

Brief Description of the Activities and Projects

2014 Proposed Projects/Activities

1. Administration and Planning

- a. Administration - \$272,024 FY 2013 CDBG, \$20,000 FY 2013 CDBG Program Income, \$76,847 FY 2013 HOME, \$1,500 HOME Program Income and \$12,493 FY 2013 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.

- b. Fair Housing - \$1,500 FY 2012 CDBG

Funds available for the provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act 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 area containing a high proportion of low- and moderate-income persons. Activities are commonly conducted by the City of Rockford's Fair Housing Board.

The City also anticipates utilizing a portion of its remaining committed Administration funds available through the Neighborhood Stabilization¹ Program in 2013.

2. Rehabilitation Services – \$546,765 FY 2013 CDBG, \$80,000 FY 2013 CDBG Program Income, and \$132,120 FY2012 Carryover Reprogrammed

This project funds operating costs and staff positions that are primarily responsible for 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.

3. Homeowner - Single Family Housing – Existing and New

- a. Focus Area and Strategy Area Rehabilitation Program: \$107,938 FY 2013 HOME, \$15,000 FY2013 Program Income HOME, and \$32,275 FY 2012 HOME Carryover Reprogrammed

Approximately \$25,000 (not to exceed \$50,000) will be provided as rehabilitation assistance to approximately six (6) owner occupied homes located within the City of Rockford. Assistance is typically used to ensure the property meets the current local code and to address lead hazards.

However, it may also be used for demolition of blight, and to ensure homes are accessible.

b. 203(k) Loan/Grant Foreclosure Program - \$0

A pilot loan/grant program that began in 2012 utilizing the services of a local lender – PNC Mortgage is being discontinued. The program will be re-evaluated during the year to determine if there is a need to fund it with funds from slower moving line items.

The City intends to continue its programs/projects under the Housing and Economic Recovery Act of 2008 and it's Neighborhood Stabilization Program which began March 20, 2009 resulting from program income or de-obligated funds.

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

Due to limited funds, the City is not budgeting for an acquisition program but will continue to dispose of excess property.

Should the City receive additional CDBG funds, this project may be funded.

5. Rental Rehabilitation

Rehab of 533 Fisher - \$250,000 FY 2013 HOME

The City intends to provide additional funds to complete the rehab that was begun with Neighborhood Stabilization Program funds. This rehabilitation will result in 6 rehabilitated units.

Additional funding may be provided through the Neighborhood Stabilization Program through the Housing and Economic Recovery Act of 2008 de-obligated or program income funds. The City will continue to target these funds to census tracts with the greatest need.

6. Assistance to Community Housing Development Organizations (CHDOs)

CHDO Operating - \$38,423 FY 2013 HOME

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 compete for these operating funds. Funds will be awarded to CHDOs through an application process.

7. Get the Lead Out! (GLO) Program - \$0

A 10% match will be provided to the City of Rockford Human Services Department to match a State of Illinois lead-based paint federal grant if such a grant is submitted and awarded. The program is typically offered citywide and is restricted to low-moderate income households.

8. Homebuyer's Assistance Programs

Many people in Rockford who dream of becoming homeowners face a steep challenge especially in light of the continued foreclosure crisis, credit scrutiny, and economic downturn. The City of Rockford has funded projects to help those families and stabilize the rate of homeownership in Rockford and neighborhoods affected most by the foreclosure crisis while assisting in the de-densification of lower income neighborhoods.

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

a. Homebuyer Assistance Program – \$30,000 FY 2012 HOME Carryover.

Homebuyer assistance may be available for City funded housing activities on a citywide basis for all income eligible residents.

b. Homebuyer Advantage Program - \$150,000 FY 2013 HOME and \$20,000 FY 2012 HOME Carryover Reprogrammed

The Rockford Area Affordable Housing Coalition will administer the Homebuyer Advantage Program, a program available for households of 80% of area median income or less purchasing single family homes within the City of Rockford. The City anticipates providing assistance to thirty-four (34) households.

c. Thatcher Blake - \$30,000 FY 2013 HOME

Homebuyer assistance may be available for households of 80% of area median income or less to purchase a Thatcher Blake River Walk condo unit, originally developed using City funds.

9. RAMP Program \$15,000 2013 CDBG

Funds will be provided to the Regional Access Mobility Program to construct ramps for persons physically challenged. It is anticipated that approximately 5 ramps will be constructed for persons of lower income. This project will be eligible as single family or multi-family rehabilitation.

10. Homebuyer & Rental CHDO Projects

Affordable Housing Projects - \$115,271 FY 2013 HOME and \$203,691 FY 2012 HOME Carry Over Reprogrammed

Funds will be made available to eligible CHDOs on a first come basis to subsidize the gap needed to produce affordable housing homebuyer and rental projects within their strategy areas. The City anticipates assisting 3 units.

11. Demolition - \$195,336 FY 2013 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 scattered sites. The City anticipates the demolition of 14 residential and non-residential structures.

Demolitions will also be conducted utilizing funds through the Neighborhood Stabilization¹ program that are de-obligated or considered program income in the geographic areas designated and properties meet the NSP1 definition of blighted.

12. Public Service and Facilities Programs

a. Healthy Neighborhoods Program \$0

If additional CDBG funds are received over and above the anticipated allocation, funds will be awarded to neighborhood groups and/or other non-profits to facilitate projects that address identified needs in specific neighborhoods by making public improvements, improving public facilities and/or creating new services. Priority will be given to projects serving the City's designated focus area, the CDBG area and TIF districts. The City will review requests for proposals on a monthly basis. The program concept will remain consistent with that of the previous year.

b. Twenty-First Century After School Program - \$50,000 FY2012 CDBG – Year 5 of 10.

This program supports an after school program at Walker and Nelson Elementary schools.

13. Code Enforcement Program - \$479,645 FY 2013 CDBG

The Code Enforcement Program will include the payment of salaries and overhead costs directly related to the enforcement of state and local code within the CDBG eligible area. This program will be targeted at deteriorated or deteriorating lower income strategy areas. 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 3,455 code violations over the next year. This funding will support neighborhood standards inspectors as well as 1 zone coordinator position, a portion of the supervisor, a Senior Building Inspector and clerical support.

14. Microenterprise Assistance

a. Self-Employment Training Program (RVC/SBDC) - \$30,000 FY 2013 CDBG

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 Rock Valley College Small Business Development Center. Two informational classes per month 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 and there will also be a Creative Business class held designed for artists, musicians, writers, and other creative business areas. A total of at least three sessions, eight weeks in length, will be offered. It is anticipated that 50 persons will be assisted through the program.

- b. Manufacturing Self-Employment Training Program (RVC/SBDC) - \$25,000 FY 2013 CDBG

This is a new program to assist low-moderate income residents with the creation of a business in the area of manufacturing and provide technical assistance. Participants will receive assistance in the areas of manufacturing, regulations, taxes, business plan advice, lending, writing business plans, marketing, and one-on-one counseling. Three sessions will be provided; two English and one Spanish version.

- 15. Economic Development Services - \$104,075 FY 2013 CDBG and \$13,225 FY 2012 Carryover Reprogrammed

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. Standby Section 108 Loan Debt Service - \$85,852 FY 2013 CDBG.

The City will provide stand-by cash infusion to support debt service payments Main Street.

- 17. Rehabilitation & Development Assistance

- a. Rehabilitation & Development Assistance Program - \$68,047 FY 2013 and \$67,880 FY 2012 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 2 projects will be assisted.

- b. Façade Improvement Assistance Program - \$49,720 FY 2013 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 2-3 businesses will be assisted this year.

18. Homeless ESG Activities - \$20,000 FY 2013 ESGP Funds for Essential Services, \$7,400 for Operating, \$56,679 for Homeless Prevention activities, \$70,000 for Outreach and \$12,493 for Program Administration (as previously noted in #1 of this section).

Through the Federal Emergency Solutions Grants Program, local homeless agencies will be assisted. Rehabilitation, essential services, operating, and homeless prevention activities are eligible activities. Funds will be distributed through a competitive process utilizing the Mayors' Community Task Force on the Homeless as the review and approval committee. The City anticipates funding 5 non-profit homeless service providers. The program continues to be administered by the City's Human Services Department.

Approval by Council of the 2013 Proposed Projects/Activities as described above allows the Community & Economic Development Department to administer the CDBG, HOME, and ESG without additional Council approval unless the project/activity is listed below.

Council must approve the following projects/activities:

1. Any projects/activities awarded funds under Section 1 - Administration & Planning, Section 2 - Rehabilitation Services, Section 13 Code - Enforcement Program, Section 16 - Economic Development Services, and Section 17 - Standby Section 108 Loan Debt Service (specifically the debt service for South Main), requiring an agreement between the City of Rockford and a third party for services equal to or exceeding a value of \$10,000.
2. Projects/activities awarded funds under Section 5 - Rental Rehabilitation.
3. Projects/activities awarded funds under Section 10 - Homebuyer and Rental CHDO Projects.
4. Projects/activities awarded funds under Section 12 - Public Service and Facilities Programs.
5. Projects/activities awarded funds under Section 18 - Homeless ESG Activities.