

ORDINANCE NO. 18-50

AN ORDINANCE ESTABLISHING A FIRST TIME HOME BUYERS PROGRAM FOR THE PURPOSE OF INCREASING OWNER OCCUPANCY IN THE CITY OF COLLINSVILLE, ILLINOIS

WHEREAS, the City of Collinsville, Illinois, is a home rule unit of local government under the Illinois Constitution, 1970, Article VII, Section 6; and

WHEREAS, pursuant to Article VII, Section 6(a), of the Illinois Constitution, 1970, the City of Collinsville may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; and

WHEREAS, the City is committed to developing affordable housing and expanding opportunities for homeownership; and

WHEREAS, the City encourages the growth of owner occupied houses in Collinsville; and

WHEREAS, the City Council of the City of Collinsville in an effort to increase owner occupied homes has established other incentives to encourage home ownership, a First Time Home Buyers program will have a positive effect on increasing the likelihood of homes be purchased; and

WHEREAS, the City Council of the City of Collinsville wishes to establish a First Time Homebuyer Program, wherein the City would provide matching funds up to \$5,000, the homeowner's required match would be proportionate to their income levels based upon the Median Area Income (MAI) Levels for the most current year available at the time of application; and

WHEREAS, the homeowner would be required to record a restrictive covenant on the property which will require the home to remain owner-occupied for a period of five (5) years with the First Time Home Buyers assistance being recaptured if the property ceases to be owner occupied at a prorated rate of 1/60th of the original amount for each month the home is owner-occupied during the five (5) years; and

WHEREAS, the City Council of the City of Collinsville, Illinois finds it in the best interest of the City of Collinsville to establish a First Time Home Buyers Program with a matching funds of up to \$5,000 based upon the MAI Levels for the most current year at the time of application, with a restrictive covenant being recorded on the property in which the home will remain owner-occupied for a period of five (5) years with First Time Home Buyers assistance being recaptured if the property ceases to be owner occupied at a prorated rate of 1/60th of the original amount for each month the home is owner-occupied during the five (5) years; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLINSVILLE, ILLINOIS, as follows:

SECTION 1: The City of Collinsville hereby establishes a First Time Home Buyers Program with matching funds of up to \$5,000 for first-time home buyers who can provide matching down-payment funds. The buyer's contribution will be determined from the most current Median Area Income (MAI) at the time of application as established by the Department of Housing and Urban Development. Home

buyers with an income of up to 30% of the MAI will be responsible for thirty percent of the City's contribution, or \$1,500. Home buyers earning up to 50% or up to 80% of the MAI would be responsible for 50% or 80% of the city's contribution. Home buyers with incomes at or above 80% of the MAI would be required to fully match the city's \$5,000 contribution. Homes purchased using funds from this program must remain occupied by the owner who received the funds for at least five years, or face a repayment penalty.

SECTION 2: That the City Manager of the City of Collinsville is hereby authorized to and shall take any and all reasonable, necessary and proper actions to carry out the intent and purposes of this Ordinance, including but not limited to, establishing terms and conditions for eligibility under the Single Family Housing Conversion Program and entering into agreements with eligible recipients for funding under the Single Family Housing Conversion Program.

SECTION 3: That the Finance Director is hereby authorized to disperse the funds necessary to accomplish the intent of this Ordinance.

SECTION 4: That all ordinances and parts thereof in conflict herewith are expressly repealed and are of no other force and effect.

SECTION 5: That it is the intention of the City Council of the City of Collinsville that this Ordinance and every provision thereof shall be considered separable and the invalidity of any section, clause, or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

SECTION 6: That the City Council of the City of Collinsville finds that the subject matter of this Ordinance pertains to the government and affairs of the City of Collinsville and is passed pursuant to authorities granted it by State statutes and the Home Rule powers of the City of Collinsville pursuant to the provisions of Article VII, Section 6(a) of the Illinois Constitution.

SECTION 7: This Ordinance shall be in full force and effect from and after its passage, approval, publication if necessary, as provided by law.

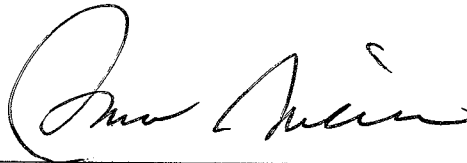
Passed by the City Council of the City of Collinsville, Illinois, on the 29th day of May 2018.

Ayes: Stehman, Jerome, Brombolich, Green, Miller

Nays: None

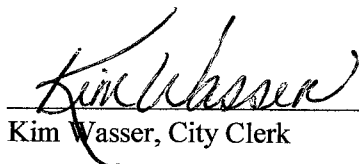
Absent: None

Approved: May 29, 2018



John Miller, Mayor

ATTEST:


Kim Wasser, City Clerk

RECORDED: _____, 2018

ORDINANCE NO. 19-3

AN ORDINANCE AMENDING THE FIRST TIME HOME BUYERS PROGRAM IN THE CITY OF COLLINSVILLE, ILLINOIS

WHEREAS, the City of Collinsville, Illinois, is a home rule unit of local government under the Illinois Constitution, 1970, Article VII, Section 6; and

WHEREAS, pursuant to Article VII, Section 6(a), of the Illinois Constitution, 1970, the City of Collinsville may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; and

WHEREAS, on May 29, 2018, the City Council of the City of Collinsville established, in Ordinance 18-50, a First Time Home Buyer's program to encourage the growth of owner occupied houses in Collinsville; and

WHEREAS, since the grant was formed, City staff has noticed applicants may request less than \$5,000, which may be limiting participating in regard to matching funds; and

WHEREAS, since the grant was formed, City staff has noticed that there is no minimum grant funds established, and is seeking to established a minimum funding level of \$1,000; and

WHEREAS, the City Council finds it in the best interest of the City of Collinsville to amend the language to establish a minimum funding level of \$1,000 and amend section 1 of Ordinance 18-50 to allow the matching funds percentages to be based on the value of the grant in lieu of the maximum of \$5,000.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLINSVILLE, ILLINOIS, as follows:

SECTION 1: The City of Collinsville hereby amends the First Time Home Buyers Program to establish a minimum grant value of \$1,000 up to \$5,000 for first-time home buyers who can provide matching down-payment funds. The buyer's contribution will be determined from the most current Median Area Income (MAI) at the time of application as established by the Department of Housing and Urban Development. Home buyers with an income of up to 30% of the MAI will be responsible for thirty percent of the City's contribution. Home buyers earning up to 50% or up to 80% of the MAI would be responsible for 50% or 80% of the city's contribution. Home buyers with incomes at or above 80% of the MAI would be required to fully match the city's contribution. Homes purchased using funds from this program must remain occupied by the owner who received the funds for at least five years, or face a repayment penalty.

SECTION 2: That the City Manager of the City of Collinsville is hereby authorized to and shall take any and all reasonable, necessary and proper actions to carry out the intent and purposes of this Ordinance, including but not limited to, establishing terms and conditions for eligibility under the Single Family Housing Conversion Program and entering into agreements with eligible recipients for funding under the Single Family Housing Conversion Program.

SECTION 3: That the Finance Director is hereby authorized to disperse the funds necessary to accomplish the intent of this Ordinance.

SECTION 4: That all ordinances and parts thereof in conflict herewith are expressly repealed and are of no other force and effect.

SECTION 5: That it is the intention of the City Council of the City of Collinsville that this Ordinance and every provision thereof shall be considered separable and the invalidity of any section, clause, or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

SECTION 6: That the City Council of the City of Collinsville finds that the subject matter of this Ordinance pertains to the government and affairs of the City of Collinsville and is passed pursuant to authorities granted it by State statutes and the Home Rule powers of the City of Collinsville pursuant to the provisions of Article VII, Section 6(a) of the Illinois Constitution.

SECTION 7: This Ordinance shall be in full force and effect from and after its passage, approval, publication if necessary, as provided by law.

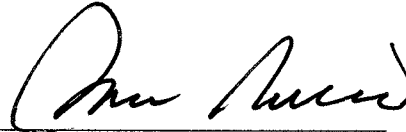
Passed by the City Council of the City of Collinsville, Illinois, on the 14th day of January 2019.

Ayes: Brombolich, Stehman, Green, Jerome, Miller

Nays: None


Absent: None

Approved: January 14, 2019



John Miller, Mayor

ATTEST:



Kim Wasser, City Clerk

RECORDED: _____, 2019



CITY COUNCIL
AGENDA ITEM STAFF REPORT

MEETING DATE:	January 14, 2019
TITLE:	Ordinance Amending the First Time Home Buyer's Program
DEPARTMENT:	Administration/Community Development
PROJECT MANAGER:	Derek Jackson, AICP, Assistant City Manager/Community Development Director
REQUESTED ACTION:	Approval
STRATEGIC PLAN GOAL(s):	#1: Preferred Place to Live
ATTACHMENTS:	Draft Ordinance, Ordinance 18-50

Summary Recommendation

Staff is recommending two (2) minor adjustments to the existing First Time Home Buyer's Program. The first amendment pertains to establishing a minimum grant award in the amount of \$1,000 where previously there was no minimum. The second proposed amendment removes the reference to \$5,000 in Section 1 as the City's contribution.

Executive Summary

The First Time Home Buyer's Program was started in May of 2018 as a part of the neighborhood revitalization program. The purpose of the program was to assist first time home buyers while encouraging owner-occupied dwellings within the City. Since the program began, four (4) grants have been awarded. Staff has discovered that the current language of the ordinance needs minor adjustments in order to make the program more flexible and to further encourage more participation.

The First requested amendment establishes a minimum grant value of \$1,000. Currently the program establishes a maximum grant amount of \$5,000, but no minimum grant amount is referenced. Staff is requesting to establish a minimum of \$1,000 for the First Time Home Buyer's Grant.

The second requested amendment clarifies the variability of the City's contribution and the required matching funds by removing the reference to \$5,000 in Section 1 related to the requirement of matching funds of 100%. This section references "City's contribution" throughout until the reference to those buyers with 80% or higher Median Area Income (MAI) where the reference is to the City's "\$5,000 contribution". While this has not precluded a grant being awarded as the City Manager's interpretation is that the lack of reference to the City's contribution amount of \$5,000 until this point allows a grant award to be less than \$5,000 amending this section to remove the reference to the dollar value clarifies the ability of the City contribution to vary between \$1,000 and \$5,000. The recipient is required to provide matching funds based on their MAI (see graph on page 2). Some of the requests being made are not for the full \$5,000, but instead a lesser amount and this clarifies the ability to award an amount that is less than the full \$5,000.

Recommendation

Staff recommends approval of the *Ordinance amending the First Time Buyer's Program Appointing Members of the Board of Building Code Review (NAMES)*.

MAI Limits and Matching Funds Matrix

2018	Household Members							
Income Limit	1	2	3	4	5	6	7	8
180%	80,550	92,025	103,500	114,975	124,200	133,425	142,650	151,875
100%	44,750	51,125	57,500	63,875	69,000	74,125	79,250	84,375
80%	35,800	40,900	46,000	51,100	55,200	59,300	63,400	67,500
50%	22,400	25,600	28,800	31,950	34,550	37,100	39,650	42,200
30%	13,450	16,460	20,780	25,100	29,420	33,740	38,060	42,200

Buyer Income	Buyer Contribution	City Contribution
Up to 30% of MAI	\$1,500	\$5,000
More than 30% and up to 50% of MAI	\$2,500	\$5,000
More than 50% and up to 80% of MAI	\$4,000	\$5,000
At or above 80% of MAI	\$5,000	\$5,000