

EXHIBIT A
Tax Increment Finance Housing Redevelopment Program Policy

1. **Purpose:** The purpose of the Tax Increment Finance Housing Redevelopment Program (“Program”) is to encourage redevelopment of the City of Effingham’s existing central and southern area by providing tax increment finance incentives to property owners who engage in the eligible redesign, rehabilitation, and/or reconstruction of existing residential properties located in the Eligibility Area.
2. **Eligibility Area:** The Program Area will encompass the same area as the Central Redevelopment Tax Increment Finance District and the South Central Industrial Redevelopment Tax Increment Finance District.
3. **Term:** The Program will terminate on April 30, 2026 (“Term”). If the Program is successful and sufficient funds are available, the City Council anticipates expanding the Term of the Program.
4. **Budget:** The budget for the Program for the 2025/2026 fiscal year is \$100,000.00 (“2025/2026 Budget”). \$50,000.00 will be designated for projects in the Central Redevelopment Tax Increment Finance District and \$50,000.00 will be designated for projects in the South Central Industrial Redevelopment Tax Increment Finance District. These funds shall be budgeted and dedicated to the Program on an annual basis for the term of the program unless modified by the City Council. The Program is offered on a first-come, first-served basis.
5. **Program Plan:** The intent of the Program is to provide incentives for residential property owner(s) to rehabilitate, repair, and/or redevelop residential properties located in the Eligibility Area in order to increase the owner-occupancy rate, improve the outward appearance of residential structures, increase the associated valuation of properties, and to increase housing availability. The program will provide for the opportunity for reimbursement of rehabilitation, repair, and redevelopment costs incurred pursuant to this Policy, which are generally consistent with the following activities subject to approval of the City Council: Exterior improvements such as tuck pointing, window and door replacement, roof and gutter replacement, siding replacement, painting, fence replacement, driveway and walkway improvements, porch replacement and garage replacement, utility service line replacement, plumbing and electrical upgrades, code violation corrections, and heating and cooling systems. Demolition of buildings located on the property would also be eligible for funding assistance. A commitment to construct additional residential housing unit(s) within eighteen (18) months would be required in order to qualify for the demolition reimbursement.
6. **Eligibility Criteria:** A person is eligible for the Program if he/she:
 - a. Is the owner of property in the Eligibility Area;
 - b. Has residential property which generates real estate taxes. Not-for-profit owned properties which do not pay real estate taxes are not eligible for the Program.
 - c. Is in good standing with the City of Effingham and the State of Illinois with no taxes or fees owed;

- d. Completes a letter of application to the City Council; and,
 - e. Executes a Program Agreement (“Agreement”) agreeing to redesign, rehabilitate, and/or reconstruct the owner’s residential property in a manner consistent with the Program Plan approved by the City Council. The form of the Agreement is attached to the Policy.
7. **Application & Approval Process:** A person may apply for the Program by sending an application to the TIF Administrator (“Administrator”), requesting the City Council to approve his or her property for redesign, rehabilitation, and/or reconstruction in a manner consistent with the Program Plan. The application letter must include your name, address, telephone number, a copy of the deed to the building, copies of appropriate plans, drawings or other documents showing your proposed redesign, rehabilitation, and/or reconstruction of the property, and cost estimates to complete the proposed redesign, rehabilitation, and/or reconstruction of the property. The Administrator will meet with the owner to review the owner’s application and supporting materials, and to review with the owner the Program Plan and the Agreement. The owner and the Administrator will develop a mutually agreed upon work plan for the redesign, rehabilitation, and reconstruction of the residential property (“Work Plan”) which will be attached to the Agreement. The Administrator will also obtain approval of the work plan from the Building Official and Assistant Fire Chief. The Work Plan shall be consistent with the Program Plan. The owner may request that the Work Plan reflect changes or deviations from the Program Plan. The City Council reserves the right to accept or reject such requested changes or deviations. If acceptable to the owner, the owner may approve the Work Plan and execute the Agreement, and the Administrator will present the application, Work Plan and Agreement to the City Council for approval. All work approved in the Work Plan and the Agreement shall be completed within twelve (12) months after the date of the City Council’s approval of the Work Plan and the Agreement. Any work associated with the Program Plan cannot be started prior to approval by the City Council.
8. **Program Benefits:** Owner(s) of property located in the Eligibility Area who satisfy the Eligibility Criteria and execute and complete Work Plans and Agreements approved by the City Council will be reimbursed an amount equal to 25% of the actual construction cost incurred to complete the approved Program Plan, not to exceed Twenty Five Thousand Dollars (\$25,000.00). The minimum actual construction costs shall be Ten Thousand Dollars (\$10,000) to be eligible for reimbursement. Notwithstanding anything contained herein to the contrary, Owners of property located in the Eligibility Area who satisfy the Eligibility Criteria and execute and complete Work Plans and Agreements approved by the City Council who commit to demolish building(s) and construct additional residential housing unit(s) within eighteen (18) months will be reimbursed the actual demolition costs incurred to complete the approved Program Plan, not to exceed Twenty Five Thousand Dollars (\$25,000.00).

The total amount received by any one property cannot exceed Twenty Five Thousand Dollars (\$25,000.00) over the life of the Program.

9. **Reimbursement Process:** Upon the completion of the Work Plan, the owner shall provide the Administrator with copies of invoices, statements, contracts, and other similar documents showing the costs incurred by the owner to complete the Work Plan, along with proof of payment of such amounts incurred. The Administrator shall approve only those costs actually incurred by the Owner in

completing the actual redesign, rehabilitation, and/or reconstruction of the residential property approved in the Work Plan. The Administrator shall submit a reimbursement report to the City Council. If the actual costs incurred and the actual redesign, rehabilitation, and/or reconstruction of the residential property complies with the Work Plan, then the City Council shall approve the reimbursement of those costs approved by the Administrator. The maximum amount to be reimbursed shall be an amount equal to 25% of the actual construction cost incurred to complete the approved Program Plan, not to exceed Twenty Five Thousand Dollars (\$25,000.00), provided, however, that the maximum amount to be reimbursed for Owners who demolish building(s) and construct additional residential housing unit(s) in accordance with this Policy shall be the actual demolition cost incurred, not to exceed Twenty Five Thousand Dollars (\$25,000.00).