



CITY OF ROCKFORD
2015-2019 CONSOLIDATED PLAN
2016 ANNUAL ACTION PLAN
DRAFT



To be posted September 15 – October 16, 2015

2016 Proposed Projects/Activities

1. Administration and Planning

- a. Administration (ND) - \$184,263 FY 2016 CDBG, \$20,000 FY 2016 CDBG Program Income, \$77,709 FY 2016 HOME, Administration (ED) \$80,620 FY 2016 CDBG and \$13,984 FY 2016 ESG

The City of Rockford will continue to utilize CDBG, HOME, and ESG funds for the planning and implementation of programs and strategies that are assisted in whole or in part. Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting and evaluation. Administrative funds are subject to statutory limitations. No more than 20% of CDBG grant funds plus program income may be used for planning and administration. HOME funds are limited to 10% and ESG may not exceed 7.5% for administrative purposes.

The City also anticipates utilizing a portion of any program income funds available through the Neighborhood Stabilization¹ Program in 2016 for administrative costs; this would be minimal.

- b. Fair Housing - \$1,500 FY 2016 CDBG

Funds available for the provision of fair housing services designed to further the fair housing objectives of the recently enacted Affirmatively Furthering Fair Housing Final Rule by making all persons without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in an areas containing a disparate number of low- and moderate-income persons.

2. Rehabilitation Operations

Rehabilitation Administration (14H) - \$44,539 FY 2016 CDBG and \$25,000 FY 2016 CDBG Program Income

This activity provides outreach efforts for marketing programs, rehabilitation counseling, loan underwriting and processing, preparing work specification, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in eligible rehabilitation activities.

Housing Services (14J) - \$572,730 FY 2016 CDBG

Housing services in support of the HOME Program

3. Homeowner - Single Family Housing Projects – Existing and New

- a. Focus Area/Strategy Area Rehabilitation Program: \$454,814 FY 2016 HOME

A not-to-exceed \$40,000 in rehabilitation assistance per property will be made to approximately 11 owners who own and occupy property located within the City of Rockford. Assistance helps stabilize neighborhoods by bringing properties up to local code, addresses potential health issues by removing lead hazards and ensures homes are accessible for those with physical disabilities.

- b. Haskell Area Infrastructure Improvements - Homeowner Rehab Activity - \$128,000 FY 2016 HOME and \$15,000 FY 2016 Program Income and \$100,000 2015 HOME Carryover Reprogrammed

Total infrastructure costs are estimated to be \$879,000 with HOME funds proposed to address the gap. City of Rockford Public Works funds and the Rock River Water Reclamation District funds will support the infrastructure costs. HOME assistance will bring properties up to City of Rockford code and will include the private property reconnection costs to the new sewer line. It is estimated that 7 properties will be assisted.

The City intends to close-out its NSP1 program but continue its programs/projects under the Housing and Economic Recovery Act of 2008 and its Neighborhood Stabilization Program which began March 20, 2009. It will follow the disbursement regulations for any NSP1 program income.

4. **Acquisition, Relocation, and Disposition - \$0**

Due to limited funds, the City is not budgeting for an acquisition program but will continue incur costs in order to dispose of excess CDBG and NSP property. Funds will be funded and drawn on an as needed basis.

5. **Rental Rehabilitation - \$0**

Should CDBG or HOME funds become available, the City may provide rental rehabilitation funds to projects. CDBG requires that 51% of the units in a property be of lower income; HOME requires that the HOME assisted units be comparable to other units in the project and that they be designated for households at 60% of the area median income.

6. **Operating Assistance to Community Housing Development Organizations (CHDOs)**

CHDO Operating/Developer's Fee - \$0

The City continues to work with local housing non-profit organizations to further enhance and complement our efforts. Non-profits that meet the eligible criteria may become a Community Housing Development Organization (CHDO) and access CHDO operating funds. The City may convert these funds to project developer fee.

8. **Homebuyer's Assistance Programs**

Many people in Rockford who dream of becoming homeowners face a steep challenge while in recovery from the foreclosure crisis, credit scrutiny, and

economic downturn which has put many property owners "underwater". The City of Rockford is proposing to help families, increase the homeownership rate, and stabilize neighborhoods with vacant properties.

All program participants must complete homebuyer counseling classes, the property must meet local code, and the unit cleared through a lead inspection at project completion.

- a. Homebuyer Assistance Program - \$158,938 2015 Carryover Reprogrammed

Homebuyer assistance available for homebuyers with incomes at or below 80% of the area median income. Funds will be used to purchase vacant property. The maximum allowable for homebuyer assistance will be \$14,999 but will not be more than the gap needed to purchase the property and make the property affordable. Rehabilitation assistance may also be made through the Focus Area/Strategy Area Rehabilitation program. 31 households may be assisted with homebuyer assistance.

- b. 224 Foster

Sale of a City owned property purchased and rehabilitated with HOME funds.

9. **RAMP Program** - \$15,000 2016 CDBG

Funds will be provided to the Regional Access Mobility Program to construct ramps for persons physically challenged. It is anticipated that approximately 4 ramps will be constructed. Persons must be of lower income. This project will be eligible as single family or as a multi-family rehabilitation activity.

10. **Homebuyer & Rental CHDO Projects**

Affordable Housing Projects - \$116,563 FY 2016 HOME and \$169,568 FY 2015 HOME Carry Over Reprogrammed

Funds will be made available to eligible CHDOs by applying for gap funding assistance to produce affordable homebuyer and rental units within their strategy areas and areas that are not concentrated with poverty. The City anticipates assisting 5 units.

11. **Demolition** - \$254,539 FY2016 CDBG and \$19,098 in Activity Delivery Costs FY 2016 CDBG

Blighted structures that are not suitable for rehabilitation will be demolished through this program. The City will focus on properties in the CDBG area and deteriorated properties located near schools, on major thoroughfares, and strategically located in transformation housing plans. The City anticipates the demolition of 35 structures. Activity delivery costs will be documented for operating costs.

Any increases in the 2016 CDBG allocation will be applied to the demolition program.

12. **Public Service and Public Facilities Programs**

- a. Twenty-First Century After-School Program - \$50,000 FY2016 CDBG

This funding continues to support an after school program at Conklin, Lathrop, and Walker schools plus additional funds for ND operational costs i.e. activity delivery costs. This will mark year 8 of a 10 year commitment. It is estimated that 240 children will be assisted through this program.

13. **Code Enforcement Program** - \$570,260 FY 2016 CDBG

The Code Enforcement Program includes the payment of salaries and overhead costs directly related to the enforcement of state and local code within the CDBG targeted area with a focus on the Midtown and Ellis Heights neighborhoods. Code enforcement, together with other improvements such as rehabilitation, demolition, and public improvements, is expected to arrest the decline of the area and result in addressing over 5,000 code violations over the next year. This funding will support the code enforcement staff.

14. **Microenterprise Assistance**

- a. Self-Employment Training Program (SBDC) - \$10,000 FY 2016 CDBG and \$10,000 FY 2015 Carryover Reprogrammed

The City of Rockford will continue to support the creation of new businesses owned by low/ moderate-income residents. The City will use CDBG funds to support the Self-Employment Training (SET) Program, an entrepreneurial training program operated by the Small Business Development Center. Informational classes will be held with general information about starting a business designed to self-screen candidates for SET classes. An English and Spanish version of the SET classes will be held. Classes will focus on storefronts and manufacturing businesses. One-on-one counseling will also be offered for those that cannot attend the sessions. A total of at least three sessions, eight weeks in length, will be offered. It is anticipated that 20 persons will be assisted through the program.

15. **Economic Development Services** - \$47,349 FY 2016 CDBG

The City will utilize CDBG funds to provide economic development services to entrepreneurs, business- and property-owners, developers, Community Based Development Organizations (CBDOs), and other interested parties in order to facilitate development and provide more goods, services, and jobs to low/moderate income neighborhoods.

16. **Section 108 Loan Guarantee**

- a. Standby Section 108 Loan Debt Service - \$69,380 FY 2016 CDBG.

The City will provide stand-by cash infusion to support debt service payments for the old South Main Street grocery store project.

b. Cliffbreakers Section 108 - \$2,725,000 FY 2016

The City will request funding for Section 108 Guarantee loan funds that will be borrowed by the owner of Cliffbreakers Riverside Resort and Conference Center for the redevelopment of the hotel. In addition, it will act as a significant economic stimulus for the area. It is anticipated that this development will create 28 jobs and retain 53 jobs for a total of 81 jobs.

c. Section 108 Loan Pool Program - \$6,500,000 FY 2016

A Loan Pool Program in the amount of \$6,500,000 will be created to assist large scale development projects meeting the underwriting requirements and requesting loan assistance in the amount of \$500,000 or more. It is anticipated that a minimum of 185 jobs will be created.

All income resulting from the Section 108 Loan Guarantees will be considered program income and will be utilized for CDBG eligible activities.

17. **Rehabilitation & Development Assistance**

a. Rehabilitation & Development Assistance Program - \$80,000 FY 2016 and \$10,000 FY 2015 CDBG Carryover Reprogrammed

The City will continue to provide assistance to Commercial & Industrial businesses or developers making investments within CDBG targeted areas and/or creating or retaining permanent jobs for low- and moderate-income persons, and low-income microenterprise business owners. It is anticipated that 3 projects will be assisted.

b. Façade Improvement Assistance Program – \$60,000 FY 2016 CDBG.

This program will provide assistance to businesses to make façade improvements in lower income neighborhood commercial districts. The Program will assist businesses which provide goods and services to the neighborhood and help stabilize CDBG low-to moderate-income neighborhoods. Improvements will be limited to eligible exterior improvements. It is anticipated that 2 businesses will be assisted this year.

18. **Homeless Emergency Solutions Grant Program Activities** - \$5,000 FY Essential Services/Outreach, \$83,485 for the Operations of Emergency Shelters, \$68,985 for Homeless Prevention and Rapid Rehousing activities, and \$15,000 for the HMIS administration and Program Administration (as previously noted in #1) \$13,984 – FY 2016 ESGP Funds.

Through the Federal Emergency Solutions Grants Program, local homeless agencies will be assisted. Rehabilitation, essential services, operating, homeless prevention and rapid rehousing activities are eligible. Funds will be distributed through a competitive process administered by the Rockford, Winnebago, Boone Counties Continuum of Care as the review and approval

committee. The City anticipates funding 5-6 non-profit homeless service providers.

Homeless permanent housing relocation activities will be designated to areas of opportunity defined as housing located near employment and educational opportunities.

Special Considerations:

Approval by City Council of the 2016 Annual Plan allows the Community & Economic Development Department to commit to all programs/activities without additional Council approval, with the exception of the following:

- 1) Projects, programs, and activities proposed which are outside an original program design and exceed more than \$20,000; or
- 2) CHDO/Developer projects requiring gap assistance for an activity in an amount more than \$20,000.

Any increases or decreases in CDBG and/or HOME funds will be applied to projects in need or slow moving, respectively.

Substantial changes will invoke the citizen participation process and City Council approval. Substantial changes are those projects/activities not falling within this Annual Action Plan or changes totaling more than 20% of the total federal budget including program income and carryover. Monetary movement within a project type (e.g. Homebuyer Assistance Programs can fluctuate funds between that heading) will be acceptable and will not be made part of the 20% calculation.

| FEDERAL 2016 BUDGET PROJECTIONS - 9/4/15 | CDBG | | | | | | HOME | | | | | | ESG | | | | | |
|--|---------------------|------------------------------------|--|--|------------------------|-----------------------|----------|------------|------------------------------------|---|--|-------------------------------------|----------------|---------|------------|----------------|------------------------------|--------------------|
| | New 2016 CDBG Funds | Projected 2016 CDBG Program Income | 2015 CDBG Unobligated Balance Carry Over | Total 2015 CDBG Carryover Reprogrammed | Total 2016 CDBG Budget | Projects/Units/People | New HOME | 2016 Funds | Projected 2016 HOME Program Income | Estimated 2015 HOME Carryover Unobligated | Total 2015 HOME Carryover Reprogrammed | Total 2016 HOME Revised HOME Budget | Projects/Units | New ESG | 2016 Funds | Projects/Units | Total Units or Projects Est. | Total People/Units |
| ADMINISTRATION & PLANNING | | | | | | | | | | | | | | | | | | |
| Administration | 184,263 | 20,000 | | | 204,263 | | 77,709 | | | | | 77,709 | | | | | | |
| Planning | 80,620 | | | | 80,620 | | | | | | | | | | | | | |
| Fair Housing - Public Education | 1,500 | | | | 1,500 | | | | | | | | | | | | | |
| Total Administration: | 266,383 | 20,000 | 0 | 0 | 286,383 | | 77,709 | | 0 | 0 | 77,709 | | | | | | | |
| Neighborhood Development | | | | | | | | | | | | | | | | | | |
| Unobligated Carry Over | | | | | | | | | | | | | | | | | | |
| Rehabilitation Operations | | | | | | | | | | | | | | | | | | |
| Housing Rehabilitation Services | 44,539 | 25,000 | | | 69,539 | | | | | | | | | | | | | |
| Housing Services | 572,730 | | | | 572,730 | | | | | | | | | | | | | |
| Homeowner - Single Family Housing - Existing and New | | | | | | | | | | | | | | | | | | |
| Focus Area Rehabilitation | | | | | | | 454,814 | 0 | 0 | 0 | 454,814 | 11 | | | | | | |
| Haskell Street Improvements/including Sanitary & Sewer | | | | | | | 128,000 | 15,000 | 102,472 | 100,000 | 243,000 | 7 | | | | | | |
| Acquisition, Relocation and Disposition | | | | | | | | | | | | | | | | | | |
| Acquisition, Relocation and Disposition | | | | | 0 | | | | | | 0 | | | | | | | |
| Rental Rehabilitation | | | | | | | | | | | | | | | | | | |
| Rental Rehabilitation/Investor Projects | | | | | | | | | 0 | | 0 | | | | | | | |
| (CHDO) | | | | | | | | | | | | | | | | | | |
| CHDO Operating/Developer's Fee | | | | | | | 0 | | 43,366 | 0 | 0 | | | | | | | |
| Homebuyer Assistance Programs | | | | | | | | | | | | | | | | | | |
| Homebuyer Assistance Program with CHDO Developer(s) | | | | | | | | | 0 | | 0 | | | | | | | |
| Homebuyer Assistance Program | | | | | | | | | 0 | 158,938 | 158,938 | 31 | | | | | | |
| 224 Foster Ave | | | | | | | | | | | 0 | 1 | | | | | | |
| IHDA | | | | | | | | | 113,100 | 0 | | | | | | | | |
| RAMP Program | | | | | | | | | | | | | | | | | | |
| RAMP | 15,000 | | | | 15,000 | 4 | | | | | | | | | | | | |
| Homebuyer & Rental CHDO Projects | | | | | | | | | | | | | | | | | | |
| Affordable Housing Projects | | | | | | | 116,563 | | 169,568 | 169,568 | 286,131 | 5 | | | | | | |
| Demolition | | | | | | | | | | | | | | | | | | |
| Demolition | 254,539 | 0 | | | 254,539 | 35 | | | | | | | | | | | | |
| Demolition Activity Delivery Costs | 19,098 | | | | 19,098 | | | | | | | | | | | | | |
| Public Service and Facilities Program | | | | | | | | | | | | | | | | | | |
| Discovery Center 21st Century After School (Year 8 of 10 years) +ADC | 50,000 | | | | 50,000 | 240 | | | | | | | | | | | | |
| Code Enforcement | | | | | | | | | | | | | | | | | | |
| Code Enforcement | 570,260 | | | | 570,260 | 5,000 | | | | | | | | | | | | |
| Total Neighborhood Development: | 1,526,166 | 25,000 | 0 | 0 | 1,551,166 | 5,279 | 699,377 | 15,000 | 428,506 | 428,506 | 1,142,883 | 55 | 0 | 0 | 0 | 0 | 0 | |
| Economic Development | | | | | | | | | | | | | | | | | | |
| Microenterprise Assistance | | | | | | | | | | | | | | | | | | |
| Self Employment Training Program (RVC/SBDC) | 10,000 | | 10,000 | 10,000 | 20,000 | 20 | | | | | | | | | | | | |
| Economic Development Services | | | | | | | | | | | | | | | | | | |
| Economic Development Services | 47,349 | | | | 47,349 | | | | | | | | | | | | | |
| Section 108 Loan Guarantee | | | | | | | | | | | | | | | | | | |
| Section 108 - Debt Service/IGA (Year 8 of 16 years) | 69,380 | | | | 69,380 | 1 | | | | | | | | | | | | |
| Section 108 Loan Pool Program | | | | | | 185 | | | | | | | | | | | | |
| Rehabilitation & Development Assistance | | | | | | | | | | | | | | | | | | |
| Rehabilitation & Development Assistance Program (+ADC) | 80,000 | 0 | 10,000 | 10,000 | 90,000 | 3 | | | | | | | | | | | | |
| Facade Improvement Assistance Program (+ADC) | 60,000 | | | | 60,000 | 2 | | | | | | | | | | | | |
| Total Economic Development: | 266,729 | 0 | 20,000 | 20,000 | 286,729 | 211 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Emergency Solutions Grant Program | | | | | | | | | | | | | | | | | | |
| Homeless ESGP Activities | | | | | | | | | | | | | | | | | | |
| Essential Services/Street Outreach | | | | | | | | | | | | | | 5,000 | | | | 1 |
| Operating/Rehab of Emergency Shelters | | | | | | | | | | | | | | 83,485 | | | | 2 |
| Homeless Prevention/Rapid Rehousing | | | | | | | | | | | | | | 68,985 | | | | 2 |
| HMS | | | | | | | | | | | | | | 15,000 | | | | 1 |
| Administration (7.5% Limitation) | | | | | | | | | | | | | | 13,984 | | | | |
| Total Emergency Solutions Grant Program: | | | | | | | | | | | | | | 186,454 | 0 | 0 | 0 | 6 |
| Total Administration: | 266,383 | 20,000 | 0 | 0 | 286,383 | 0 | 77,709 | 0 | 0 | 0 | 77,709 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Neighborhood Development: | 1,526,166 | 25,000 | 0 | 0 | 1,551,166 | 5,279 | 699,377 | 15,000 | 428,506 | 428,506 | 1,142,883 | 55 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Economic Development: | 266,729 | 0 | 20,000 | 20,000 | 286,729 | 211 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BUDGET: | 2,059,278 | 45,000 | 20,000 | 20,000 | 2,124,278 | 5,490 | 777,086 | 15,000 | 428,506 | 428,506 | 1,220,592 | 55 | 186,454 | 0 | 0 | 0 | 0 | 0 |
| New funds | 2,059,278 | | | | | | 777,086 | | | | | | 186,454 | | | | | |