

other State and/or local programs, such as tax increment financing or business development districts, development/rehabilitation assistance program, public improvement program, and the City-funded Small Business Loan Program, whenever possible in order to leverage resources and increase the impact within the community.

B. RESOURCES – FEDERAL, PRIVATE, AND NON-FEDERAL PUBLIC

The Neighborhood Development and Economic Development Divisions of the Department of Community Development intends to utilize a variety of local, state, and federal programs in order to provide the public incentives needed to carry out this action plan. The following briefly describes the development resources, which are reasonably expected to be available to the programs administered by these divisions:

1. COMMUNITY DEVELOPMENT BLOCK GRANT

The City of Rockford expects to receive \$2,171,329 million in new Community Development Block Grant funds in 2007, as authorized by Title I of the Housing and Community Development Act of 1974, as amended. Federal statutes restrict the use of these funds to only those activities, which accomplish one or more of three objectives:

- ✓ To benefit low and moderate income persons
- ✓ To prevent or eliminate slums, and
- ✓ To meet other urgent community development needs

The law further requires that at least 70% of the total grant amount just serve the first objective. CDBG funds will be leveraged with private resources on almost all projects. Exceptions might include residential rehabilitation projects, which serve very low-income persons and emergency conditions. Private resources may include bank loans, savings, or sweat equity in projects.

2. SEVENTH STREET TAX INCREMENT FINANCING (TIF) PROGRAM

The City of Rockford issued a \$2 million Seventh Street Revitalization Projects Bond in 2004 and issued RFPs for development/redevelopment in the Seventh Street TIF District. This issue served to jump-start substantial private investment in the Seventh Street Corridor by creating a larger pool of available money to assist with revitalization projects. The private investment generated by the larger projects will in turn create more increment for project use. The bond will be paid back via debt service using the \$200,000 annual allocation currently capitalized until the bond and the TIF expire in 2016. In past years the City used a Request for Proposal process to allocate \$200,000 per year of Seventh Street TIF funds. Our experience was that this amount of money was insufficient to address both the many project needs and, at the same time, encourage more private leveraging

of larger projects required in the area. This action to bond the annual increment will spur further private business and residential development in conformance with Mid-Town" Framework Plan.

3. HOME INVESTMENT PARTNERSHIP PROGRAM INCLUDING THE AMERICAN DREAM DOWNPAYMENT ASSISTANCE (ADDI) PROGRAM

The City of Rockford expects to receive \$861,194 in FY 2007 HOME funds. HOME was created by the National Affordable Housing Act of 1990 and is a large-scale grant program for housing. As a housing program with great flexibility, state and local governments have choices with respect to types of properties to be assisted, types of development, the forms and amounts of financing to be offered, the quality and type of housing, the households assisted, and the procedure for running programs.

The City of Rockford continues to successfully administer the HOME program ranked number one and number 4 in the state each quarter for the last year.

The City intends to continue its housing rehabilitation and new construction programs from its allocation of HOME and continue ADDI – down payment and closing cost assistance program for first-time homebuyers. The Homestead Partnership Program, the Focus Area Programs, and the Community Housing Development Organization (CHDO) set-aside will continue. We will also continue to provide the maximum allowable under the grant of 5% to eligible CHDOs for operating expenses and funds for Youthbuild to continue their new construction projects.

ADDI assistance will be offered to first-time homebuyers buying within the boundary identified, unless it is considered a special project such as Lincolnwood II. The assistance is expected to not exceed 6% of the sale price unless justification for need can be demonstrated.

4. NEW CONSTRUCTION OF SINGLE FAMILY HOUSING

Lincolnwood II will finish out in 2007 with the construction and sale of five (5) homes, the HOPE VI site will begin and be completed with 10 households assisted, and Emerson Estates with a minimum of 10 homes and up to 20 will be completed and sold in 2007. We also anticipate the construction of market rate housing in some of our lower income neighborhoods: River Oaks, Garrison School, K-Mart site and possibly Seventh Street.

5. EMERGENCY SHELTER GRANTS PROGRAM (ESGP)

The City of Rockford has received direct allocations of the federal Emergency Shelter Grants program annually since 1987 and expects to receive \$92,800 this

next fiscal year. The program will be administered by the City's Human Services Department.

Grants are available to the city to improve the quality of existing shelters and increase the number of developing shelters. Funds can be used for renovation, conversion of building, rehabilitation, essential social services, operating costs and homeless prevention activities. As in previous years, the city anticipates distributing its funds to eligible homeless providers. Each agency must demonstrate their ability to prove matching funds at the time of their application to the city. Matching funds may include the value of a donated building or materials; the value of any lease on a building; salaries paid to the staff of the non profit recipient in carrying out the emergency shelter program; and time and services contributed by volunteers. The match may also be a monetary match provided through sources such as grants awarded through United Way, Federal Emergency Management Agency, the Illinois Department of Public Aid, the Department of Children and Family Services, and the Emergency Community Services Homeless Program.

6. COMMUNITY DEVELOPMENT BLOCK GRANT FLOAT LOANS

Float loan financing is a technique under which an eligible activity is carried out using CDBG funds initially programmed for other activities. Some activities do not require funds immediately and Rockford's line of credit contains a balance (the "float"), which can be used on a temporary basis to fund other activities. Such activities are expected to generate a sufficient level of program income within an established time frame, which enables the City to carry out the activities that were initially programmed. All activities are treated as any other CDBG-assisted activity. Float loans will be leveraged with other private and possible public resources but will not be known until the projects are fully developed. Several agencies may be considered for float loans during this Consolidated Plan period.

7. SECTION 108 LOAN GUARANTEES

This program provides communities with front end financing for large-scale community and economic development projects that cannot be financed from annual grants. Eligible projects include the acquisition of real property, the rehab of publicly owned real property, the rehab of housing and related relocation, and clearance and site improvements. All activities are treated as any other CDBG-assisted activity. The City of Rockford has past history with Section 108 loans. In 2003, a Section 108 loan was received for the creation of the S. Main Street shopping center in Southwest Rockford. The City is currently working with the Rockford Local Development Corporation to negotiate a change in ownership of the land and the structure of the loan.

A Section 108 loan was granted in August of 2005, funded in 2006, and permanent financing completed in October of 2006, for the Mega Manufacturing/W. A. Whitney project. This is a local manufacturing company located in a low/moderate income neighborhood, it was acquired by a competitor in another state. The company provides a historical presence and stability in a declining area. The purchaser, who allowed the company to remain at their present location and increase employment, requested gap financing for the cost of acquisition. A Section 108 Loan was proposed to bridge this gap. This project will result in the creation of 30 additional jobs over the next 3 years. Additionally, low-moderate eligible applicants will take 51% of the jobs.

It is anticipated that the Section 108 Loan Guarantee Program would be utilized to fund larger projects, principally economic development projects, which cannot be assisted in whole with funding through the annual entitlement.

The program consists of 100% federal guarantee against the sale of local notes issued by a public agency. Since a federal guarantee is involved, the cost of issuance is kept low and the corresponding interest rate is reflective of the federal guarantee.

To receive the funds, Rockford would be required to pledge its future CDBG entitlement to HUD as a contingent-funding source if the assisted project is unable to pay the 108 debt. HUD also requires stringent underwriting criteria to insure that sufficient collateral and debt coverage is provided to cover repayment. The City of Rockford has 108-authority equivalent to five times its CDBG entitlement minus outstanding debt.

Rockford may use this form of funding for projects such as the redevelopment of the Concord Commons, a multifamily housing development on the West End. The City is also willing to use the Section 108 loan guarantee program to assist with economic development activities that result in either the provision of goods and services within CDBG-eligible neighborhoods and/or the creation of jobs for low/moderate-income residents of the city and other eligible activities.

8. CONTINUUM OF CARE HOMELESS ASSISTANCE: SHELTER PLUS CARE

This program is a nationally competitive federal program, which provides rental assistance, in conjunction with supportive services funded from other sources, to homeless people with disabilities. The City of Rockford with Janet Wattles Center, as Sponsor, has been the recipient of ten Shelter Plus Care grants between 1993 – 2005 totaling just over four million dollars. As of the date of the preparation of this Annual Plan, no notification of 2006 grant awards has been made. A new grant application as well as two, one-year renewal with Janet Wattles, as Sponsor, was submitted. The grant continues for five years from the

start dates and will ultimately provide from 90-120 units of rental assistance on any given day if the new and renewal grants are funded in 2006.

9. CONTINUUM OF CARE HOMELESS ASSISTANCE – SUPPORTIVE HOUSING GRANT

The Supportive Housing Grant is authorized by Title IV of the Stewart B. McKinney Homeless Assistance Act. It is designed to promote the development of supportive housing and supportive services and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible.

The City of Rockford has been responsible for fiscal administration of the program while six homeless providers (Crusader's Clinic, Carpenter's Place, Shelter Care Ministries, American Red Cross, Janet Wattles and Promised Land Employment) have acted as the sponsors. Match continues to be provided from the sponsoring agencies through cash, non-cash resources, and volunteer time.

In 1995, The City of Rockford applied for its first grant and received \$2,239,991. The City received additional funding for the Shelter Care Ministries project and Youth Services Network received funds to continue MELD's project in 1977. Rockford applied for a 1999 Continuum of Care grant with two sponsors: Zion Development and Promised Land Employment. The Zion project was funded. The City of Rockford also received a 2000 Continuum of Care grant representing fund in the amount of \$248,209 for MELD and \$88,572 for Promised Land Employment. In 2001, the City of Rockford received \$119,598 for Shelter Care Ministries, \$93,083 for Promised Land Employment Services and \$751,707 for Youth Services Network. The 2002 grant awards included \$93,083 for Promised Land Employment and three new supportive housing program: \$33,764 for a homeless management information system, \$444,480 for the American Red Cross to establish a mental health access project and \$483,928 to Carpenter's Place to establish a transitional housing project. In 2003, the City received renewal funding for Promised Land Employment in the amount of \$93,083 and for the Homeless Management Information System in the amount of \$33,764. In 2004, the City received renewal funding for Promised Land Employment in the amount of \$93,083, renewal funding for Shelter Care Ministries in the amount of \$39,866 and renewal funding for the Homeless Management Information System in the amount of \$33,764. In 2005, the city also received renewal funding for Promised Land Employment in the amount of \$93,083 and renewal funding for Shelter Ministries in the amount of \$39,865. The City of Rockford submitted a grant request for renewal funding for our Supportive Housing Programs in the 2006 Continuum of Care application, but have not yet received a notification of award.

10. LOW INCOME HOUSING TAX CREDITS

This program provides incentives to for-profit or non-profit investors in affordable housing for lower income families. The Illinois Housing Development Authority (IHDA) is the state's designated housing tax credit agency. The credits may be taken for ten years after the project is placed in service. The annual amount of the credit is a fixed percentage of the qualified costs of the project. Tax Credit projects will leverage other public and private resources such as HOME, CDBG, Seventh Street TIF funds, Section 108 and conventional financing in the form of first and second mortgages. We anticipate several submissions of Tax Credit projects located in Rockford to the State of Illinois this next fiscal year from private developers and local housing non-profits.

11. PUBLICLY OWNED LAND AND/OR PROPERTY

The City of Rockford owns land and property due to foreclosure of city liens on private property or through the voluntary sale/donation of property directly to the City. Property or land not anticipated to be used in any City program, such as West Side Alive!, Shopstead, or the Homestead Partnership Program will be sold through the bid process with preference given to adjacent property owners, discounted and transferred to housing non-profits, used for an economic development project, land banked, or sold for redevelopment through a Request for Proposal process. The City of Rockford may also entertain selling properties through an auction process. An inventory of all city owned property is maintained within the Community Development Department and disposition of property is determined through an internal committee made up of representatives from various city departments.

12. YOUTHBUILD

Comprehensive Community Solutions (CCS) is the grantee for the HUD YouthBuild Implementation Grant for the YouthBuild Rockford Program. CCS has been operating the YouthBuild Rockford program since its inception in 1995, and was awarded a 2005 Implementation Grant for \$699,836. The 2006-2007 class will consist of 52 participants who will be provided with a year-long program including academic preparation, on-site construction skills, life skills, employability skills, and leadership development. They will construct three new homes for low-income families. Leveraged resources for the program include cash and in-kind resources total approximately, \$1,619,811. Partners of this project include the City of Rockford, the Rockford Housing Authority, National City Community Development Corporation, and CCS Construction, LLC.

The YouthBuild Rockford Program's goals include: 1) to create affordable housing for homeless and low-income persons and facilities serving various community needs; 2) to create access to well-paying, long-term, meaningful jobs for young adults; 3) to graduate young people who have internalized a

commitment to being active community leaders, the ability to take responsibility for their successes and failures and the capacity to set and achieve goals, and 4) to develop meaningful partnerships between adults and youth. The program has had over 2,500 applicants, has served 458 young people, and placed approximately 90% in jobs or education upon graduation.

YouthBuild targets at-risk youth that have barriers to employment and to self-sufficiency, in the age range of 16-24. Each youth has the opportunity to participate in a variety of educational components related to their specific needs including Applied Academics, Employability Training, Experiential Vocational Training (Construction or Computer Technology), Leadership Development and Service Learning, Life skills training, a one-year Graduate Program, and an Alumni Club.

Structured classes are conducted to introduce youth to skilled apprenticeships such as bricklayer, cabinetmaker, cement mason, carpenter, plumber, electrician, insulation worker, among others. They learn and practice construction skills through the construction of new homes made available through the City of Rockford, or other projects undertaken by CCS, Inc. as a CHDO. The program places graduates in employment, including union apprenticeships, and/or post secondary education.

The YouthBuild Rockford Program has been the recipient of three national awards, and is considered one of the most effective programs in the country.

The City will continue to support the YouthBuild program by providing building sites and funding for projects including development assistance, technical assistance, and homebuyer assistance.

13. SMALL BUSINESS LOAN PROGRAM

The city-funded Small Business Loan Program was established in 1983 to assist small, labor-intensive businesses in starting up or expanding. It is a revolving loan fund that provides “gap” financing to primary employers and to retail/service businesses. Eligible uses of funds include land improvements, site development, fixed assets, working capital, inventory, new construction, and rehabilitation of existing facilities. The City will also continue to use CDBG funds to provide small business loans within designated target areas. The City has, in conjunction with Rock Valley College’s Small Business Development Center, implemented a Self-Employment Training Program. CDBG-funded small business development efforts will be coordinated with other city programs whenever possible.

14. ROCKFORD LOCAL DEVELOPMENT CORPORATION

The Rockford Local Development Corporation (RLDC) operates an additional business revolving loan program, which can loan up to 33% of a total loan

package, up to \$200,000. Eligible loan uses are the same as the City. The RLDC's Business Development Fund has primarily been targeted toward manufacturing operations, although there is the possibility of making equity investments. The RLDC has also been asked to focus some of its efforts on designed target areas and targeted populations, such as minority businesses. The RLDC is the developer for the shopping center under development in the 1200, 1300, and 1400 blocks of South Main Street, which will benefit from the City's creation of the South Rockford tax increment-financing district. This may change in 2007 with the City taking ownership of the land and developing. Currently, Gray's Grocery Store is the only commercial development in the South Main TIF District but there are plans for future development.

15. TAX INCREMENT FINANCING DISTRICTS

The City has established Fourteen (14) tax increment financing (TIF) districts. To help encourage a proposed development, the City may acquire land, make public improvements, rehabilitate buildings, and clear land, with all these activities paid by the increased property taxes the redevelopment project generates in the future. Two of the City's TIF districts are in the Central Business district, which is a CDBG-eligible area and will be targeted for projects in 2007. The SouthEast Affordable Housing TIF, created in 1992, has not built-out and the City acquired the land and plans to develop the site. The project proposed continues to be an independent-living senior housing facility using as the main source of funding, a Section 202 HUD loan.

In 2001, the City created the Lincolnwood Estates TIF, a mixed-income subdivision now completed by Comprehensive Community Solutions, Inc., on Rockford's Westside. While Comprehensive Community Solutions, Inc., is the non-profit developer of this subdivision, its for-profit subsidiary CCS Construction, LLC, acts as the general contractor. CCS received approval of their proposal for the creation of Lincolnwood Phase II TIF District just north of Lincolnwood I – a 18 unit single family housing subdivision in 2005. In 2002, the City created the Springfield Corners TIF District to allow for creation of another mixed-income subdivision (Emerson Estates) in the School Street/Springfield Avenue area. Phase II of this subdivision was funded in 2005 with TIF and HOME funds as well as the HOPE 6 and Garrison School TIF. Additional commercial opportunities lie adjacent to the Emerson Estates subdivision and a larger parcel fronting West State east of Springfield Avenue. In 2005, the City also created the first TIF district in the Greater Rockford Redevelopment Planning area to assist in creation and retention of manufacturing and industrial jobs and the first TIF District in the Kishwaukee/Harrison Redevelopment Planning Area created under the Industrial Jobs Recovery Act. The creation of additional TIF districts in low/moderate-income areas, such as the Broadway, Fairgrounds, College Avenue, West State Street areas, Jackson Oaks neighborhood, and the creation of Industrial Job Recovery Law-TIF districts, around the airport and Blackhawk Road, may be necessary and desirable to

maximize impact by leveraging resources. Seven additional proposed Tax Increment Financing Districts: Preston & Central, West State & Central, Jackson School, West State & Kilburn, Westside#2, East State & Alpine and North Main & Auburn St. are expected to be created by December 2006.

16. PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS

The City has begun working actively with a number of non-profit communities organizations in order to stabilize and improve neighborhoods, commercial areas and their surrounding areas. Organizations such as SouthWest Ideas For Today and Tomorrow, Inc. (SWIFTT), River District, Inc., Seventh Street Area Development Council, Inc. (which operates as Mid Town District), Zion Development Corporation, Rockford New Hope, Inc., CCS/YouthBuild, Trinity House, Inc., Hands That Help, and the Pilgrim Village Community Development Corporation, play an important role in the City's efforts to revitalize weaker market areas. The City plans to develop partnerships with additional organizations and neighborhood residents within our identified Focus Area Plan areas to strengthen and build their capacity.

17. HOPE VI

This grant allows public housing agencies the ability to improve the living environment of residents of severely distressed public housing units through: 1) Demolition, substantial rehabilitation, reconfiguration, and/or replacement of severely distressed units, 2) revitalize the sites on which severely distressed public housing projects are located, and 3) lessen isolation and reduce the concentration of low-income families, and provide community services. The Winnebago County Housing Authority was awarded a grant in 2003 for \$18.8 million dollars to demolish all of the Champion Park structures and build new housing that is reflective of the density and character of the surrounding neighborhood. The public housing units will be replaced with 102 units of new on and off-site single family detached housing. The HOPE VI plan includes 56 new rental units and 56 new homes for purchase and lease-purchase. This project is well underway and is already proving to be successful. The City of Rockford will continue working with the Winnebago Housing Authority in their development of this HOPE VI Revitalization project.

The Champion Park development is located directly adjacent to the Rockford Housing Authority's Concord Commons housing development and located within the WestEnd strategy area. The City will also work with the Rockford Housing Authority to strategize on and facilitate the redevelopment Concord Commons, Fairgrounds, and other distressed sites. The Housing Authority submitted a HOPE VI demolition grant in 2006 and just recently received approval.

18. COMMUNITY SERVICES BLOCK GRANT/ECONOMIC DEVELOPMENT LOANS

The City of Rockford's Human Services Department serves as the Community Action Agency for Winnebago and Boone Counties and, as such, receives an allocation of CSBG funds from the U.S. Dept. of Health and Human Services through the Illinois Department of Commerce and Economic Opportunity. A minimum of ten percent of these funds is designated for use as economic development loans, which provide low-interest dollars to businesses in return for low-income job creation. The City's Community Development Dept. Economic Development Division staff will continue with the marketing for these funds on behalf of the Human Services Dept. CSBG economic development loans may be used for machinery and equipment, inventory, and working capital.

19. CDBG NEIGHBORHOOD REVITALIZATION STRATEGIES

As part of an amendment to this Annual Plan, the City is submitting a request to the Department of Housing and Urban Development for one of our distressed neighborhoods to be designated as CDBG Neighborhood Revitalization Strategy (NRS) area for our South Main Focus Area. Upon HUD approval of the strategy, we will obtain greater flexibility in and ease of administration of the use of CDBG funds pursuant to the strategy. The areas of flexibility include: job creation and retention, aggregation of housing units, aggregation of public benefit standard exemption, and public service cap exemption.

20. AFFORDABLE HOUSING AND FIRST TIME HOMEBUYER PROGRAMS

Below is a sampling of programs designed to help people buy homes. For more information, prospective homebuyers are asked to make direct lender contact:

Assist Bond: Provides grants of 4.25% toward down payment and other costs for low-and moderate-income families. It offers below market interest rates with a 30-year loan. The program is open to residents of Rockford and surrounding cities. Applicants must be first-time buyers or have not owned a home within the past three years. This requirement is waived for those who buy homes in target areas. National City Bank, Alpine Bank, Amcore Bank, Blackhawk Bank Mortgage, Union Savings Bank, Blackhawk Bank and Wells Fargo Home Mortgage are all participating lenders in the Rockford area.

AmeriDream Charity Inc.: Ongoing program that gives qualified low- to moderate-income buyers 3% of the sales prices to be used for down payment or closing costs toward a home purchase. The seller pays the 3.75% of the sale price to AmeriDream, which is part of the homebuyer's gift and a service fee. Participants do not have to be first-time homebuyers. Contact is National City Bank.

Habitat for Humanity International: A nonprofit organization that builds and renovates homes for low-income families. Participants are required to donate 400 hours of “sweat equity” toward the construction of their home or others. The work varies from installing carpet to assisting at the local office. Habitat is currently finishing the construction of 16 homes within the Mid Town North and Seventh Street areas.

Illinois Housing Development Authority: State program offers below-market interest rates on conventional loans for new and existing homes. Borrower does not have to be a first-time buyer if house purchases is in one of Rockford’s targeted neighborhoods. They then can get an interest rate of 4% with no points. If the house is not in a targeted area, borrower must be a first-time buyer. Financing available at 7.1% with no point or 7.35% and \$1000, towards closing costs. A point is an up front fee equal to 1% of the loan amount and is paid at closing. There are income and purchase price restrictions. Borrower must have a 5% down payment.

Lease-to-Own Homeownership: Although this program is currently not being administered, National City Bank and CCS, Inc. have worked together in previous years to offer a lease purchase program to help low-income families or people whose credit or lack of funds prevents them from obtaining a mortgage. Prospective buyers lease a home owned by CCS, a local non-profit, and work to save for a down payment and overcome credit difficulties. CCS credits money accumulated during the lease period to closing costs. Buyers agree to a purchase price at time of lease signing and to get financing from the bank at term’s end. This program is currently on hold but may continued at some future point in time.

Nehemiah Program: “Gifts” qualified buyers with 3% of the sales price to be used for down payment on new and existing homes. Sellers pay the foundation 4% of the sales price, which is part of the gift. Applicants do not have to be first-time buyers, but the grant must be used with a FHA mortgage. Buyers must keep 1% of the sales price in reserve. Contacts: Amcore Financial Inc., Alpine Mortgage, Chase Manhattan Mortgage Co., and National City Bank.

This is only a sampling of the affordable housing financing programs available in the Rockford area. Each lender has a multitude of programs offered at various times during the year and should be contacted for descriptions of current programs being offered. Other similar programs offer twists that make them attractive.

21. PRIVATE COMMERCIAL AND FINANCING EQUITY

Almost all economic development activities receiving public financial assistance are leveraging those public funds with commercial financing and equity investments. The City of Rockford has established effective working

relationships with local financial institutions, which enables the City to maximize the amount of private financing and equity being invested in economic development projects. The rates, terms, and conditions of the commercial financing available locally vary from lender to lender.

22. STATE OF ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY – BUILD ILLINOIS BOND FUND

In 2004, \$13.453 million dollars was received from the State of Illinois through the Build Illinois Bond Fund to do several projects in Rockford: Belt Line road, Metro Centre, West Side Water Main, Pioneer Parking Deck, Blackhawk Road Land Acquisition, West Side Alive! Street Improvements Program, Amcore Parking Deck, 11th Street Fire Station, Communication Tower, Federal Courthouse Land Acquisition, and 311 System Software. Rockford received its funding and the projects have been completed. In 2006, \$1.76 million was awarded to Rockford by the Illinois Department of Transportation to help build a downtown river walk. Also, Rockford was designated as a Pilot River Edge Redevelopment Zone Community by the State of Illinois and will be eligible to compete for \$20 million in Grant funds. Rockford continues to strive to receive additional funding for its roads, river and rail.

23. U.S. ENVIRONMENTAL PROTECTION AGENCY

The City has received a total of \$1,000,000 of grant funds from the EPA for Brownfield Assessment activities. A \$200,000 Brownfields Assessment Pilot Grant was awarded in late 1999. This enabled the City to conduct a number of environmental assessments and redevelopment planning activities within targeted areas. An additional \$400,000 Brownfields Assessment Grant was awarded in October 2003. This is being used for Phase I and Phase II Environmental Site Assessments in Barber Colman Village, at the site of the future Winnebago County Public Safety Building, and in the Illinois 251 corridor. In October of 2005, the City was awarded two assessment grants by the EPA totaling \$400,000. These funds will be used for Phase I and Phase II Environmental Assessments at former gas station sites in and near the Downtown and at former industrial sites along or near the Rock River. These sites include the Museum Campus area, the proposed Whitewater Park area and the North Madison Street area.

A \$500,000 Brownfields Cleanup Revolving Loan Fund has also been awarded to the City. This fund has enabled the City to provide low cost financing of environmental cleanup activities at the former Barber Colman metal plating facility. This cleanup is complete at this time.

24. ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

The City has received three grants totaling \$240,000 for brownfields redevelopment. These IEPA grants were used for environmental assessments of

properties involved in redevelopment activities, including the Federal Courthouse site and portions of the Barber Colman site.

25. U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

The City has applied for and received a \$50,000 planning grant from the EDA in connection with the Barber Colman Village planning process. Additional EDA funds may be sought for either economic development planning activities or for actual economic development projects within the City of Rockford.

26. RENTAL HOUSING SUPPORT PROGRAM

This program was established to help localities address the need for decent, affordable, and permanent rental housing. The Program allows the Illinois Housing Development Authority (IHDA) to make grants to local administering agencies in order to provide subsidies to landlords, which will enable them to charge rent that is affordable to very low and extremely low income households. Grants under the Program may also be made directly for long term operating support for the development of affordable rental housing. The proposed rules for this program have been issued. There will be ample time allotted for the submission of applications directly to IHDA. The City hopes that an application is submitted to help support focus area activities and enhance the city's rental housing stock.

27. REACH ILLINOIS – EMPLOYER ASSISTED HOUSING

REACH Illinois is a two-part incentive package for Illinois employers who implement an employer-assisted housing programs, which includes state matching funds and state tax credits.

Matching funds from the Illinois Affordable Housing Trust Fund provide additional leverage for the employer's investment. For direct financial assistance from employer to employee that may be used for down payment or closing costs, the state matches dollar for dollar up to \$5,000 for income qualified employees.

Eligible employees who are interested in using the down payment funds must complete an approved homebuyer education curriculum offered by an approved local non-profit housing counseling agency. Employees learn how to establish or clean up their credit, develop a household budget and savings plan, understand the home-buying process and home ownership experience, and shop for good mortgages.

To offset the total cost of the program, which include down payment assistance, rental assistance, counseling, and administrative costs, the state also provides a 50-cent tax credit for each dollar invested by the employer in its employer-assisted housing program.

28. IHDA HOME MODIFICATION PROGRAM

The Human Services Department of the City of Rockford has partnered with a number of agencies and has been awarded a grant for \$150,000 from the Illinois Housing Development Authority. This grant will assist in the provision of rehabilitation dollars for seniors and the disabled.

29. ROCKFORD AREA ECONOMIC DEVELOPMENT COUNCIL

Rockford Area Economic Development Council was formed in 1980 by an energetic partnership of private and public sector leaders. More than twenty-five years later, their mission of "helping employers create and retain quality jobs" still guides them in sustaining and strengthening the economic health of the Rockford Region. There is a collaborative environment and they work closely with the city and many other partners to learn what existing and new employers need to grow - and match those needs with the correct resources. They provide one-stop economic development assistance, help clients conduct site analysis based on their unique requirements, lead them to the right incentive programs, create and conduct business educational programs such as Continuous Improvement/Lean Manufacturing and identify and help develop future markets. The Rockford Region is truly a wonderful one that is particularly well-suited to the following types of businesses: logistics and distribution, aerospace engineering and manufacturing, transportation equipment manufacturing, metals fabrication, back office/call centers, among others.

30. ILLINOIS HOUSING DEVELOPMENT AUTHORITY – ILLINOIS HOUSING TRUST FUND PROGRAM

The purpose of the Trust Fund is to assist in providing affordable, decent, safe, and sanitary housing to low- and very-low income households up to 80% and 50% of the area median income in Illinois. The program is funded by the dedication and use of 50% of the State portion of all real estate transfer fees. Applicants for funding may be for-profit or nonprofit organizations or units of local government. Funds may be used for acquisition and rehabilitation of existing housing, adaptive re-use of non-residential buildings for residential use, new construction, construction financing, single family down payment and closing cost assistance, and special needs housing. Both rental and owner-occupied housing developments are considered.

31. ILLINOIS HISTORIC TAX CREDITS

The Federal Historic Preservation Tax Credit Program provides federal income-tax incentives for the rehabilitation of historic income-producing properties. The Illinois Historic Preservation Agency, Preservation Services division, administers it for Illinois properties.

Under the provisions of the Tax Reform Act of 1986, a 20% tax credit is available for the substantial rehabilitation of commercial, agricultural, industrial, or rental residential buildings that are certified as historic. The credit may be subtracted directly from federal income taxes owned by the owner.

32. DONATION TAX CREDIT PROGRAM

This tax credit allows individuals or organization to give a minimum of \$10,000 in cash, securities, personal property, or real estate to participating non-housing developers. If the non-profit applies successfully to IHDA, the donor will receive a 50-cents-on-the-dollar state credit. Meanwhile, the non-profit affordable housing developer uses its IHDA tax credit award to help finance projects providing reasonably priced housing.

33. FEDERAL HOME LOAN BANK OF CHICAGO – AFFORDABLE HOUSING PROGRAM (AHP)

The AHP is a subsidy fund designed to assist in the development of affordable housing for low and moderate income households. Owner-occupied and rental projects are eligible for funding. Funds can be used to finance homeownership for households at or below 80% of area median income, or to finance the purchase, construction or rehabilitation of rental housing in which at least 20% of the units will be occupied by and affordable for very low income residents. Financial institutions in Illinois that hold stock in the Chicago FHLB may apply for AHP.

34. NEW MARKET TAX CREDITS (NMTC)

The NMTC Program is designed to foster economic growth in low-income communities. It permits taxpayers to receive a credit against Federal Income taxes for making Qualified Equity Investments in designated Community Development Entities. The credit provided to the investor totals 39% of the investment and is claimed over a seven-year period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in Community Development Entities prior to the conclusion of the seven-year period. NMTCs are allocated annually by the Fund under a competitive process.

C. ACTIVITIES TO BE UNDERTAKEN – PROJECT TABLES (SEE APPENDIX C)