

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

The following provides details on program specific requirements for each of the three entitlement programs, Community Development Block Grant, HOME Investment Partnership, and ESG.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	2,242,530
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	85.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City will continue to support the many efforts of the non-profits and social service provider agencies in the community in their efforts to obtain funding from various sources for their programs.

Many of these organizations receive private donations to sustain their programs, and most apply for funding on the federal, state, and local level. Listed below are a few of the private and non-federal resources that are in use to address both the housing and non-housing needs of this plan.

The availability of federal funds would enhance any of the listed programs and would mean that more services, and housing, could be provided. Because of the scarcity of any type of funding, the City has been working with various organizations to try to develop programs that would increase the leveraging capacity of federal funding mechanisms so that more money would be available for other needed endeavors. Better use of the existing resources is a main concern of everyone.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City of Rockford will provide HOME assistance to develop homeownership opportunities for low income homebuyers and will impose recapture requirements on the housing. The HOME rule at 92.254(a)(5) establishes the recapture requirements. HOME Participating Jurisdictions (PJs), must adhere to other requirements for all homebuyer activities. These provisions are imposed for the duration of the period of affordability on all HOME-assisted homebuyer projects through a written agreement with the homebuyer, and enforced via lien, deed restrictions, or covenants running with the land. The recapture provisions are triggered by any transfer of title, either voluntary or involuntary, during the established HOME period of affordability. For HOME-assisted homebuyer unit under the recapture option, the period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. Any HOME program income used to provide direct assistance to the homebuyer is included when determining the period

of affordability. The following table outlines the required minimum affordability periods. If the total HOME investment (resale) or direct subsidy (recapture) in the unit is: The period of Affordability is: Under \$15,000 5 years Between \$15,000 and \$40,000 10 years Over \$40,000 15 years The HOME recapture provisions established in 92.253(a)(5)(ii), permit the original homeowner to sell the property to any willing buyer during the period of affordability while the PJ is able to recapture all or portion of the HOME assistance provided to the original homebuyer. The City has chosen the option to allow the homebuyer to retain all appreciation. The city will reduce the amount of direct HOME subsidy on a pro-rata basis for the time the homebuyer has owned and occupied the housing, measured against the required affordability period. The resulting ratio would be used to determine how much of the direct HOME subsidy the City would recapture. The pro rata amount recaptured by the City cannot exceed what is available from net proceeds. The formula that will be used to determine the pro rata amount recaptured by the city: Divide the number of years the homebuyer occupied the home by the period of affordability; Multiply the resulting figure by the total amount of direct HOME subsidy originally provided to the homebuyer. In the event there are insufficient net proceeds available at sale to recapture the full pro rata amount due, the City is not required to repay the difference between the prorated direct HOME subsidy and the amount the City is able to recapture from available net proceeds.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Resale requirements must ensure that if the housing does not continue to be the principal residence of the family for the full period of affordability that the housing must be made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as their principal residence. The resale requirement must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement as defined below) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The period of affordability is based on the total amount of HOME funds initially invested in the housing.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not intend to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds. In addition, the funds will not be used to refinance multifamily loans made or insured by any federal program. The City is aware that HOME

funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

Currently funded agencies or those who have received prior funding from the Department of Community and Economic Development will be evaluated on past performance in carrying out programmatic activities and contractual compliance. Factors such as agency ability to meet service delivery goals, timely expenditure of funds, timely reporting, accuracy of reporting, ability to meet audit requirements, and other programmatic and fiscal contractual requirements will be considered. These other factors will be considered in conjunction with the proposal score in developing an overall recommendation for agency funding.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Congress has directed HUD to improve the collection of data on the extent of homelessness locally and nationally. Communities must collect an array of data including an unduplicated count of homeless persons, analyze their patterns of the use of the McKinney-Vento and other assistance, including information on how they enter and exit the homelessness assistance system and assess the effectiveness of that assistance. Through the Federal Register Notice, the Emergency Solutions Grants Program and Community Development Block Grants were made a part of this mandate. Therefore, all proposed projects/organizations must provide written certification of their participation in an existing HMIS.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City of Rockford expects to receive approximately \$186,454 for the FY2015 Emergency Solutions Grant (ESG) Program. These funds will be awarded to community-based, nonprofit organizations providing emergency shelter and related services to the homeless, on a dollar-for-dollar match. Emergency Solutions Grant funds may be used for operations and maintenance, homeless prevention, essential support services and renovation/rehabilitation activities in connection with

emergency shelters for the homeless. It is a priority of the U.S. Department of Housing and Urban Development (HUD) and the City of Rockford to work under a Continuum of Care approach to homelessness to assist homeless individuals and families to obtain a decent living environment, either through rental housing or home ownership. The Community Development Department specifically seeks proposals to provide shelter and supportive services for the homeless. The purpose of the Emergency Solutions Grant (ESG) Program is to: 1) Broaden existing emergency shelter and homelessness prevention activities; 2) Emphasize Rapid Re-Housing; and, 3) Help people quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness; 4) Enhance alignment of ESG regulations with other HUD programs including CDBG, HOME, and Housing Choice Voucher (HCV) program; and, 5) Support more coordinated and effective data collection, performance measurement, and program evaluation.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City requires non-profits participating in the ESG program to have homeless representatives on their boards of directors.

5. Describe performance standards for evaluating ESG.

HUD has implemented a mandated system of reporting performance measurements in a precise and timely manner. All recipients funded under this proposal must provide needed data to the City of Rockford in order to be reimbursed for eligible expenses. All of the activities funded must identify one of the three performance measurements overarching objectives: 1) creating suitable living environment (In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment); 2) providing decent affordable housing (This objective focuses on housing programs where the purpose is to meet individual family or community needs and not programs where housing is an element of a larger effort); 3) creating economic opportunities (This objective applies to the types of activities related to economic development, commercial revitalization, or job creation). There are also three outcomes under each objective: (1) Availability/Accessibility, (2) Affordability, and (3) Sustainability. Thus, the three objectives, each having three possible outcomes, will produce nine possible outcome/objective statements within which to categorize grant activities, as follows:

Availability/Accessibility. This outcome category applies to activities that make services, infrastructure, housing, or shelter available or accessible to low-and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical

barriers, but also to making the affordable basics of daily living available and accessible to low-and moderate-income people. Affordability. This outcome category applies to activities that provide affordability in a variety of ways in the lives of low-and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or daycare. Sustainability: Promoting Livable or Viable Communities. This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefits to persons or low-and moderate-income people or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Discussion:

The City strives to meet all program specific requirements as detailed in the enabling legislation and program guidelines. City staff work with subgrantees to ensure that these requirements are met and oversees internal operations towards the same goal.