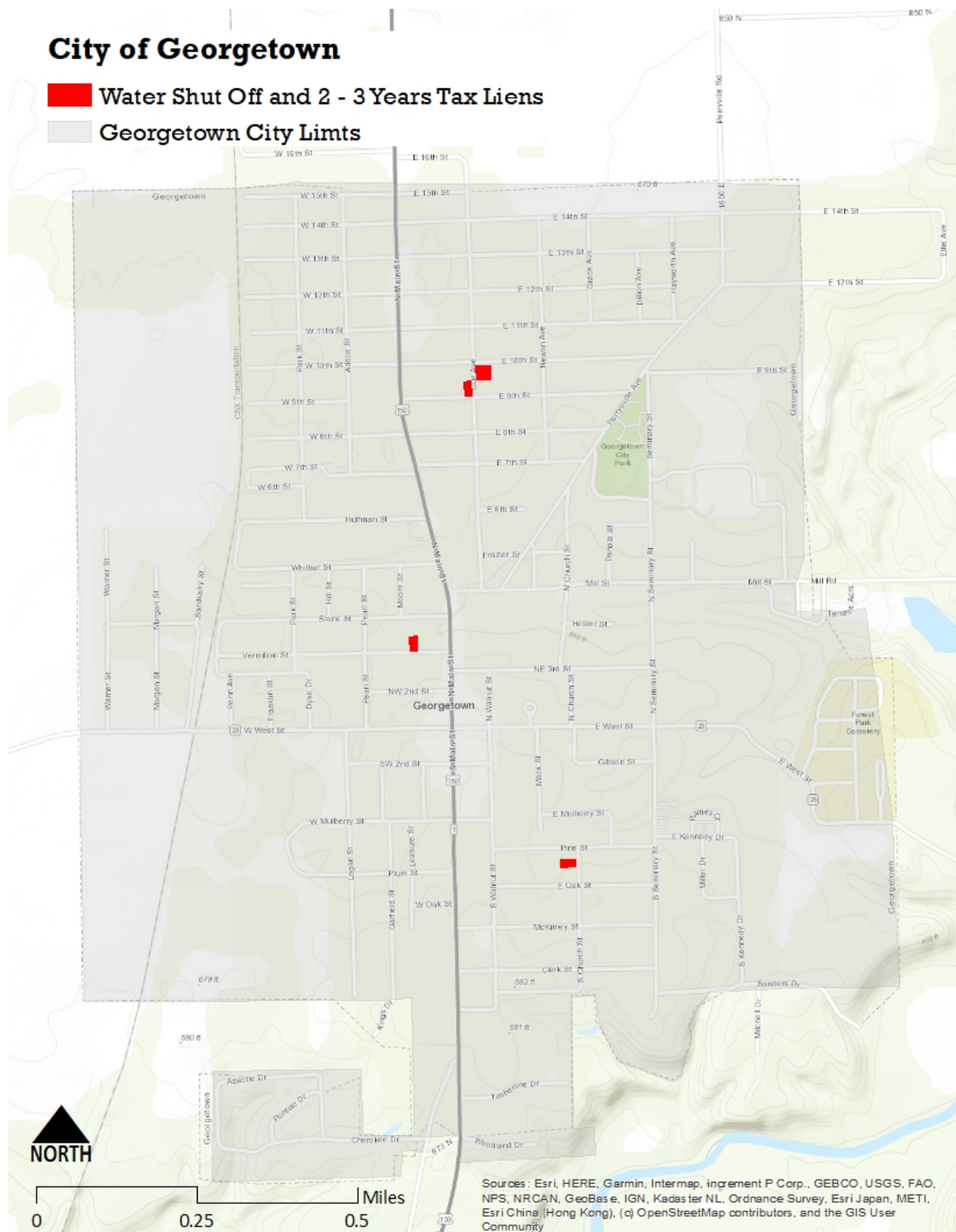
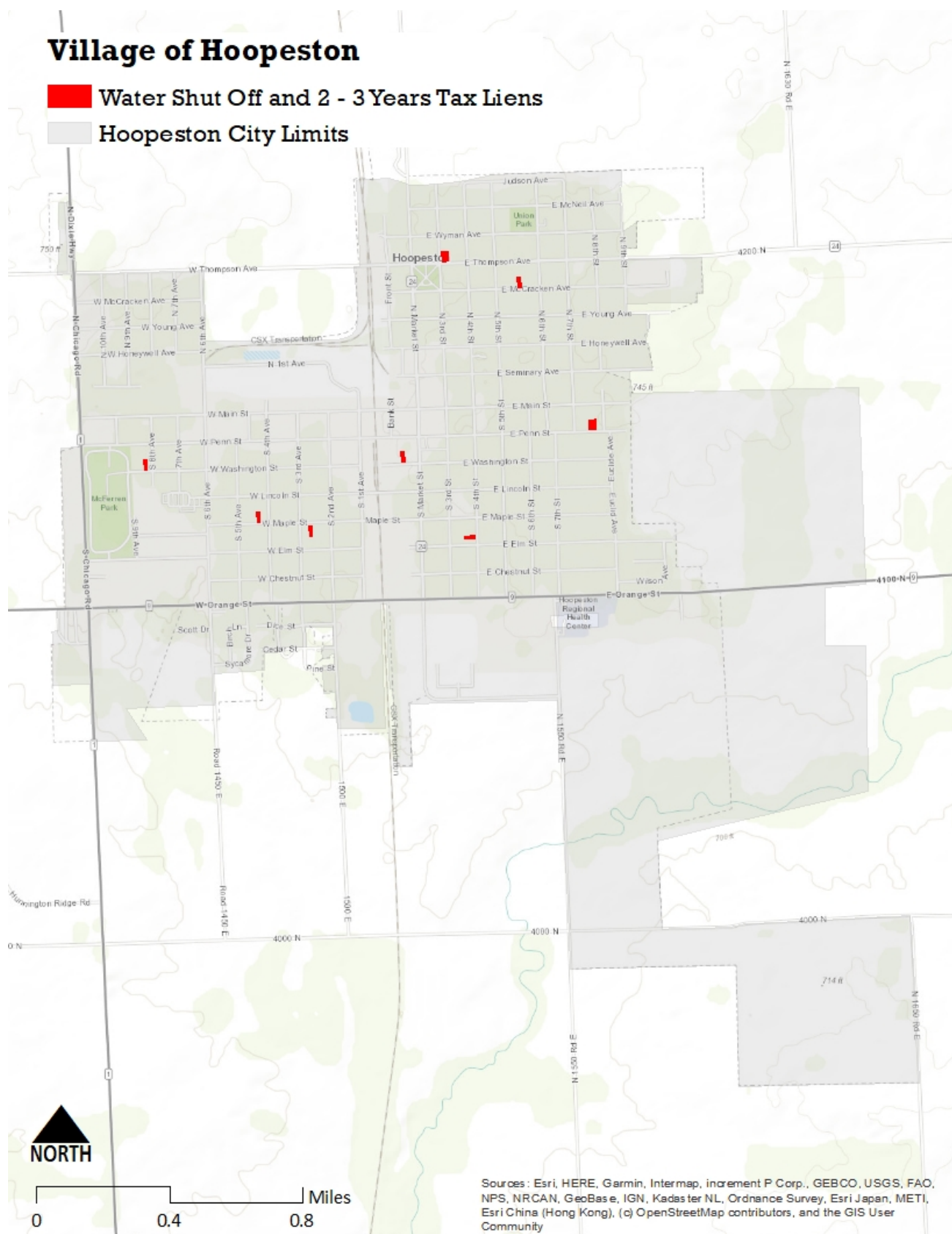


Figure 20: Village of Hoopeston Water Shut Offs and 2-3 Years of Tax Liens



## Village of Rankin

- Water Shut Off and 2 - 3 Years Tax Liens
- Rankin City Limits

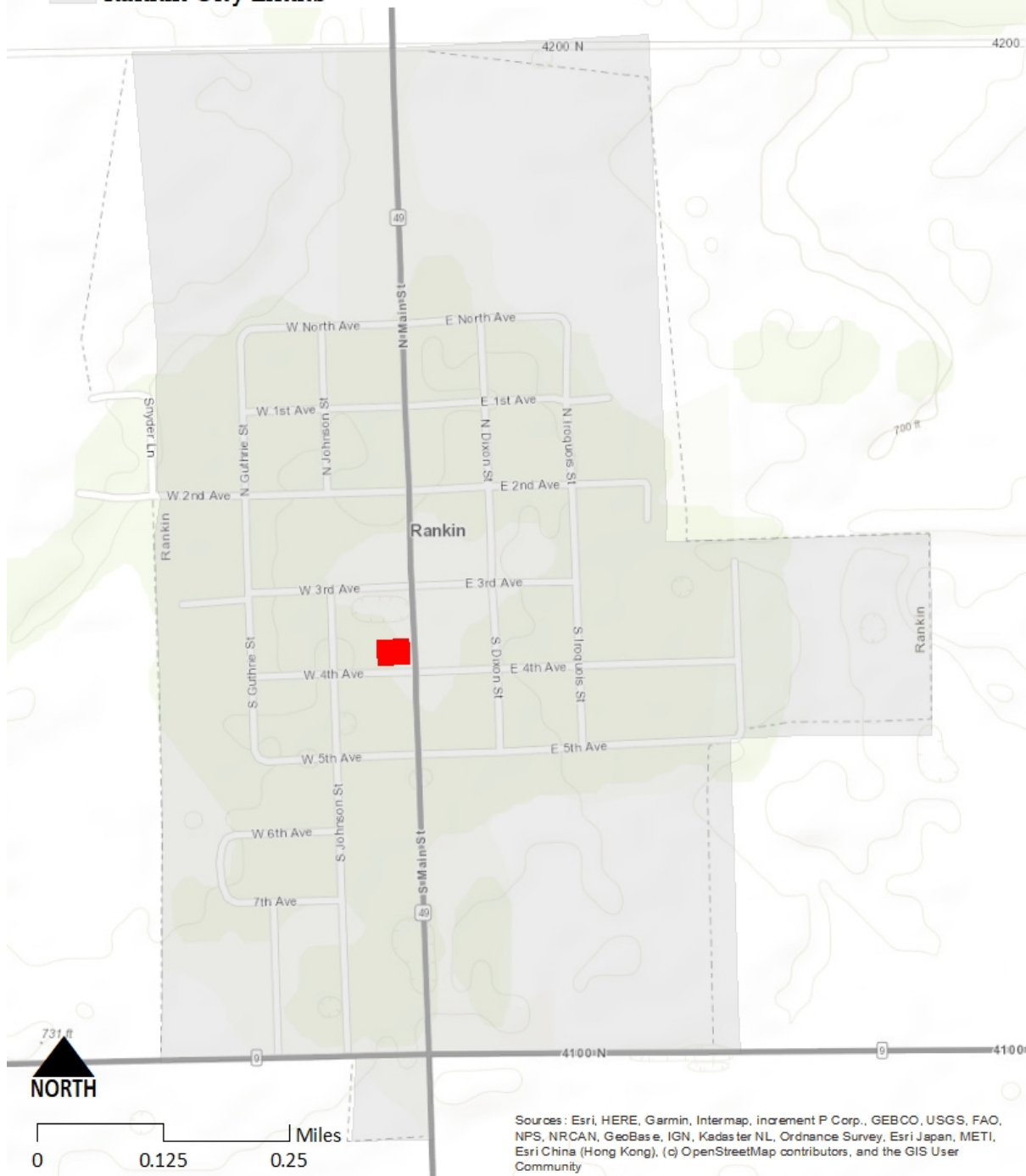
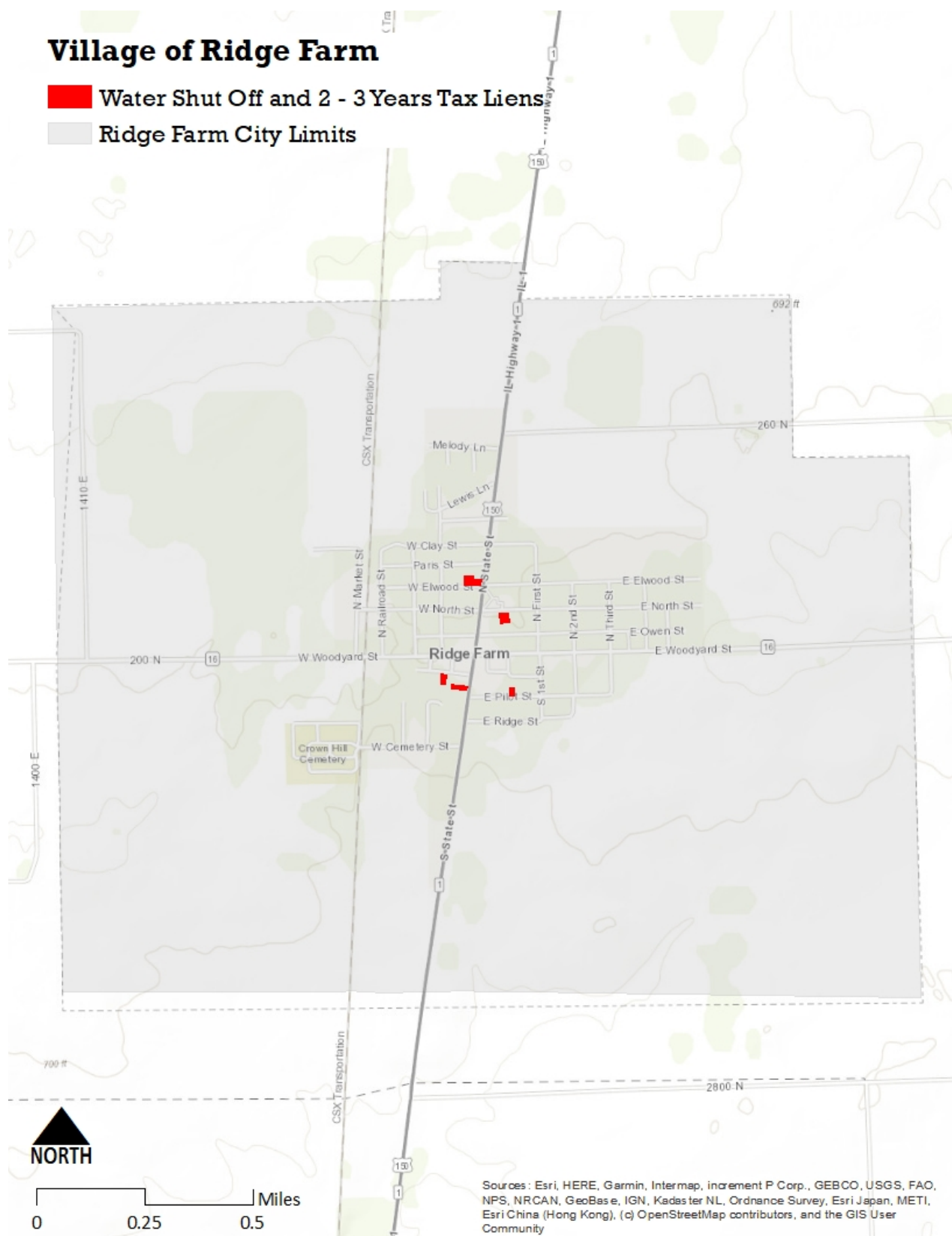


Figure 22: Village of Ridge Farm Water Shut Offs and 2-3 Years of Tax Liens





# Revitalization Strategies

Acquisition, disposition, and preservation are three key elements of a revitalization strategy. The tactics selected to address the needs of each housing market must be relevant to the unique situations of each area; some strategies will be municipality-wide, and other will require micro-market approaches to assess properties on a block-by-block basis. Finally, commercial opportunities also exist in each of these markets, which requires different strategies.

There are seven strategic interventions CILBA can pursue to revitalize Central Illinois' housing market:

1. Targeted Acquisition
2. Property Monitoring for Pursuing Abandonment
3. Marketing of Vacant Parcels
  - a. Establish and Promote Side Lot Programs
  - b. Assemble and Sell Parcels for Development
  - c. Identify Parcels for Non-Development Related Reuse
4. Rehabilitation of Existing Structures
  - a. Outsource Model
  - b. Partnership Model
5. Expansion of Code Enforcement Activities
6. Expansion of Housing Counseling Services
7. Commercial and Institutional Development

## Acquisition

### 1. Targeted Acquisition

Parcels that would be most beneficial for CILBA to acquire would have the greatest potential for productive reuse. Properties or vacant lots with multiple unresolved code violations, unpaid or shut of utilities, abandoned homes, or those at multiple tax lien or tax deed sales are opportunities for CILBA to intervene.

In housing markets like those in Danville, greater Vermilion County, and Decatur, it may not be feasible to take title to all properties that meet these criteria. For that reason, a targeted, place-based approach may be appropriate. In markets with multiple tax deed sales and abandoned vacant properties, the Land Bank can concentrate its acquisition efforts in areas with clusters of these properties.

### 2. Property Monitoring for Pursuing Abandonment

Monitoring “at risk” properties is a strategy that goes hand in hand with the targeted acquisition approach. By keeping track of struggling properties before they become abandoned or blighted,

CILBA can intervene in areas that are beginning to show signs of distress. Unoccupied residential parcels with a combination of qualifying characteristics (terminated utility services, boarded up windows, deemed unsuitable for occupancy, etc.) can be taken to court to have them officially declared abandoned, as well as clear back taxes. Instead of cycling through the tax system, these properties and lots acquired by the Land Bank can then be more easily sold.

## Disposition

### 3. Marketing Vacant Land

There are several tactics that can make up an effective disposition strategy:

***i. Establish and Promote Side Lot Programs***

Many municipalities have existing side lot programs, which sell vacant parcels to the owners of adjacent or neighboring lots. Vacant lots near or next to occupied properties can be sold at low cost in exchange for the new owner committing to maintaining the lot and paying future taxes. This strategy ensures that vacant lots do not become blighted or noncompliant with code and shifts the financial responsibility of maintenance activities from the county, municipality or Land Bank to the new owner. For municipalities with hundreds of vacant lots in their portfolio, the cost of activities such as lawn mowing can become prohibitive over time. This strategy can reduce the portfolio, but can also be time consuming in marketing the program and locating a willing purchaser.

***ii. Assemble and Sell Parcels for Development***

Individual lot sales will not always be sufficient or appropriate for some markets. Broader strokes are necessary for areas with higher concentrations of vacant or blighted parcels. In these cases, it may be prudent for the Land Bank to assemble adjoining parcels for redevelopment purposes. By working with a partner nonprofit developer or by creating a development arm of the Land Bank itself, CILBA can work strategically to incentivize new housing development in struggling areas. By doing the work of assembling parcels (through the acquisition strategies discussed above), CILBA can put itself in a position to spark development activity in the focus areas. Pre-assembled packages of land can be attractive to developers looking to invest in the community, but may need assistance in identifying funding sources such as LIHTC or other programs.

***iii. Identify Parcels for Open Space and other Non-Development Related Reuse***

Some parcels in CILBA's portfolio may be better marketed to potential buyers for uses other than development. Parcels that do not conform to minimum lot sizes, oddly shaped parcels, or those in floodplains may be better suited to uses like community gardens, children's playgrounds, flooding mitigation, or open space. Community needs should inform the type of reuse each lot, but these common uses can provide a starting point for lots that CILBA may find difficult to sell for different purposes.

#### **4. Rehabilitation of Existing Structures**

For those parcels in CILBA's portfolio that have existing structures that require work before going back on the market, two strategies are possible. One outsources the renovations and the other requires CILBA and a partner agency to do the rehabbing in-house before putting the property on the market. In many cases the cost of renovating the property and getting it ready to put on the market will be greater than the market value of the home. If, for example, CILBA acquires a property for \$5,000 and puts \$75,000 into rehabbing the unit, it may only be able to sell the property for \$50,000, which would be a loss of \$30,000. CILBA must be strategic in where and when it chooses to pursue these types of disposition strategies, since it cannot afford to take \$30,000 losses on every property in its portfolio.

##### ***i. Home Repair***

The outsource model conveys a property at low cost to individuals or small developers who agree to bring the property up to code. In this scenario, CILBA will prepare an estimate of how much renovations will cost for each property. If the market price after rehab is insufficient to cover costs (as in the example above), the gap will need to be closed. CILBA, if it is providing the funding, may consider a forgivable loan that would be repaid at the point of sale or forgiven at a given point in time (e.g. 25% per year for four years).

##### ***ii. Abandonment to Rehab Model***

CILBA can be instrumental in creating an abandonment to rehab model by working with each city to identify properties, acquire them (either directly from the city or through a property abandonment proceeding), retain contractors and rehab the properties. The properties would then be sold to eligible homeowners.

## **Preservation**

The preservation of the quality housing already in the focus areas is another important part of a wholistic housing market revitalization.

#### **5. Code Enforcement**

CILBA has been active in working with municipalities to provide code enforcement services that stems the tide of disrepair of existing housing stock. Supporting the adoption of the International Property Maintenance Code (IPMC) in all participating CILBA municipalities is an important step to stabilize local housing markets and prevent further decline.

## **6. Housing Counseling**

Comprehensive and accessible housing counseling for both homeowners and prospective homeowners can help prevent foreclosures, tax lien and tax deed sales, as well as the high proportion of vacant and abandoned properties in places like Danville and Decatur.

Pre-purchase counseling, post-purchase counseling, foreclosure prevention counseling, and other types of housing counseling can all provide valuable tools to build demand for purchase of homes. Creating and finding new streams of funding for these programs can reduce preventable foreclosures and tax sales and reduce the number of vacant and abandoned homes.

## **7. Commercial and Institutional Opportunities**

Commercial vacancies and vacant residential property that could be converted to commercial use present additional opportunities for redevelopment. The is composed of several categories:

- i. Existing vacant commercial buildings. In cases of vacant properties with high past due taxes, or properties that have been acquired by the County Trustee, the Land Bank may be able to market the property to a new user with the benefit of clearing back taxes.
- ii. Vacant commercial land. The land bank may have more ability to market vacant commercial land than the county or municipality due to its regional reach.
- iii. Repurpose vacant residential land. As in the case of the Carle Medical Center, the Land Bank may be best positioned to assemble vacant residential land to package a larger site for commercial or institutional use.



## Danville

Strategies that CILBA may pursue in Danville may be different than those pursued in the smaller municipalities of Vermilion County. The high number of properties at tax lien sale and tax deed sale as well as low median housing values and high vacancy rates show a housing market that requires intervention.

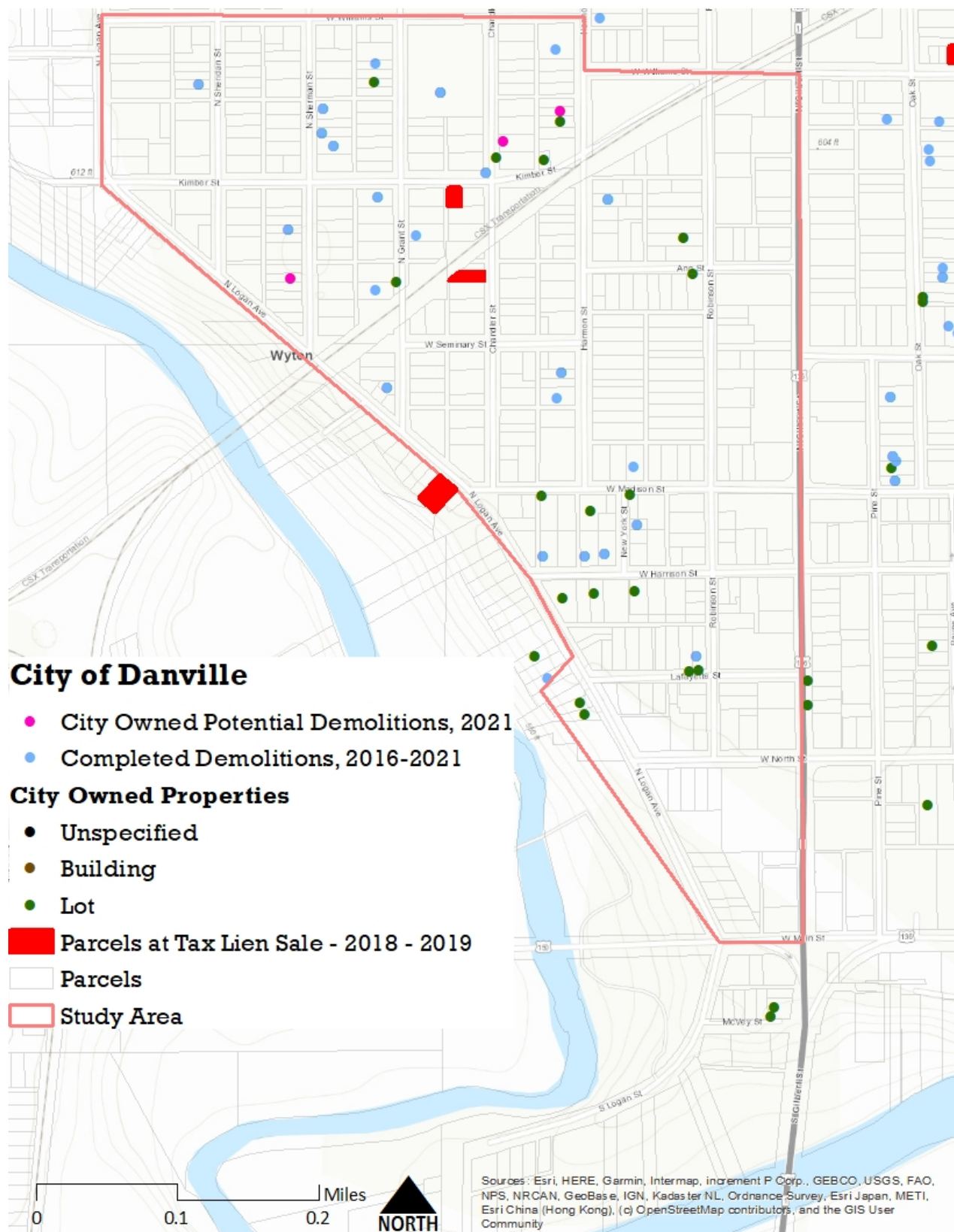
While there are symptoms of housing decline in several areas across the central and southern portion of the city, there are certain areas with greater potential for a concentrated reinvestment strategy. For example, the area around the development of Carle at the Riverfront holds great promise for a number of reasons. Primed by the \$70 million development of the Carle complex, the area is located near the downtown, I-74, and OSF Sacred Heart Medical Center. While there is an excess of vacant land, that presents an opportunity for new housing development, as well as potential for additional commercial and institutional uses that can spin off from the two medical centers.

The City of Danville has identified the Madison Neighborhood as shown in Figure 19 as its target neighborhood. The area includes the new Carle at the Riverfront campus, is located in walking distance to downtown, and has been the subject of property acquisition and demolition in recent years.

The Danville Implementation Plan summarizes major steps that can be pursued by CILBA, the City of Danville, Vermilion Advantage, Carle, OSF, Vermilion Housing Authority and other partners.

Specific details regarding the Danville / Madison Neighborhood Implementation Plan are being developed as part of a related project – the Madison Neighborhood Plan.

Figure 19: City of Danville Madison Neighborhood Target Area



# Danville Implementation Plan

Table 28: Danville Implementation Plan

Danville Strategies and Projects	
1. Create a pool of qualified homeowners	a) Seek a housing counseling partner to expand housing counseling for: <ul style="list-style-type: none"> <li>i. financial counseling and credit repair for prospective homeowners</li> <li>ii. homeownership training for new homebuyers</li> <li>iii. foreclosure prevention for existing homeowners</li> <li>iv. work with current property owners to address liens on properties, unpaid water bills, etc.</li> </ul>
2. Assemble land for new development	a) CILBA to acquire and hold properties for new development including single-family housing, multi-family housing, commercial and institutional development b) CILBA and City of Danville assemble land and or buildings appropriate for commercial and institutional development to provide anchors and investment in the Madison Neighborhood and transition to Downtown c) Vermilion Advantage to work with the City of Danville to recruit new residential, commercial and institutional developers.
3. Recruit qualified developers to build new housing and commercial development based on priorities in the plan	a) CILBA to issue a RFQ for qualified residential and commercial developers b) Work with development teams to meet community goals for new development d) Convey land to qualified teams based on development agreements
4. Engage residents	a) City of Danville or partner organization– conduct outreach to property owners to homes that can be saved based on the building condition survey b) Refer homeowners to housing counseling as needed and home repair program if appropriate
5. Create home repair program	a) City of Danville or partner organization - create a home repair program targeting existing homeowners and qualified landlords for minor to moderate repairs
6. 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 Danville – convey abandoned properties to CILBA for rehab and work with CILBA and County on abandonment petitions
7. Pursue a healthy community	a) Carle and OSF develop a series of programs to promote healthy living, green spaces and fresh foods in the Madison Neighborhood
8. Seek out placemaking opportunities to build neighborhood pride and safety	a) Create pocket parks, gateway features, public art, and/or community gardens to improve the quality of life and neighborhood pride

### **CILBA's primary focus in Danville will be to:**

#### **Strategy 2: Assemble land for new development**

CILBA will work with the City of Danville to identify properties, pursue abandonment petitions, demolition, and land assemblage. Vermilion Advantage will assist with identifying developers and new end users for the assembled properties.

#### **Housing –**

- Single-family scattered sites – package sites for the City and Vermilion Advantage to pursue a residential developer
- Multi-family developments – pursue market rate developers as well as opportunities for Low Income Housing Tax Credit projects that would serve the need for housing working families. For example, current income levels set at 80% of Vermilion County Area Median Income equates to households earning up to \$54,300<sup>2</sup> for a family of four which is significantly higher than the City of Danville's median household income of \$36,172<sup>3</sup>.

#### **Commercial Development –**

- With the construction of the Carle at the Riverfront campus, there will be hundreds of employees and visitors daily to the neighborhood. Opportunities for new restaurants and support businesses for Carle and OSF – whether it is off-site medical services, laundry, and supplies.

#### **Institutional Development –**

- Support services for residents and employees are needed including day care, workforce and employment training. The central location near downtown Danville

<sup>2</sup> Illinois Housing Development Authority Schedule of Maximum Income Limits Effective April 1, 2021

<sup>3</sup> U.S. Census American Community Survey 2015-2019 accessed from <https://www.census.gov/quickfacts/danvillecityillinois>



and available land and transportation network make this area attractive to these types of services that can serve the local community as well as the City as a whole.

**Strategy 3: Recruit qualified developers to build new housing and commercial development based on priorities in the plan**

A comprehensive developer recruitment effort will be needed to assemble a list of qualified developers. This list should include both for-profit and non-profit developers with deep experience in their respective fields. Due to the housing needs in Danville and available financing, early projects may require public subsidies, land write-downs and access to established financing programs such as LIHTC. Other projects, such as market-rate multifamily housing may not require as deep of subsidies but will likely need assistance to receive financing as there are few comparables or any larger scale new residential development in the nearby vicinity. Over time, these projects can transition to higher proportion of market-rate development as the housing market strengthens and demand grows for higher quality housing.

On the commercial side, CILBA, Vermilion Advantage and the City of Decatur can work with Carle to identify commercial and institutional developers and end-users to meet the demand of Carle employees and visitors, as well as the proximity to downtown. Restaurants, day care, workforce training have all been identified to attract to this area.

**Strategy 6: Create an abandonment to rehab program**

CILBA is designing an abandonment to rehab program that could provide an additional resource in the Madison Neighborhood. CILBA would work with the City of Danville to acquire existing buildings and pursue repairs and rehabilitation to bring them back to sell to prospective home buyers. CILBA would need to funding to cover the gap between rehab expenses and sales price to create a viable program. Over time, this would start to create comparables for homes at higher price points, thus strengthening the local housing market.

## Decatur Implementation Plan

CILBA is working with the City of Decatur on a comprehensive community revitalization approach that will utilize the combined resources and skills of CILBA with the City of Decatur and local partners. There are eight major recommendations to implementing an impactful program which will be detailed in a separate report being conducted for the City of Decatur.

The role of CILBA in collaborating with the City of Decatur is explained below the table, focusing primarily on Strategies 3, 5, and 6, but coordinating with the City on all of the activities.

Table 30: Decatur Implementation Plan

Decatur Strategies and Projects	
1. Create a pool of qualified homeowners	<p>a) Partner with a HUD approved counseling agency such as Community Investment Corporation of Decatur (CICD) to expand housing counseling for:</p> <ul style="list-style-type: none"> <li>i. financial counseling and credit repair for prospective homeowners</li> <li>ii. homeownership training for new homebuyers</li> <li>iii. foreclosure prevention for existing homeowners</li> <li>iv. work with current property owners to address liens on properties, unpaid water bills, etc.</li> </ul> <p>c) Decatur Housing Authority - queue up qualified renters to become prospective homeowners.</p>
2. Preserve existing housing	<p>a) City of Decatur - step up code enforcement efforts for residential properties to prevent deterioration and abandonment. b) City to refer homeowners to home repair program.</p> <p>c) Ensure multi-family properties meet building codes for health and safety.</p>
3. Define Target Areas	<p>a) Utilizing 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</p> <p>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.</p>
4. Create expanded home repair and rehab programs	<p>a) City of Decatur - create a home repair program targeting existing homeowners for repairs up to \$45K for single-family homes and \$90K for two- to three-unit residential properties.</p>

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 to CILBA 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) CILBA to acquire and hold properties for new development including affordable housing, senior housing c) CILB and City of Decatur 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 support efforts to raise grants to fill these 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.

More details regarding the Decatur Implementation Plan are being developed as part of the City of Decatur Housing Strategies Study.

**CILBA's major responsibilities in Decatur would include:**

**Strategy 5: Creating an abandonment to rehab program:** CILBA 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.

The premise of the model is based 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 would 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 will 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.

#### **Strategy 5: 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. CILBA 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. CILBA can work with the City of Decatur to 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.



# CILBA Strategic Initiatives

## 1. Raise a Collective Impact Fund

Land banks are still quite new in Illinois. Unlike other Midwest states like Ohio and Michigan, there is no dedicated source of funding for land banks. The Illinois Housing Development Authority has provided crucial funding and technical assistance to CILBA for start-up expenses, and related grant programs like Strong Communities to pursue acquisition and demolition expenses, there is not sufficient funding to cover the full costs to make an impact large enough to truly stabilize a housing market suffering from disinvestment, such as found in Danville and Decatur.

Land banks are, in fact, a very cost effective way to pursue housing stabilization and provide quality housing for households, as well as open the door to commercial development to provide jobs and needed services.

The proposed programs identified in this study have per unit costs such as:

Strategy	Cost Per Unit
Acquisition	\$4,500
Demolition	\$15,000-\$20,000
Repairs	\$20,000-\$40,000
Rehab	\$50,000 subsidy out of average \$100,000 rehab cost

While CILBA is pursuing grants, these grants do not typically cover the staffing and infrastructure costs to scale up the land bank to have a greater impact.

A collective impact fund is an intentional funding mechanism created through partnership and collaboration for the purpose of financing, developing, and executing holistic solutions to a complex problem. By working together through a collective impact mindset, stakeholders can move an initiative forward using a community-wide strategic lens that takes into account individual strengths, plans, and strategies.

CILBA has proposed creating a Collective Impact Fund that would be targeted in Danville to focus on the Madison Neighborhood. The Collective Impact Fund could cover the cost of land acquisition, site clearance, demolitions, maintenance, and matching money for pilot programs on open space and parks, housing, economic development initiatives, and arts and culture.

Table 31: Proposed Five-Year Danville Collective Impact Fund

	LOW		MEDIUM		HIGH	
	Units	Expense	Units	Expense	Units	Expense
<b>EXPENSES</b>						
Housing						
Counseling	30	\$60,000	40	\$80,000	50	\$100,000
Tax Deed						
Acquisition	20	\$100	25	\$100	30	\$100
Abandonment	20	\$60,000	30	\$90,000	40	\$120,000
Demolition	25	\$450,000	50	\$900,000	75	\$1,350,000
Repairs	20	\$500,000	25	\$625,000	30	\$750,000
Rehab Subsidy	25	\$2,000,000	40	\$3,200,000	50	\$4,000,000
New Construction	10	\$1,750,000	20	\$3,500,000	30	\$5,250,000
Placemaking		\$150,000		\$200,000		\$300,000
Staff		\$100,000		\$100,000		\$100,000
Legal		\$30,000		\$45,000		\$45,000
Maintenance	40	\$12,000	55	\$16,500	70	\$21,000
<b>SUBTOTAL - EXPENSES</b>		<b>\$5,052,100</b>		<b>\$8,676,600</b>		<b>\$11,936,100</b>
<b>REVENUES</b>	<b>Units</b>	<b>Revenue</b>	<b>Units</b>	<b>Revenue</b>	<b>Units</b>	<b>Revenue</b>
Vacant lots	50	\$15,000	60	\$18,000	70	\$21,000
Renovated homes	15	\$750,000	30	\$1,500,000	45	\$2,250,000
New Homes	10	\$600,000	20	\$1,200,000	30	\$1,800,000
<b>SUBTOTAL - REVENUE</b>		<b>\$1,365,000</b>		<b>\$2,718,000</b>		<b>\$4,071,000</b>
<b>GRANT/SUBSIDY NEEDED</b>		<b>\$3,687,100</b>		<b>\$5,958,600</b>		<b>\$7,865,100</b>

## 2. Create an Abandonment to Rehab Program that can be expanded to multiple communities

CILBA is designing an Abandonment to Rehab Program with the City of Decatur. The program will acquire and manage the rehab of single-family homes and small properties in target areas of the City. The City of Decatur would invest ARPA funds to create a seed capital fund for the program, starting with a \$500,000 investment.

CILBA can expand this program to other municipalities that face similar challenges and are willing to invest in the program for their community. The benefits of a regional program would be:

- Build the capacity of contractors and developers to specialize in cost-efficient, high-quality rehab

- Efficiently deploy staff to manage and implement the program
- Ensure high quality standards
- Stabilize the housing market in each community by targeting rehabs alongside related housing strategies in order to build a base of comparable properties
- Build household equity for homeowners in target areas

### **3. Build Development Capacity in Central Illinois**

There is currently limited capacity to develop high-quality affordable housing in Central Illinois. This creates two major challenges:

- There is no consistent developer in Central Illinois with the track record and local experience to build community support, understand local dynamics and be active long-term to be accountable to the community.
- There is a need for a public education process to understand affordable housing, how it is developed, who it serves and how it is managed long-term.

CILBA should consider the following options:

- a) Partner with an existing non-profit housing developer active in Illinois with a strong track record. The developer would need to show commitment beyond the specific development transaction to get involved in the community, build public trust and make a long-term commitment.
- b) Create a new development entity focused on Central Illinois opportunities that would be a separate but related entity to CILBA. The development partner may have shared staff and resources with CILBA to streamline efficiency but would be a separate legal entity to shield liability. The new development entity would:
  - a. Build a development track record by partnering with existing developers on projects such as LIHTC.
  - b. Begin to package development opportunities and build public support for the proposed project.
  - c. Recruit experienced staff with development experience.

## Organizational Models:

### Community Partners for Affordable Housing (CPAH) – [www.cpahousing.org](http://www.cpahousing.org)

CPAH is a full-service housing organization that began as three independent nonprofit housing organizations:

- The Affordable Housing Corporation of Lake County (AHC), initiated in 1992, which provides home buying and down payment housing counseling, home repair, accessibility improvements, foreclosure prevention, rental assistance, and the acquisition and rehabilitation of distressed properties.
- Community Partners for Affordable Housing (CPAH) was created in 2003 by the City of Highland Park. CPAH was created as a Community Land Trust (CLT) in an effort to bridge the gap between wages and the high cost of housing in the community. During its 15 year history, CPAH developed over 90 permanently affordable homes, both ownership and rental, in Highland Park, Lake Forest, Evanston and Highwood.
- Lake County Residential Development Corporation (LCRDC) was created in 1978 as an outgrowth of the Lake County Housing Authority. The organization is best known for developing affordable rental housing that serves low-income seniors, homeless families, special needs individuals, and other community members in need of affordable housing. LCRDC created, either by itself or with joint-venture partners, over 1,300 affordable rental and homeownership units.

CPAH now offers a continuum of housing services that clients throughout the northern suburbs can access with one phone call including rental assistance, rental housing, property management, HUD-certified housing counseling, down payment assistance, owner-occupied rehabilitation, accessibility improvements, foreclosure counseling, financial counseling, community land trust programming, inclusionary housing administration, housing rehabilitation, project management and new construction.

CPAH is partnering with the Lake County Land Bank Authority to acquire land and either rehab properties or build new affordable housing units.



**Housing Opportunities Development Corporation (HODC) – [www.hodc.org](http://www.hodc.org)**

HODC's mission is to develop, manage, and preserve the stock of housing that is affordable to low and moderate income households primarily throughout Chicago's northern suburbs. HODC developments include both affordable owner-occupied and rental units.



Cleland Place houses 16 households and opened in September 2021



Hyacinth Place – 10 homeownership units and 4 rental units in Highland Park developed in a partnership with Brinshore Development

**Other projects include:**

Spruce Village – 44 units of permanent supportive housing in Palatine

Cary Senior Living – new construction 62-unit of senior housing in Cary, McHenry County

Heart's Place – 18-unit new construction in Arlington Heights

Prospect Townhomes – 12 units of supportive housing in Niles

Axley Place – 18 units of supportive housing in Glenview



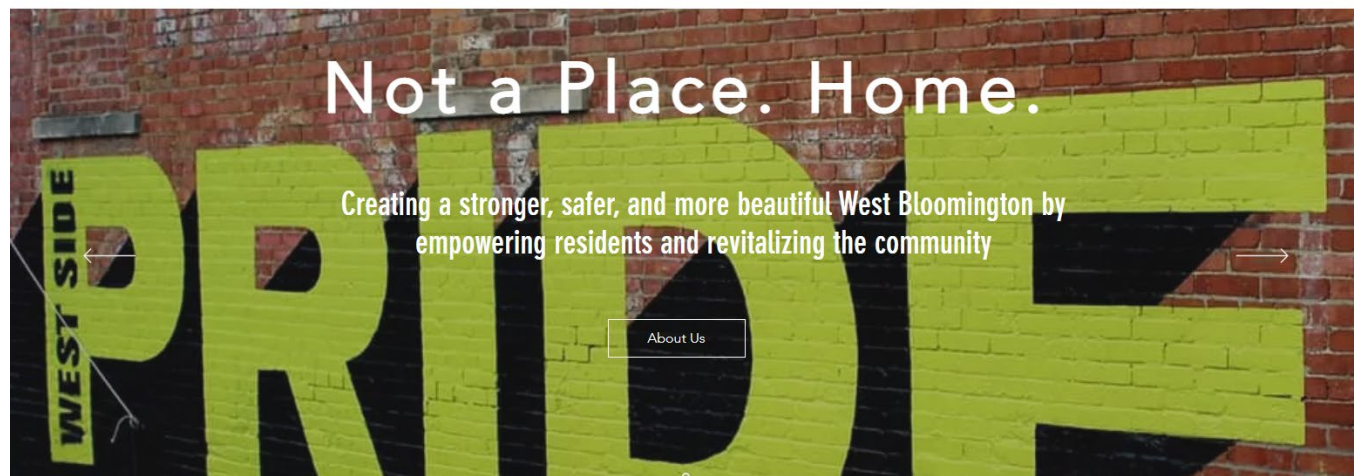
**West Bloomington Revitalization Project (WBRP) - [www.westbloomington.org](http://www.westbloomington.org)**

Starting out as a neighborhood quality of life plan, the steering committee incorporated after the planning process into the West Bloomington Revitalization Project. It could be a good model to explore for the Madison Neighborhood in Danville in which a steering committee could transition into a collaborative service model.

WBRP's first project was a community garden that first launched immediately following the planning process. WBRP also provides a range of services from a storefront location in the neighborhood, including a tool library, beautification/murals, a book bike and book co-op. While WBRP does not directly engage in housing development, it partners with Habitat for Humanity which offers A Brush with Kindness focusing on minor exterior repairs and the City of Bloomington on 0% housing rehabilitation loans up to \$25,000 for income-eligible residents.



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**RISE [www.risestl.org](http://www.risestl.org)**

RISE is a non-profit organization that partners with communities to build stronger, more equitable St. Louis Area neighborhoods. RISE is a Community Development Financial Institution (CDFI) and provides lending to small contractors, developers and businesses that are underserved by traditional banks in St. Louis City and St. Louis County, MO and Madison County and St. Clair County in Illinois. RISE also provides technical assistance to community development corporations, acts as a developer and a development consultant for neighborhood-based real estate, and provides residential development and data services to communities. RISE does not provide housing assistance, counseling or family support.

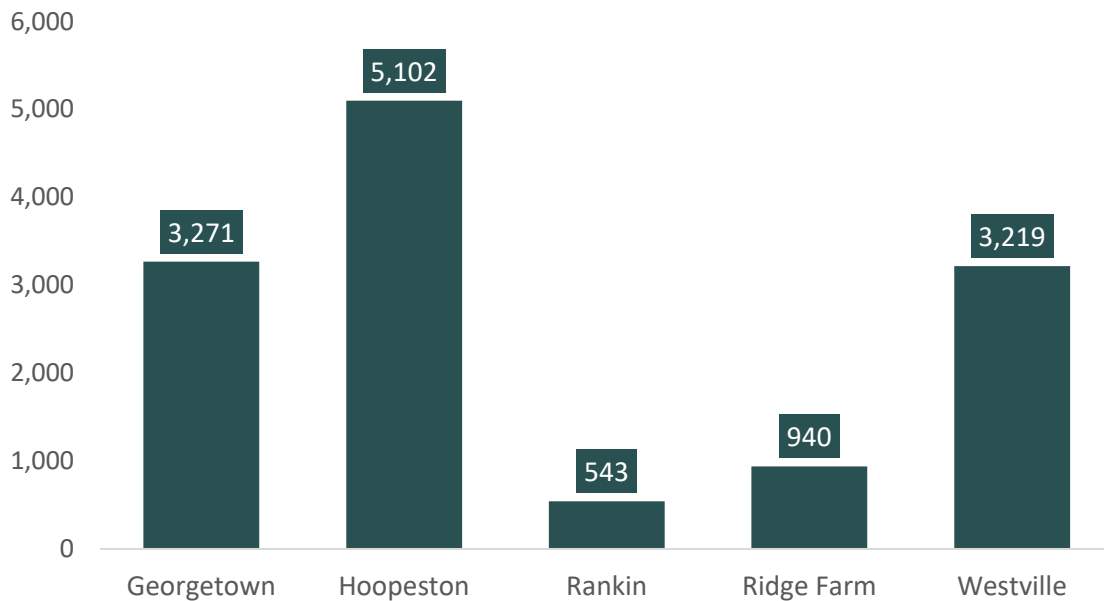
# APPENDIX 1: Demographic and Housing Data

Table 1.1: Population Change in Danville & Vermilion County

	Danville	Vermilion County
<b>2010 Population</b>	33,027	82,033
<b>2020 Population</b>	29,204	74,188
<b>% Change</b>	▼ <b>12%</b>	▼ <b>10%</b>

Source: US Census Bureau, 2010 and 2020 Decennial Censuses

Figure 1.1: 2019 Population in Smaller Vermilion Municipalities



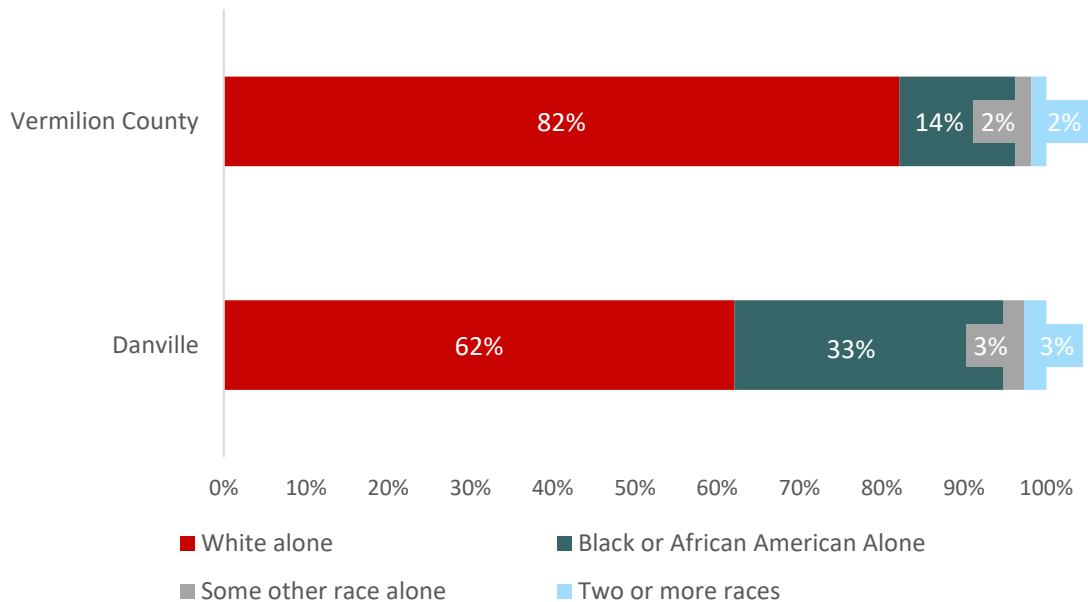
Source: American Community Survey, 2019 5 Year Estimates

Table 1.2: Population Change in Decatur and Macon County

	Decatur	Macon County
<b>2010 Population</b>	76,122	110,768
<b>2020 Population</b>	70,522	103,998
<b>% Change</b>	▼ <b>7%</b>	▼ <b>6%</b>

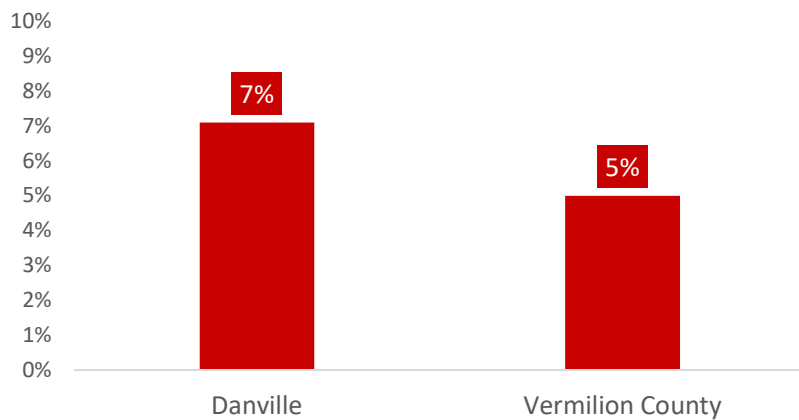
Source: US Census Bureau, 2010 and 2020 Decennial Censuses

**Figure 1.2: Racial Composition, Vermilion County and Danville**



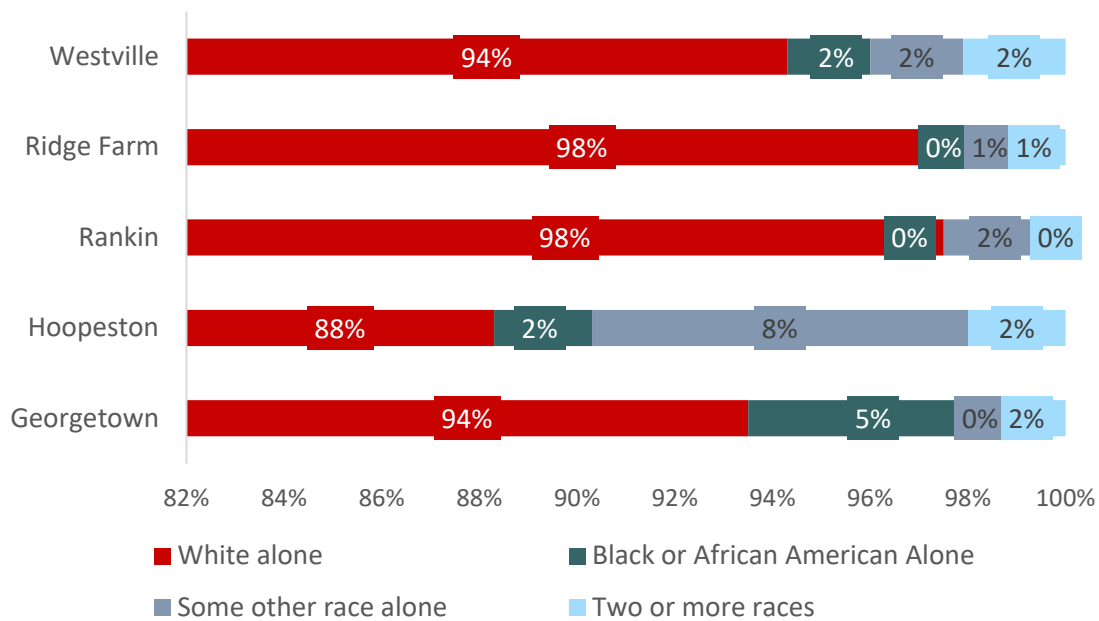
Source: American Community Survey, 2019 5 Year Estimates

**Figure 1.3: Hispanic or Latino Origin, Vermilion County and Danville**



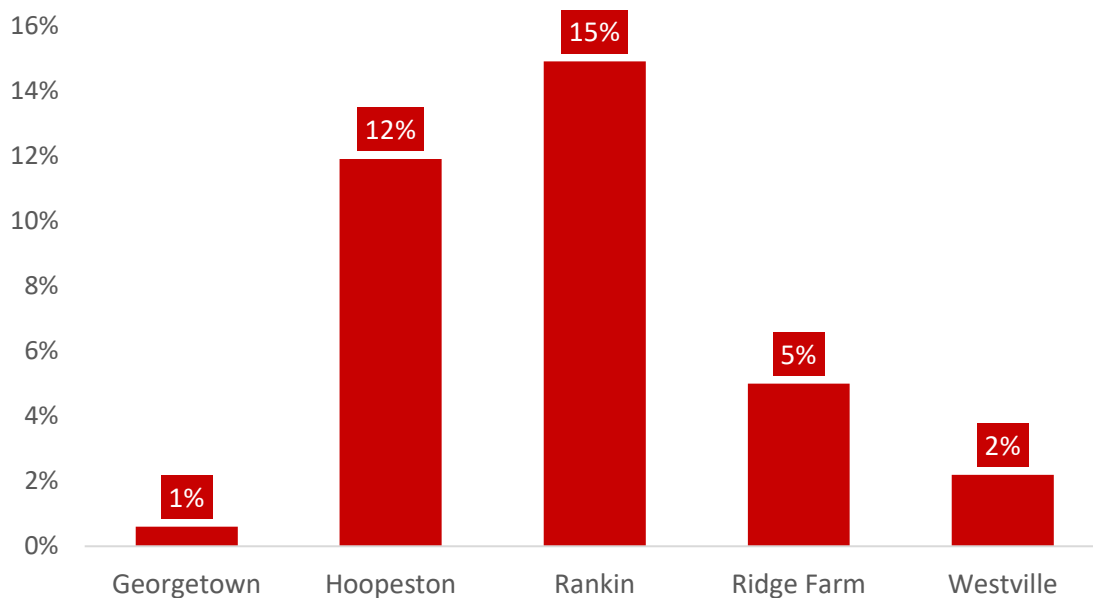
Source: American Community Survey, 2019 5 Year Estimates

Figure 1.4: Racial Composition, Smaller Vermilion Counties



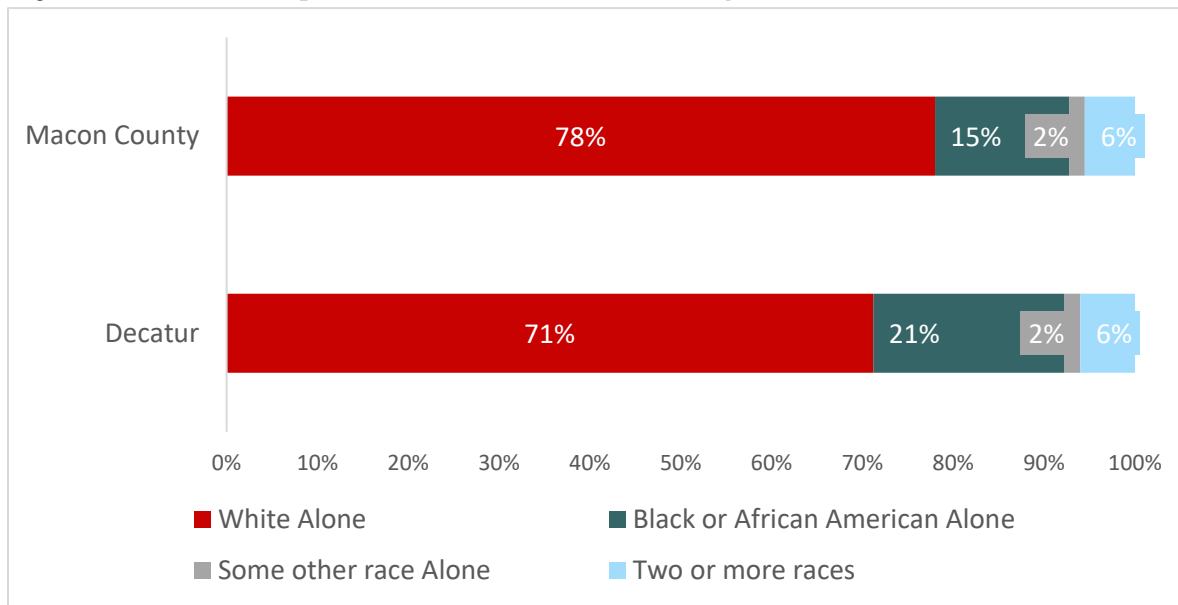
Source: American Community Survey, 2019 5 Year Estimates

Figure 1.5: Latino or Hispanic Origin of Any Race



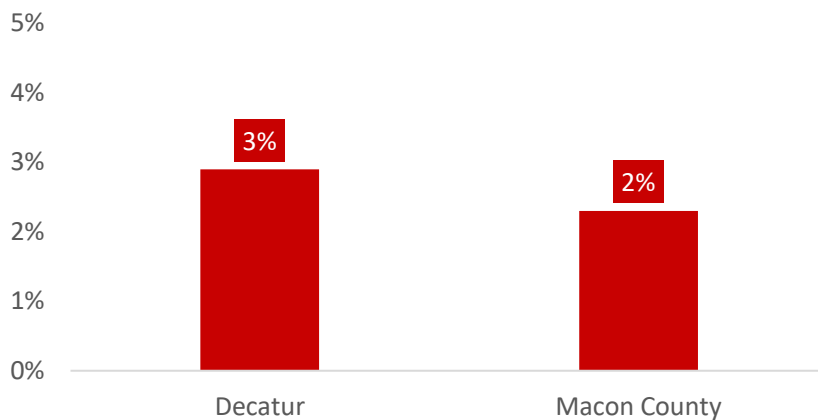
Source: American Community Survey, 2019 5 Year Estimates

**Figure 1.6: Racial Composition, Decatur & Macon County, 2019**



*Source: American Community Survey, 2019 5 Year Estimates*

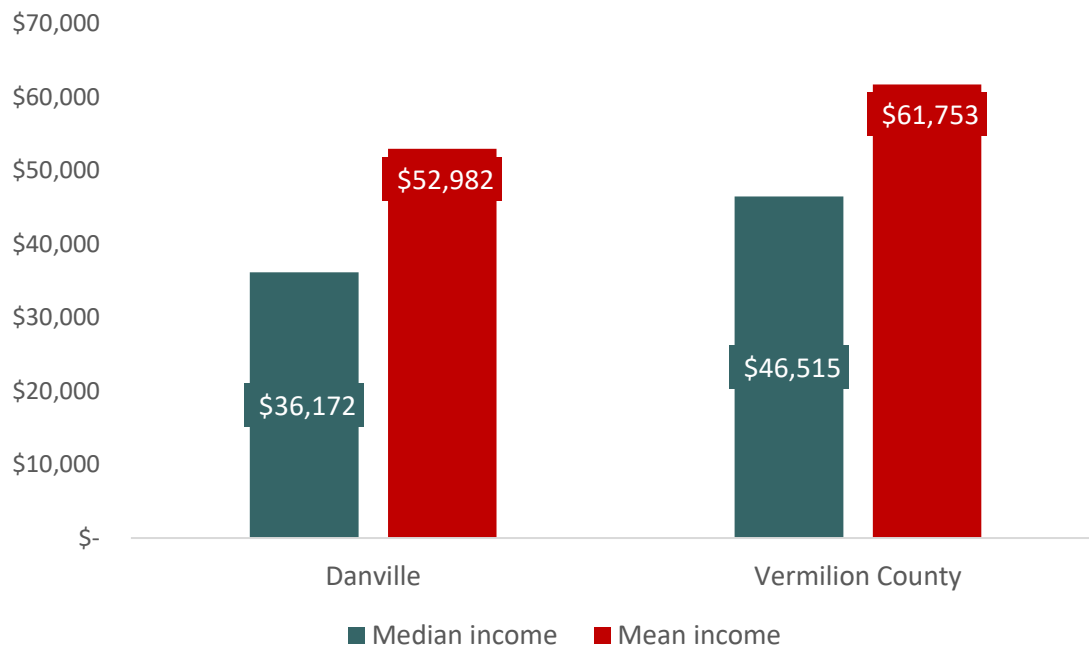
**Figure 1.7: Hispanic or Latin Origin, Decatur and Macon County, 2019**



*Source: American Community Survey, 2019 5 Year Estimates*

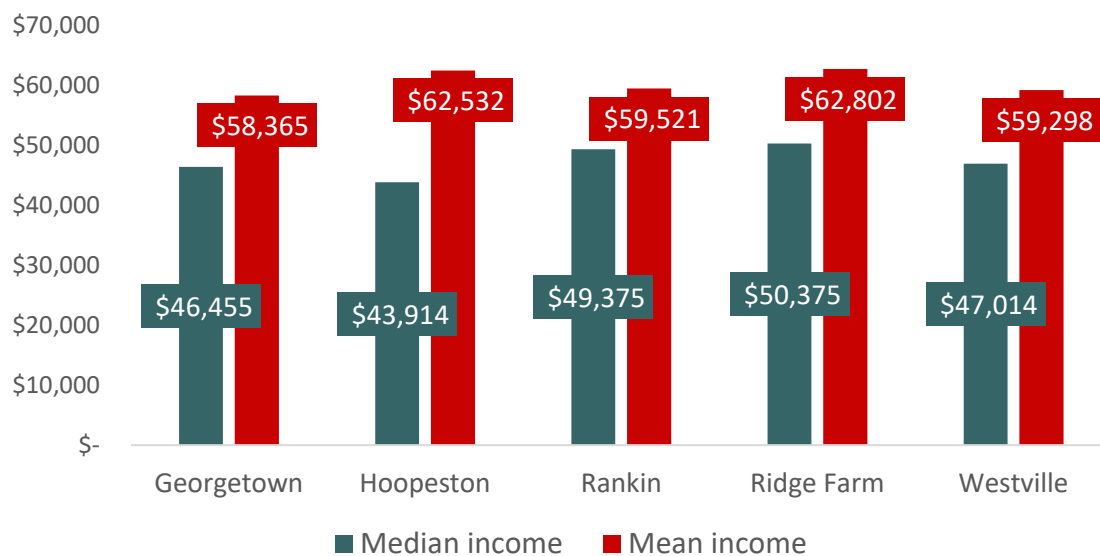


**Figure 1.8: Median and Mean Household Income, Danville & Vermilion County**



Source: American Community Survey, 2019 5 Year Estimates

**Figure 1.9: Median and Mean Household Income, Smaller Vermilion Municipalities**



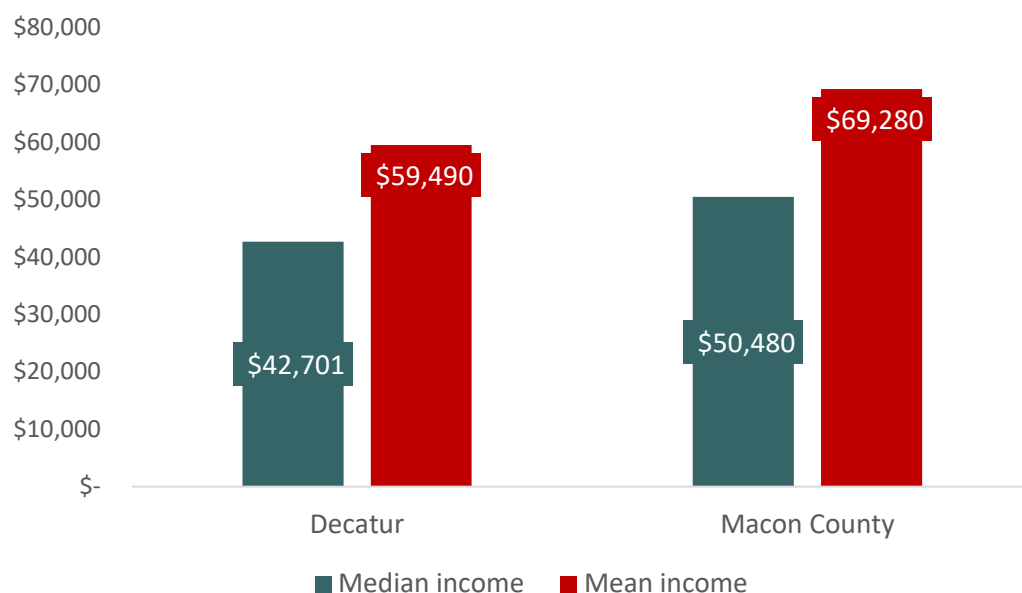
Source: American Community Survey, 2019 5 Year Estimates

Table 1.3: Poverty Rate, Danville & Vermilion County

Place	Poverty Rate
Danville	29%
Vermilion County	19%

Source: American Community Survey, 2019 5 Year Estimates

Figure 1.10: Median and Mean Household Income, Decatur & Macon County



Source: American Community Survey, 2019 5 Year Estimates

Table 1.4: Poverty Rate, Decatur & Macon County

Place	Poverty Rate
Decatur	24%
Macon County	17%

Source: American Community Survey, 2019 5 Year Estimates

Table 1.5: Water Shut Offs & 2+ Years of Tax Lien Sales, Vermilion County

Georgetown	Hoopeston	Rankin	Ridge Farm
202 E 10TH	406 E THOMPSON	124 S MAIN	10 E NORTH
121 E 9TH	908 W WASHINGTON	122 MAIN	17 E PILOT
109 VERMILION	512 W MAPLE		100 LOCUST
302 S CHURCH	321 W MAPLE		102 S STATE
	628 E MC CRACKEN		300 N STATE
	846 E PENN		
	210 E WASHINGTON		
	619 S 4TH		

Source: CILBA



**[www.cilba.org](http://www.cilba.org)**