



**CITY OF ROCKFORD**  
**2015-2019 CONSOLIDATED PLAN**  
**2017 ANNUAL ACTION PLAN**  
**DRAFT**



To be posted September 16 – October 16, 2016

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## Community Development Block Grant Program

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### Administration and Planning

The City of Rockford will continue to utilize CDBG 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.

The City also anticipates utilizing a portion of any program income funds available through the Neighborhood Stabilization<sup>1</sup> Program in 2016 for administrative costs; this would be minimal.

Administration (ND) \$187,153 FY 2017 CDBG, \$6,000 FY 2016 CDBG Program Income  
No more than 20% of CDBG grant funds plus program income may be used for planning and administration.

Planning - Fair Housing - \$50,000 FY 2017

On July 16, 2015, the U. S. Department of Housing and Urban Development published a final rule on Affirmatively Furthering Fair Housing (AFFH rule). The AFFH rule establishes a process that certain recipients of HUD funding will use to help them meet their long-standing obligations to affirmatively further fair housing. The City of Rockford is covered under the AFFH rule as a jurisdiction submitting a Consolidated Plan in connection with the receipt of CDBG, HOME and ESG funding.

The Fair Housing Act declares that it is “the policy of the United States to provide, within constitutional limitations, for fair housing.” It does so by prohibiting discrimination in the sale, rental, and financing of dwellings, and in other real estate-related transactions because of race, color, religion, sex, familial status, national origin, or disability. In addition, the Fair Housing Act requires that HUD administer programs and activities relating to housing and urban development in a manner that affirmatively further fair housing.

The AFFH rule requires local governments, Public Housing Agencies, States, and Insular Areas to perform an Assessment of Fair Housing (AFH). The AFH is an analysis of fair housing issues in a program participant’s jurisdiction and region that results in goals that the program participant sets forth to achieve over the program participant’s coming planning cycle. Although Rockford’s next 5 year Consolidated Plan is not due until 2020, the AFH is due April 2019. We anticipate the preparation of the document by a consultant to be a year-long process and therefore, the City plans to request proposals for the completion of its AFH to begin in the fall of 2017. The \$50,000 budgeted is anticipated consulting fees.

Administration (ED) \$79,040 FY 2017 CDBG

The City may also utilize a portion of any program income funds available through the Neighborhood Stabilization<sup>1</sup> Program in 2017 for administrative costs.

## Housing

Accessibility Improvements - \$14,256 FY 2016 CDBG Carry Over - Funds will be provided to the RAMP organization to make accessibility improvements that will allow physically challenged individuals to remain in their homes. Improvements may include such items as ramps, stair-lifts and other items to meet accessibility needs. It is anticipated that approximately 4 households will be assisted. Persons must be of lower income. This project will be eligible as single family or as a multi-family rehabilitation activity.

### Housing Rehabilitation Operations

- Rehabilitation Administration (14H) – \$42,248 FY 2017 CDBG  
This activity provides for 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 CDBG funded rehabilitation activities.
- Housing Services (14J) - \$479,230 FY 2017 CDBG  
This activity provides 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 HOME funded rehabilitation activities.

## Public Service and Facilities

Discovery Center After-School Program - \$50,000 FY2017 CDBG

This funding continues to support an after-school program at Conklin and Lathrop schools plus additional funds for activity delivery costs. This will mark year 9 of a 10 year commitment. It is estimated that 220 children will be assisted through this program.

## Property Improvements

Demolition - \$343,164 FY 2017 CDBG, \$24,000 FY 2017 CDBG Projected Program Income and \$20,000 FY 2016 CDBG Reprogrammed Funds; \$11,000 in Activity Delivery Costs FY 2017 CDBG

Blighted structures that are not suitable for rehabilitation will be demolished through this program. The City will focus on properties within 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 45 structures. Activity delivery costs will be documented for operating costs.

Code Enforcement \$570,260 FY 2017 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 Code Enforcement Area comprised of the Midtown, West Gateway, Ellis Heights, Coronado-Haskell, and South Main target 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 5,000 code violations over the next year. This funding will support a portion of the code enforcement staff.

## **Economic Development**

### Economic Development Services - \$46,420 FY 2017 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.

### Section 108 Loan Guarantee

- Standby Section 108 Loan Debt Service - \$68,882 FY 2017 CDBG.  
The City will provide stand-by cash infusion to support debt service payments for the South Main Street grocery store project currently Chiquita Food Market.
- Cliffbreakers Section 108 - \$2,725,000 FY 2016 (Closing anticipated in October 2016.)  
In 2015, the City requested and was approved for funding for Section 108 Guarantee loan funds borrowed by the owner of Cliffbreakers Riverside Resort and Conference Center for the redevelopment of the hotel. 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.
- Section 108 Loan - \$6,500,000 FY 2016  
The City of Rockford is eligible to make application to HUD for five times the current CDBG entitlement for application of Section 108 Loan Guarantee funds. Section 108 funds will be used to provide direct assistance to private, for-profit entities developing large-scale projects that will create jobs and revitalize blighted and underutilized properties. The loan funds will create jobs for low and moderate income persons, provide services to a low income area, and/or will eliminate conditions of blight. Due diligence will be completed on each application for assistance, approved by City Council and submitted to HUD for final approval. It is anticipated that 130 FTE and 2 businesses will be assisted in Fiscal Year 2017.

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

### Rehabilitation & Development Assistance

- Rehabilitation & Development Assistance Program - \$50,000 FY 2017 and \$40,000 FY 2016 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.
- Façade Improvement Assistance Program – \$50,000 FY 2017 CDBG and \$10,000 FY 2016 Carryover.

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.

Microenterprise Assistance - \$0

The SET Employment Training Program is no longer offered and therefore will not be funded in 2017. In the past, the City supported the Self-Employment Training (SET) Program, an entrepreneurial training program operated by the Small Business Development Center. Informational classes were 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 were held. Classes focused on storefronts and manufacturing businesses. One-on-one counseling was also offered.

**Acquisition, Relocation, and Disposition**

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

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## HOME Investment Partnership Program (HOME)

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### Administration and Planning

The City of Rockford will continue to utilize HOME 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.

Administration (ND) \$79,321 FY 2017 HOME

No more than 10% of HOME funds will be used for planning and administration.

### Housing

#### Homebuyer Assistance

- Homebuyer Assistance Program - \$149,990 2017 HOME  
This program provides homebuyer assistance available for homebuyers with incomes at or below 80% of the area median income. Funds will be used to purchase vacant property within the opportunity area. 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 Rehabilitation program. 10 households may be assisted with homebuyer assistance.
- Homebuyer Assistance with CHDO Developers - \$30,000 2017 HOME  
Provision of down payment assistance to those assisted by a Community Development Housing Organization.
- 224 Foster Avenue  
The sale of a City owned property purchased and rehabilitated with HOME funds may require associated disposition costs and homebuyer assistance.

#### Housing Programs

- Focus Area Rehabilitation Program: \$94,914 FY 2017 HOME, \$15,000 FY 2017 Program Income, and \$768,602 FY 2016 HOME Program Carryover Reprogrammed.  
Rehabilitation assistance will be made to approximately 27 owners who own and occupy property located within the city of Rockford. Assistance helps to stabilize neighborhoods by bringing properties up to local code, addresses potential health and safety issues by removing lead and other hazards and ensures homes are accessible for those with disabilities.

- Request for Proposals - \$300,000

A Request for Proposals to developers will be initiated for HOME eligible projects. City Council approval will be required for all projects recommended for funding. This program may offer assistance to both single family and multi-family rehabilitation activities.

#### CHDO Projects

- Homebuyer & Rental Community Housing Development Organization's (CHDOs) Affordable Housing Projects - \$118,981 FY 2017 HOME and \$235,543 FY 2016 HOME Carry Over Reprogrammed

Funds made available to eligible CHDOs by applying for gap funding assistance to produce affordable homebuyer and rental units. The City anticipates assisting 5 units – both single family and multifamily are eligible.

- CHDO Operating - \$20,000

Funds to work with local housing non-profit organizations to further enhance and complement the City's efforts. Non-profits that meet the eligible criteria may become a Community Housing Development Organization (CHDO) and access CHDO operating funds.

#### Other Projects

- Coronado-Haskell - Homeowner Rehab Activity – \$0

A sub-recipient agreement was executed with Jeremiah Development in 2016 to perform a housing rehabilitation program in the 2016-2017 program years within the Coronado-Haskell area. Additional funds may be recommended in the 2017 program year should they meet the goal of 5 units.

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

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## Emergency Solutions Grant (ESG)

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### ESG Administration

The City of Rockford will continue to utilize 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.

Administration - \$13,903 FY 2016 ESG

ESG may not exceed 7.5% for administrative purposes.

### Homeless ESG Program Activities

Shelter - \$99,177 FY 2017,

Homeless Prevention - \$15,822 FY 2017

Rapid Rehousing - \$56,474 FY 2017

HMIS - \$0 FY 2017

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 Rock River Homeless Coalition as the review and approval committee. The City anticipates funding 5-6 non-profit homeless service providers.

Homeless Prevention/Rapid Rehousing FY 2017 \$15,822 and \$56,474, respectively, permanent housing relocation activities will be designated to areas of opportunity defined as housing located near employment and educational opportunities.

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## Special Considerations

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City Council approval of the 2017 Annual Action Plan allows the Community & Economic Development Department to commit to all programs/activities without additional Council approval, with the exception of the following:

- 1) Proposed projects, programs, and activities 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 not falling within a program.

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

What is a “substantial change?” A substantial change invokes the citizen participation process and City Council approval. Substantial changes are those projects/activities not falling within the Annual Action Plan (corresponding to the applicable grant year funds) or changes totaling more than 30% of the total federal budget including program income and carryover. Monetary movement within categories (e.g. Administration, Housing, Public Services and Facilities, Property Improvements, and Economic Development) can fluctuate within the category and not trigger a substantial change 30% evaluation for compliance. The Citizen Participation Plan will be amended to correspond to the definition.