



## FACT SHEET

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**FOR IMMEDIATE RELEASE:**

June 1, 2009

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### **ABOUT THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) RECOVERY FUNDS**

**ABOUT:** HUD has released a notice on May 5th governing the use of nearly \$1 billion in Community Development Block Grant funding provided through the American Recovery and Reinvestment Act of 2009 (ARRA). This funding is made available only to those communities that received CDBG funding in 2008. HUD is referring to the implementation of these funds as the CDBG Recovery Program, or CDBG-R. Rockford's supplemental appropriation is \$562,555.

**WHAT:** The Community and Economic Development Department has completed its substantial amendment to its consolidated plan and 2008 annual action, as a requirement of HUD in order access these funds. This amendment is due to HUD no later than June 5<sup>th</sup>. This item will be brought before the Community Planning and Development Committee and City Council on June 1<sup>st</sup>.

**WHY:** The Recovery Act has a clear purpose – to stimulate the economy.

**DETAILS:** Three activities are being proposed for the use of these funds and include: 1) the purchase of personal property and office equipment needed to create a new privately owned data center in the City of Rockford which will employ 350 full-time equivalent permanent employees, 2) the demolition of buildings 10 & 19 at the City owned Barber Colman Complex to reestablish Montague Road access to this former industrial site, and 3) the payment of reasonable administrative costs and carrying charges related to the planning and execution of the CDBG-R activities.

We are also adding two alternative projects should one of the above activities not come to fruition. Those projects include the rehabilitation of privately owned buildings and improvements for residential purposes and the rehabilitation and/or purchase of new manufacturing equipment needed to expand a manufacturing operation in the City of Rockford which could create up to 75 new full-time permanent jobs and retain 250 existing full-time permanent jobs.

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