

**NOTICE OF PUBLIC HEARING AND AVAILABILITY OF
CITY OF ROCKFORD SUBSTANTIAL AMENDMENT TO
2015 ANNUAL ACTION PLAN OF THE
2015-2019 CONSOLIDATED PLAN
FOR HOUSING & COMMUNITY DEVELOPMENT PROGRAMS**

To All Interested Agencies, Groups and Persons

Notice is hereby given as required by the Housing and Community Development Act of 1974, as amended (P.L. 93-383), that in order to Substantially Amend the 2015-2019 Consolidated Plan and Annual Plan for housing and community development projects, the City of Rockford must notify the public and seek public comment on a new proposed project. The City of Rockford is seeking comments on an amendment to fund a project utilizing the Section 108 Loan Guarantee funds administered by the U.S. Department of Housing and Urban Development. The Section 108 Guarantee loan funds would be lent to the owner of Cliffbreakers Riverside Resort and Conference Center for the redevelopment of the hotel. This large scale project will create jobs and act as a significant economic stimulus for the area.

The proposed loan amount is \$2,725,000 for costs associated with the redevelopment of the hotel. Section 570.200(a)(2) of the Community Development Block Grant program lists the National Objectives that must be met by all Community Development Block Grant and therefore Section 108 projects. This section requires that all funded activities meet one of three national objectives. These objectives are: 1) benefit to low and moderate income families; 2) aid in the prevention or elimination of slums or blight; and 3) meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available. Section 570.208 defines the criteria under which an activity may meet the eligibility requirements. This project will meet those regulations. Cliffbreakers is a major economic anchor for northwest Rockford and a destination facility. The renovation of the facility will retain 53 jobs, add 28 FTE's and bring people and economic activity to a low income area.

The proposed Substantial Amendment will be made available for public comment and review beginning August 21, 2015 and ending September 19, 2015. The amendment will be made available at the following locations: the City of Rockford website www.rockfordil.gov; the City of Rockford Department of Community Development, 425 E. State St.; all Rockford Public Library branch locations; La Voz Latina, 730 N. Church St.; Booker Washington Center, 524 Kent Street; and Northwest Community Center, 1325 N Johnston.

There will also be a public hearing on September 9, 2015 at 5:30 pm at the City of Rockford Council Chambers, located on the 2nd floor of 425 E. State Street. The meeting will be accessible to persons with disabilities in compliance with federal laws upon

notification of anticipated attendance. Individuals with disabilities planning to attend and needing special accommodations should contact by telephone or letter, the Neighborhood Development Division, Department of Community Development, 425 East State Street, Rockford, Illinois, 61104, 779-348-7162, by September 4, 2015 to inform of their anticipated attendance.

All interested agencies, groups and persons wishing to have their comments considered by the City of Rockford are invited to send their comments to the following address by 5:00 PM on September 19, 2015:

Todd Cagnoni, Director
Department of Community & Economic Development
425 East State Street
Rockford, Illinois 61104
Phone (779) 348-7424
Fax: (815) 967-6933

**CITY OF ROCKFORD,
ILLINOIS**

Application for
**Community Development Block Grant Section
108 Loan Guarantee Application**

Dated 4/20/2015

Cliffbreakers Hotel Redevelopment

Submitted To

**U.S. Department of Housing and Urban
Development**

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I. HUD Standard Form 424

Application for Federal Assistance

II. General Project Description

A. Cliffbreakers Hotel Redevelopment Project

Undertake a SPECIAL ECONOMIC DEVELOPMENT project to assist with the redevelopment of the Cliffbreakers Riverside Resort and Conference Center, hereinafter referred to as the Cliffbreakers Hotel. The redevelopment of this hotel will not only retain jobs but also act as a significant economic stimulus for the area.

Section 108 Loan funds in the amount of two million seven hundred twenty-five thousand dollars (\$2,725,000) are requested to reroof the 98,660 square foot facility, completely renovate the 105 hotel rooms, hotel lobby and breakfast area, provide new carpeting for approximately 27,200 square feet of ballroom space, restaurant, and all common area hallways, and complete many other common area renovations and provide an operating shortfall fund to carry the hotel through to stabilization. The current owners, Rockford Riverside Hotel, LLC ("RRH") purchased the property out of foreclosure and are proceeding to improve the property and have spent over \$160,000 toward these repairs. When the current ownership took over the hotel, 25 rooms were unrentable and now only 7 water-damaged units are out of circulation. Nonetheless the Average Daily Rate for the property is below market because the property is outdated and shows significant wear. The owners require additional financing to complete the improvements quickly to a standard that will allow them to affiliate with Choice Hotels International system as an Ascend Collection Hotel.

The owners have invested over \$5.2 million in equity and subordinated debt and their investment will be fully subordinated to the Section 108 loan. Because the hotel currently has 7 unrentable rooms and facilities that do not compete well with more modern facilities the property is currently operating at a deficit. The owner has continued to invest equity to cover operating shortfalls. Making these improvements will return all rooms into active inventory, allow the owner to increase the Average Daily Rate and to compete for more meetings/conferences. Based upon conservative projections, the project is expected to have positive cash flow within the first year after completion.

B. Project Background

The property was purchased in 2006 for \$14.1 million by a group of 3 key principals with limited experience in hotel investment and operations. The property struggled to meet performance expectations due to a combination of a bad economy and lack of hotel experience on the part of the ownership. The property was financed with a senior bank loan of \$11,500,000 and a \$1,500,000 mezzanine loan provided by REF Capital, LLC, an entity related to RRH. In default on and under forbearance agreements with both lenders for years, the principals filed for bankruptcy in 2010. The senior loan was written down to \$6,000,000 and REF Capital agreed to take a preferred equity membership position in lieu of its mezzanine position. By mid-2013, the bank decided to complete its foreclosure proceedings. At that time, an entity related to REF Capital, Aries Investors, LLC, stepped in and purchased the note from the bank. At the same time, REF Capital, under the owner

operating agreement, removed the owner entity Manager and replaced him with Riverside Rockford Hotel, LLC, a separate but related entity to REF Capital and Aries Investors. RRH brought in a new management company to overhaul the operations of the hotel, banquets, and restaurant. RRH quickly determined that a hotel franchise was needed to help drive business back to Cliffbreakers. In order to obtain a hotel franchise, significant upgrades and repairs must be made.

The hotel currently employs 53 Full Time Equivalents (FTE's). This project will allow Rockford to retain these jobs in the community. More importantly, this expansion will allow the owner to add 28 FTE's for a total FTE count of 81 once the project is completed. A schedule of existing and projected jobs and salaries is included in this packet as Exhibit 6. Based on the physical deterioration of the project the cash flow of the project has continued to decline and is operating in a negative cash flow position surviving only with the equity infusion on an ongoing basis by the current owner. Without this financial structure with HUD 108 Loan the current owner would certainly have to close the hotel and all of the jobs would be lost. Exhibit 8.

There is no other comparable conference center in northwestern Illinois/southwestern Wisconsin that can provide meeting and banquet space for up to 1,200 persons. At its peak the Cliffbreakers hosted an average of 1,000 events per year. This is the closest hotel to downtown, the Civic Center, regional hospitals, professional sports fields, and public boat docks. A loss of this hotel and event center would have a huge impact to the local economy.

C. Purpose of Loan

The City of Rockford proposes to lend the owner \$2,725,000 in Section 108 Loan funds for the following purposes:

Building Renovations	\$1,932,500
Furniture and Fixtures	\$ 130,000
Parking and Lighting Improvements	<u>\$ 28,275</u>
Operating Reserve	<u>\$ 200,000</u>
Interest Reserve	<u>\$ 75,000</u>
Legal & Closing Costs	<u>\$ 160,000</u>
Loan Costs	<u>\$ 28,000</u>
Real Estate Taxes	<u>\$ 165,000</u>
Total Section 108 Loan	\$2,725,000

The owners have invested \$160,000 to date toward these improvements and committed to subordinate their mezzanine debt and equity in order to secure this loan to complete the rehabilitation and renovation of the facility and turn-around of the operations. A current equity schedule is attached as Exhibit 7.

The hotel rooms will be stripped of wall coverings and carpet. New wall coverings and carpeting will be installed along with all new furnishings, including new window coverings, beds, sleeper sofas, chairs and occasional tables, work desks and ergonomic chairs. The

common areas will also have new wall and floor coverings installed including the hallways, breakfast room, conference room, and lobby area. New furniture will be installed in the lobby and breakfast room. New carpeting and paint will be used in the banquet rooms, bar/lounge and restaurant as well as refurbishment of antique bars and wood finishes throughout. The entire roof and landscaping will be replaced and the parking lot will be resurfaced. The indoor swimming pool will be renovated, the business center will be upgraded and the IT systems will be overhauled.

D. Financing Terms

The Section 108 Loan will be amortized over a 20-year term. The initial rate will be the 3 month LIBOR plus 2%, adjusted quarterly. Debt service payments are projected at 3% APR, and will be collected monthly. For the first two years the borrower will pay interest only and then the loan will be amortized over 18 years. The rate will be fixed at the time the notes are sold at 1% over the effective rate for the notes. Owner equity of \$5,925,788 will be subordinated.

E. The Community Development Strategy and This Project

Cliffbreakers Hotel and Conference Center is the major economic anchor on the northwest side of Rockford. It is a destination facility for conferences and social events, including weddings, birthdays, reunions and other celebrations. The rehabilitation and renovation of the facility will retain 53 jobs and add 28 FTE's and bring people and economic activity to an area of the City that is very low income. This project has already gone through one foreclosure and is currently generating a negative Net Operating Income but for the equity investment that the owner has continued to invest. It is safe to assume that until this financing is restructured with this 108 so that the necessary improvements are made all of these jobs will be lost.

III. National Objectives

The Community Development Block Grant program, including Section 108, requires a project to meet a National Objective, as defined in the statute and HUD regulations. The Cliffbreakers Hotel Project will meet the National Objective of job creation or retention activities. The regulatory citation is: **24 CFR §208.a (4)**: "An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, will be available to low-and-moderate income persons"

The Public benefit created by this project has been determined through the retention of 53 FTE's and addition of 28 new FTE's. Not less than 51% of the jobs (41) will be available to low and moderate income persons.

IV. Eligible Activities – Cliffbreakers Hotel Project

Section 108 loan funds will be used for the following eligible activities:

24 CFR §570.203(b) – Assistance to a for-profit entity undertaking special economic development activities. The Section 108 funds will be used to complete renovations or rooms, upgrade and rehabilitate common areas and undertake other improvements to insure the facility operates as an economic engine in the northwest sector of the City.

Qualification under "SPECIAL ECONOMIC DEVELOPMENT" also requires the project to meet Public Benefit standards under **24 CFR §570. 209**. This is covered in a separate section below.

V. Compliance Statement – Cliffbreakers Hotel Project

Section 570.209 Guidelines

Guidelines and Objectives for Evaluating Project Costs and Financial Requirements.

All activities eligible under Section 570.203 must meet the requirements of Section 570.209. This section outlines guidelines for ensuring that a proposed project carries out an economic development objective in an appropriate manner. These guidelines under 570.209(a) are not mandatory but serve as a framework for financially underwriting economic development projects.

In evaluating the proposed project's use of the Section 108 Economic Development Loan Fund the City of Rockford used the following criteria.

Project Management

The City of Rockford, Department of Community and Economic Development (DCED) administers the 108 Loan Fund. DCED under technical assistance provided by the National Development Council (NDC) completed underwriting due diligence. NDC has a more than 40-year track record of assisting local governments in structuring and implementing economic development and housing projects.

Underwriting Standards for City of Rockford Section 108 Loan Fund

1. National Objective

All loans shall meet a national objective as specified in 24 CFR 570.208. No loan shall be approved without verification of compliance with the national objective requirements, specified in 24 CFR 570.208, by the Illinois State Office of the United States Department of Housing and Urban Development.

2. Eligibility

In addition to meeting one of the program's National Objectives all projects assisted through the loan fund must fall within one of the eligible activities listed in 570.703.

3. **Guidelines for evaluating and selecting economic development projects**

For all activities eligible under 570.703(i), economic development activities, the project will be required to meet the guidelines listed under 570.209: Guidelines for evaluating and selecting economic development projects. No loan shall be approved without verification of compliance with the public benefit standards as specified in 24 CFR 570.209(b) by the Illinois State Office of the United States Department of Housing and Urban Development.

4. **Financial Underwriting**

Since this project falls into the category of a Real Estate Loan, the City adhered to the criteria below. It is relevant to note that the City of Rockford will be submitting a separate application for a Section 108 loan pool for projects yet to be identified and the underwriting criteria presented below is extracted from the broader policy which will be presented in that forthcoming application.

Real Estate Loans

Real Estate Loan shall be evaluated based on:

Ability to Repay
Collateral
Development Team Capacity and Experience
Developer Commitment
Character of the Developer

Ability to Repay

Projects to be funded will have at least a 1.1 projected debt coverage ratio. If the project includes more than a small percentage of its rental income from start-up or financially weak tenants then a higher debt coverage ratio shall be required.

Collateral

Projects to be funded should have a loan to value ratio of not greater than 80 percent. This value must be supported by an appraisal prior to funding. If greater than an 80 percent loan to value ratio is proposed, outside collateral sufficient to provide an 80 percent loan to value shall be required. In certain cases outside guarantees may suffice for additional collateral.

Development Team Capacity and Experience

Projects funded shall have a development team that has both the capacity and experience to complete the project as demonstrated by past projects and financial strength.

Developer Commitment

Developer commitment can take many forms. While each project is likely to be different the forms of developer commitment that can be expected include: adequate equity, guarantees of completion, guarantees to fund shortfalls or guarantees of minimum cash flow.

Character

Projects to be funded should have developers with good credit histories, demonstrated integrity, and quality references.

Davis - Bacon Act Compliance

The City of Rockford is knowledgeable of and will comply with the Davis- Bacon Act and with Section 3 requirements. The City partners with the private sector to expand opportunities for local residents and companies as part of its efforts to strengthen the local economy.

Environmental Review

The City of Rockford will comply with HUD's Environmental Regulations applicable to CDBG and Section 108. No funds will be dispersed prior to environmental clearance, and it is understood that any physical development hard costs undertaken prior to environmental clearance cannot be reimbursed through Section 108.

Citizen Participation

The City of Rockford assures compliance with HUD's citizen participation regulations applicable to CDBG and Section 108, as cited at **24 CFR §570.704(a)(2)** consistent with its citizen participation plan.

Consistency with Consolidated Plan

The City will assure the completion of an amendment, reflecting the Cliffbreakers Hotel Redevelopment project, to its currently adopted Consolidated Plan that will be submitted for approval by April 11, 2015.

Other

All other applicable statutes and regulations will be followed, see attached certifications.

VI. Public Benefit – Cliffbreakers Hotel Project

The Section 108 loan will provide assistance under **24 CFR §570.703 (f)**, under the eligible category of “SPECIAL ECONOMIC DEVELOPMENT”. The project will trigger HUD’s standard term Public Benefit, as found in citation **24 CFR §570.209(b)(1)(i)**.

In Exhibit 7 job projections were based upon an analysis by the business of the realistic employment opportunities it will provide as a result of this redevelopment. Then: \$2,725,000 divided by 81 FTEs is equal to \$33,642 per FTE. Public benefit requirements are met by not exceeding the \$50,000 per new job statutory maximum for individual projects under **24 CFR §570.209(b)(3)** with the City choosing to exclude the project from the aggregate standards as permitted under **24 CFR §570.209(b)(2)(v)(F)**; assistance to a business operating in a census tract with 20% or more residents in poverty, based on the 2000 Census.

VII. Repayment and Securitization – Cliffbreakers Hotel Project

REPAYMENT

The City of Rockford is requesting a \$2,725,000 loan guarantee, with funds from the sale of notes to be granted to the development entity, for a period of 20 years. The initial interest rate is estimated at an effective rate of 3%. The rate will be adjusted quarterly and will be 2% above the 3 month LIBOR for the period of time the loan is with the interim lender. Funds for the repayment will come from earned income to the owner/developer. (Exhibit 3). The project owner will have to provide a debt service guarantee as it is expected to have a shortfall in the first year.

COLLATERAL

The City will have a 1st lien position on the property and will receive limited guarantees from the developer. The City will consider subordination to 3rd party loans as they become available.

Certification A

Entitlement Public Entity Certifications

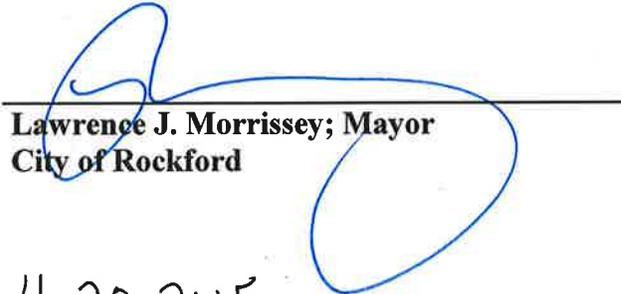
In accordance with the Housing and Community Development Act of 1974, as amended, (the "Act") and with **24 CFR §570.704 (b)(8)**, public entity certifies that:

- (i) It possesses the legal authority to submit the application for assistance under 24 CFR Part 570, Subpart M ("Subpart M") and to use the guaranteed loan funds in accordance with the requirements of Subpart M.
- (ii) Its governing body has duly adopted or passed as an official act a resolution, motion or similar official action authorizing the person identified as the official representative of the public entity to submit the application and amendments thereto and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the public entity to act in connection with the application to provide such additional information as may be required.
- (iii) Before submission of its application to HUD, the public entity has:
 - A) Furnished citizens with information required by **24 CFR §570.704(a)(2)(i)**;
 - B) Held at least one public hearing to obtain the views of citizens on community development and housing needs; and
 - C) Prepared its application in accordance with **24 CFR §570.704(a)(1)(iv)** and made the application available to the public.
- (iv) It is following a detailed citizen participation plan which meets the requirements described in **24 CFR § 570.704(a)(2)**.
- (v) The public entity will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:
 - A) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*); and
 - B) The Fair Housing Act (42 U.S.C. 3601-20).
- (vi) In the aggregate, at least 70 percent of all CDBG funds, as defined at **24 CFR §570.3(e)**, to be expended during the one, two, or three consecutive years specified by the public entity for its CDBG program will be for activities which benefit low and moderate income persons, as described in criteria at **24 CFR §570.208(a)**.
- (vii) It will comply with the requirements governing displacement, relocation, real

property acquisition, and the replacement of low and moderate income housing described in **24 CFR §570.606**.

- (viii) It will comply with the requirements of **24 CFR §570.200(c)(2)** with regard to the use of special assessments to recover the capital costs of activities assisted with guaranteed loan funds.
- (ix) (Where applicable, the public entity may also include the following additional certification.) It lacks sufficient resources from funds provided under Subpart M or program income to allow it to comply with the provisions of §570.200(c)(2), and it must therefore assess properties owned and occupied by moderate income persons, to recover the guaranteed loan funded portion of the capital cost without paying such assessments in their behalf from guaranteed loan funds.

Signed:



**Lawrence J. Morrissey; Mayor
City of Rockford**

Date:

4-20-2015



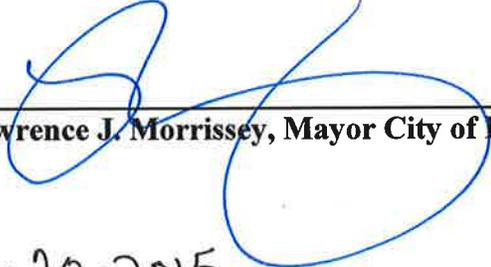
Patrick Hayes, Legal Director

Certification B

Certification of Efforts to Obtain Other Financing

The City of Rockford hereby assures and certifies with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it has made efforts to obtain financing for the activities described herein without the use of such guarantee, it will maintain the documentation of such efforts for the term of the loan guarantee, and it cannot complete such financing consistent with timely execution of the project without such guarantee.

Signed:



Lawrence J. Morrissey, Mayor City of Rockford

Date:

4-20-2015



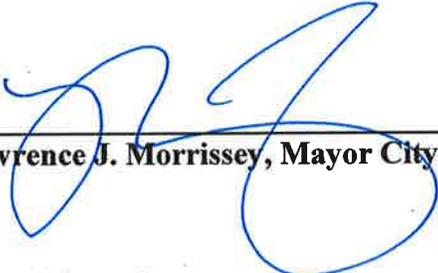
Patrick Hayes, Legal Director

Certification C

Certification of Legal Authority to Pledge Grants

The public entity hereby certifies and assures with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it possesses the legal authority to make the pledge of grants required under 24 CFR §570.705(b)(2).

Signed:



Lawrence J. Morrissey, Mayor City of Rockford

Date:

4-20-2015



Patrick Hayes, Legal Director

Certification D

Certification Regarding Drug-free Workplace Requirements

The certification set out below is a material representation upon which reliance is placed by the U.S. Department of Housing and Urban Development in awarding the loan guarantee assistance. If it is later determined that the public entity knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the U.S. Department of Housing and Urban Development, in additions to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

Certification

- A. The public entity certifies that it will provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the public entity's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing a drug-free awareness program to inform employees about -
 - (1) The dangers of drug abuse in the workplace;
 - (2) The public entity's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of the activities undertaken with the loan guarantee assistance be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the loan guarantee, the employee will -
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.

- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number (s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted--
 - (1) Taking appropriate personnel action against such employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The public entity shall insert in the space provided below the site(s) expected to be used for the performance of work under the assistance covered by the certification:

Place of Performance (include street address, city, county, state, zip code of each site):

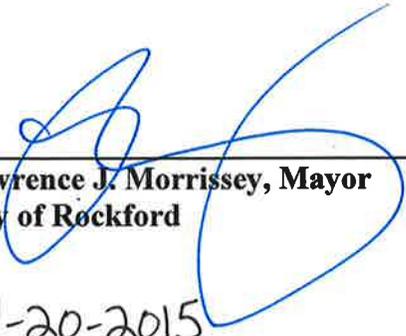
Name of Public entity: City of Rockford,
425 East State Street
Rockford, Illinois, Winnebago Co,
61104

Program Name: Community Development Block Grant

Project Number: _____

Check ___ if there are workplaces on file that are not identified here.

Signed:



**Lawrence J. Morrissey, Mayor
City of Rockford**

Date:

4-20-2015



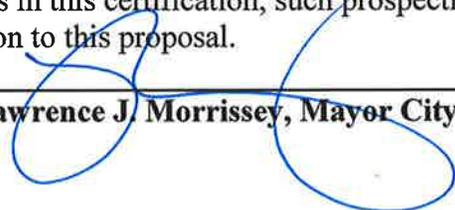
Patrick Hayes, Legal Director

Certification E

**Regarding Debarment, Suspension, and
Other Responsibility Matters - Primary Covered Transactions**

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not with a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause of default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signed:



Lawrence J. Morrissey, Mayor City of Rockford

Date:

4-20-2015



Patrick Hayes, Legal Director

Certification F

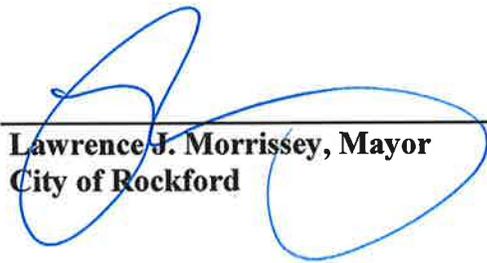
**SECTION 108 LOAN GUARANTEES
STATEMENT REGARDING LOBBYING**

**THE UNDERSIGNED CERTIFIES, TO THE BEST OF HIS OR HER
KNOWLEDGE AND BELIEF, THAT:**

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit standards Form – LLL, “Disclosure Form to Report Lobbying” in accordance with its instruction.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed:



**Lawrence J. Morrissey, Mayor
City of Rockford**

Date:

4-20-2015



Patrick Hayes, Legal Director

Addenda

Exhibit 1:

Census Tract Map, Aerial Map and Project Renderings

Exhibit 2:

City's Capacities

Exhibit 3:

Cash Flow Forecast

Exhibit 4:

Forecast Payback Schedule to Section 108 Note-Holders

Exhibit 5:

Construction Budget

Exhibit 6:

Schedule of jobs retained/created

Exhibit 7:

Schedule of equity

Exhibit 8:

Job Retention Owner Statement

EXHIBIT 1

Census Tract Map



S1701

POVERTY STATUS IN THE PAST 12 MONTHS

2009-2013 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Subject	Census Tract 36.06, Winnebago County, Illinois				
	Total		Below poverty level		Percent below poverty level
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Population for whom poverty status is determined	2,870	+/-446	730	+/-349	25.4%
AGE					
Under 18 years	735	+/-324	290	+/-282	39.5%
Related children under 18 years	735	+/-324	290	+/-282	39.5%
18 to 64 years	1,739	+/-242	379	+/-134	21.8%
65 years and over	396	+/-53	61	+/-40	15.4%
SEX					
Male	1,505	+/-254	388	+/-205	25.8%
Female	1,365	+/-246	342	+/-160	25.1%
RACE AND HISPANIC OR LATINO ORIGIN					
One race	2,870	+/-446	730	+/-349	25.4%
White	1,940	+/-335	288	+/-151	14.8%
Black or African American	696	+/-325	442	+/-318	63.5%
American Indian and Alaska Native	0	+/-11	0	+/-11	-
Asian	0	+/-11	0	+/-11	-
Native Hawaiian and Other Pacific Islander	0	+/-11	0	+/-11	-
Some other race	234	+/-191	0	+/-11	0.0%
Two or more races	0	+/-11	0	+/-11	-
Hispanic or Latino origin (of any race)	673	+/-279	86	+/-99	12.8%
White alone, not Hispanic or Latino	1,501	+/-320	202	+/-98	13.5%
EDUCATIONAL ATTAINMENT					
Population 25 years and over	1,902	+/-189	432	+/-135	22.7%
Less than high school graduate	503	+/-157	192	+/-111	38.2%
High school graduate (includes equivalency)	688	+/-193	102	+/-75	14.8%
Some college, associate's degree	405	+/-93	128	+/-67	31.6%
Bachelor's degree or higher	306	+/-111	10	+/-18	3.3%
EMPLOYMENT STATUS					
Civilian labor force 16 years and over	1,297	+/-177	230	+/-96	17.7%
Employed	1,052	+/-162	48	+/-30	4.6%
Male	547	+/-81	16	+/-17	2.9%

Subject	Census Tract 36.06, Winnebago County, Illinois				
	Total		Below poverty level		Percent below poverty level
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate
Female	505	+/-134	32	+/-30	6.3%
Unemployed	245	+/-102	182	+/-88	74.3%
Male	162	+/-86	127	+/-76	78.4%
Female	83	+/-72	55	+/-51	66.3%
WORK EXPERIENCE					
Population 16 years and over	2,194	+/-261	440	+/-136	20.1%
Worked full-time, year-round in the past 12 months	669	+/-134	0	+/-11	0.0%
Worked part-time or part-year in the past 12 months	589	+/-148	138	+/-73	23.4%
Did not work	936	+/-207	302	+/-123	32.3%
All Individuals below:					
50 percent of poverty level	481	+/-351	(X)	(X)	(X)
125 percent of poverty level	935	+/-399	(X)	(X)	(X)
150 percent of poverty level	1,153	+/-416	(X)	(X)	(X)
185 percent of poverty level	1,516	+/-479	(X)	(X)	(X)
200 percent of poverty level	1,562	+/-473	(X)	(X)	(X)
Unrelated individuals for whom poverty status is determined					
Male	365	+/-114	178	+/-86	48.8%
Female	280	+/-99	134	+/-76	47.9%
Mean income deficit for unrelated individuals (dollars)	5,240	+/-2,391	(X)	(X)	(X)
Worked full-time, year-round in the past 12 months	160	+/-70	0	+/-11	0.0%
Worked less than full-time, year-round in the past 12 months	123	+/-74	100	+/-71	81.3%
Did not work	362	+/-125	212	+/-116	58.6%
PERCENT IMPUTED					
Poverty status for individuals	31.2%	(X)	(X)	(X)	(X)

Subject	Census Tract 36.06, Winnebago County, Illinois
	Percent below poverty level
	Margin of Error
Population for whom poverty status is determined	+/-9.5
AGE	
Under 18 years	+/-26.4
Related children under 18 years	+/-26.4
18 to 64 years	+/-6.5
65 years and over	+/-10.2
SEX	
Male	+/-10.7
Female	+/-9.5
RACE AND HISPANIC OR LATINO ORIGIN	
One race	+/-9.5
White	+/-7.2
Black or African American	+/-24.1
American Indian and Alaska Native	**
Asian	**
Native Hawaiian and Other Pacific Islander	**
Some other race	+/-12.0
Two or more races	**
Hispanic or Latino origin (of any race)	+/-17.0
White alone, not Hispanic or Latino	+/-6.1
EDUCATIONAL ATTAINMENT	
Population 25 years and over	+/-6.1
Less than high school graduate	+/-17.3
High school graduate (includes equivalency)	+/-11.1
Some college, associate's degree	+/-14.8
Bachelor's degree or higher	+/-5.9
EMPLOYMENT STATUS	
Civilian labor force 16 years and over	+/-6.9
Employed	+/-2.9
Male	+/-3.1
Female	+/-6.1
Unemployed	+/-19.5
Male	+/-23.2
Female	+/-29.6
WORK EXPERIENCE	
Population 16 years and over	+/-5.1
Worked full-time, year-round in the past 12 months	+/-4.4
Worked part-time or part-year in the past 12 months	+/-9.6
Did not work	+/-8.8
All Individuals below:	
50 percent of poverty level	(X)
125 percent of poverty level	(X)
150 percent of poverty level	(X)
185 percent of poverty level	(X)
200 percent of poverty level	(X)
Unrelated individuals for whom poverty status is determined	+/-12.6

Subject	Census Tract 36.06, Winnebago County, Illinois
	Percent below poverty level
	Margin of Error
Male	+/-15.3
Female	+/-16.4
Mean income deficit for unrelated individuals (dollars)	(X)
Worked full-time, year-round in the past 12 months	+/-17.0
Worked less than full-time, year-round in the past 12 months	+/-16.6
Did not work	+/-17.3
PERCENT IMPUTED	
Poverty status for individuals	(X)

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

While the 2009-2013 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '****' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

AIMS Viewer
version 1.1

Address Search

Search for an address:

When searching do not enter punctuation (N. or S.) or street type (Ave or St).
Example: When searching for **425 East State Street** only enter **425 E State**.

Searched: 700 w riverside

View ID Address1 Address2 Zip

17638 700 W RIVERSIDE BLVD 61103

Address Attributes:

Within the City	TRUE
RockStat District	1
PIN	1101305016
Dashed PIN	11-01-305-016
Primary PIN	11-01-305-016
Owner Full Name	INVESTMENT LLC CLIFFBREAKERS PROPERTY
Owner Last Name	CLIFFBREAKERS PROPERTY
Owner First Name	INVESTMENT LLC
Owner Middle Initial	
Owner Address1	700 W RIVERSIDE BLVD
Owner Address2	
Owner City	ROCKFORD
Owner State	IL
Owner Zip	61103
Ward	12
Zoning	C2
Lot	1
Flood Zone	OUT
Legal Description	CLIFFBREAKERS SUB PT SW1/4 SEC 1-44-1 LOT 1
Subdivision	
Annexation	Westview School District
Annexation Ordinance	52/7
Annexation Year	1952
Political Township	ROCKFORD
Township	44
Township Direction	N
Range	1
Range Direction	E
Section	1
Quarter Section	SW
Police District	1
Police SubBeat	101
Police Beat	RP01
Fire Zone	7360
Hydrant Distance (ft.)	181.682
Fire Station Distance (mi.)	1.313
Distance to Swedish American Hospital (mi.)	3.416
Distance to Rockford Memorial Hospital (mi.)	1.792
Distance to St. Anthony's Hospital (mi.)	4.497
Garbage Collection	Thursday
TIF District	
Legal Agreement	SUP
Historic Properties	
Enterprise Zone	
River Edge Zone	TRUE
Water Pressure Zone	Central Zone
Inspection District	NW
Code Enforcement Zone	1
Code Enforcement Area	
Code Enforcement Inspector	Barbara
Code Enforcement Coordinator	Zach Andrews
ADDI eligible?	yes
CDBG eligible?	no
NSP1 eligible?	
Down Home?	yes
Focus Area (ND)	
Slum-Blight?	
Census Tract	003606
203K Program Eligible?	no
APP Grant Eligible?	
Census Block	1000
Census GEOID	
Foreclosure Effective Date	

Aerial View



Project Renderings





EXHIBIT 2

City's Capacity

The City of Rockford, Illinois, can demonstrate the capacity to execute the Section 108 based on the following evidence:

(1) Applicant Capacity

(a) General HUD program experience with highlighted accomplishments.

This Consolidated Annual Performance and Evaluation Report (CAPER) illustrates the activities undertaken during the program year beginning January 1, 2013 and ending December 31, 2013 associated with the prescribed activities in the approved annual plan update of the City of Rockford's Five Year Consolidated Plan. The plan directs the utilization of Federal funds granted to the City of Rockford by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG), Home Investments Partnership (HOME), and Hearth Emergency Solutions Grant (HESG) programs. Activities and accomplishments described in this report focused primarily on the delivery of services to low and moderate-income residents of the City of Rockford. This took place in neighborhoods with high concentrations of low income, and the city as a whole where slum or blighted conditions have had a negative impact on the overall health of the city.

The table below outlines the Consolidated Plan funding received by the City of Rockford for the program year that begins January 1, 2013 and goes through December 31, 2013. This table only includes new funds received during the program year along with program income for each subsequent program.

	CDBG	HOME	HESG	TOTAL
Entitlement Grants	\$2,054,135.00	\$ 819,929.00	\$ 139,919.00	\$ 3,013,983.00
Program Income	\$ 51,726.92*	\$ 13,585.71	\$ 0.00	\$ 65,312.63
Total Funds Received	\$2,105,861.92	\$ 833,514.71	\$ 139,919.00	\$3,079,295.63

*As corrected according to receipts for program income.

The activities and accomplishments outlined in this document are based on the drawn amount of Federal funding between January 1, 2013 and December 31, 2013, as outlined below. Funds expended during the program year include reprogrammed prior year funds, program income, and funds awarded to activities in prior program years that were not spent until the 2013 program year. As a result, funds expended do not equal funds received.

Program Funds – Drawn Amount Total 2013

	CDBG	HOME	HESG	TOTAL
Total Funds Drawn 2013	\$ 2,058,780.49	\$ 787,163.50	\$ 49,408.64	\$ 2,906,352.63

Program Funds – Drawn Amount in 2013 on 2013 Projects

	CDBG	HOME	HESG	TOTAL
Total Funds Drawn in 2013 on 2013 Projects	\$ 1,972,112.05	\$ 90,357.50	\$ 0.00	\$ 2,062,256.55

Program administration expenses and public service activities were within the regulatory caps of 20% and 15% respectively. Rockford's Administration expenditures totaled 15.9% and public service expenditures totaled 3.1%. The City is also in compliance with the regulatory requirement that at least 70% of CDBG expenditures benefit low and moderate income residents. The regulation states that, in the aggregate, at least 70% of CDBG funds expended during a one, two, or three-program year period specified by grantee will be for activities meeting the L/M Income Benefit national objective. The City of Rockford utilizes a three year period and selected years 2011, 2012 and 2013 as their aggregate years. In 2013, the City of Rockford's benefit to low and moderate income was 91.6% and this makes the aggregate percentage for the program years of 2011, 2012 and 2013 88.9%.

The required HOME set-aside for Community Housing Development Organizations (CHDOs) is 15% of the entitlement grant. Although no CHDO set-aside funds were obligated in 2013, due to Rockford's cumulative obligation of CHDO set-aside funds the City remains compliant with the HOME requirement.

The City of Rockford was well within its HESG Grantee Administrative cap. The legislation and regulations provide that up to 7.5% of a grantee's funds may be spent for administering the grant. The only other limit related to this program is that street outreach activities cannot exceed 60% of the total grant funds.

The City of Rockford's 2010 – 2014 Consolidated Plan continued to address the three priority needs that were established in the previous five year Consolidated Plan. They included decent affordable housing, economic development and neighborhood stabilization. Specific program accomplishments are detailed in the various sections of this report.

The following tables list the activities and programs that were supported using Consolidated Plan program funds during the 2013 program year. Program Administration and Planning activities have been excluded from this list.

Organization-Activity	2013 Dollars Drawn
Acquisition and Disposition	\$ 0.00
Economic Development	\$ 60,430.95
Housing Activities	\$ 11,750.00
Demolition	\$ 170,754.90
Public Service Activities:	\$ 50,000.00
HESG Activities:	\$ 0.00
CHDO HOME Activities:	\$ 276,649.86
Homebuyer Assistance	\$ 0.00*
Code Enforcement	\$ 505,754.00

*Included in CHDO HOME activities

The activities listed above resulted in the following accomplishments during the 2013 program year. In addition to the specific outputs outlined below with data taken for the PR02, the collective impact of these activities resulted in substantial improvements to the lives and neighborhoods of Rockford's low and moderate-income residents.

Accomplishment Unit of Measure	2013 Completed Activities Funded in 2013
CDBG Program	
People Served by Public Service Activities	163
People Served by Fair Housing Activities	210
Households Receiving Homebuyer Training	0
Derelict Housing Units Acquired, Disposition, and/or Demolished	22
Acquisition	0
Housing Units Rehabilitated Single Family	5
Violations addressed for Code Compliance	5491
Housing Units Abated for Lead Hazards	0* - 48 completed by Health Department
Economic Development	
Financial Assistance to For Profits	1
Micro-Enterprise Assistance	3
HOME Program	
Existing Homeowners	10
First Time Homebuyers Assisted	2
HESG Program	
Homeless Persons Receiving Assistance	373

*All rehabilitated units are considered complete only after any necessary lead remediation is performed to make the unit lead compliant.

General Questions

1. Assessment of the one-year goals and objectives:
 - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.

CAPER General Questions response:

Decent Housing

During 2013, a total of three (3) new housing units were expected to be made assessable to very low-income persons as a result of either rehabilitation or new construction. Unfortunately, no new housing units were made assessable as a result of these efforts. In addition, twenty-three (23) households were expected to be provided assistance with down payments in 2013. Only two (2) households were provided such assistance. Also, a total of fifteen (15) housing units were projected to be made lead safe via lead remediation activities as the result of state funding. In actuality, zero (0) housing units were made lead safe as a part of the state program by the City of Rockford. Housing units were assisted through the Winnebago County Housing Authority through a separate Federal grant. Finally, the goal in

Winnebago County Housing Authority through a separate Federal grant. Finally, the goal in 2013 was to assist ten (10) physically challenged households by constructing ramps on their dwelling units. Consequently, only five (5) ramps were constructed assisting only five (5) households.

Suitable Living Environment

In the program year, twenty (20) dilapidated structures were slated for demolition. The goal was exceeded as twenty-two (22) such structures were actually demolished. Additionally, the goal for acquiring properties was five (0); no properties were actually acquired. Lastly, three (3) agencies were projected to receive public service assistance during the year. Consequently, one (1) such agency actually received public services assistance during the program year.

Furthermore, a total of thirty (30) low-income households were projected to be assisted through focus area rehabilitation programs. Consequently, exactly twenty-one (21) low-income households were actually assisted via these programs. Also, an estimated 9,600 quality of life and property standard violations were projected to be addressed in 2013. A total 5,491 such violations were actually addressed.

Create Economic Opportunity

There were two Self Employment Training (SET) programs available this year. One session focused specifically on manufacturing and the other SET session covered a wide range of business types such as commercial retail and storefront.

The Self-Employment Training (SET) Program goals were not met this year. The goal of assisting 21 to 42 participants was missed slightly. There was assistance given to Twenty (20) persons that were interested in starting a new business or retaining a current business. The Manufacturing Training Program goal of assisting 10 to 12 persons was exceeded. This program trained 15 persons during its Fall and Spring sessions.

The Rehabilitation and Development Assistance Program assisted a total of four (4) businesses in 2013. Three (3) businesses were eligible as LMI Micro enterprise businesses and one (1) was located in a low-moderate income area (LMA).

There were more applications for assistance for the Rehab and Development Assistance Program than the Façade program this year and therefore a portion of the Façade Program funds were used to assist applicants for the Rehabilitation and Development Assistance program. The Façade program will continue in 2014 to assist businesses with their building renovations and enhance the outer appearance of their building in identified Corridors (Downtown, South Main and North Main).

- b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

CAPER General Questions response:

Single family rehabilitation for both existing and new homeowners was funded at a level of \$355,836.20 in 2013. A total of \$276,649.86 was expended for this activity during the year.

Acquisition, relocation and disposition activities were not funded in 2013.

Homebuyer assistance programming was not funded either in 2013.

Housing rehabilitation efforts to reduce or eliminate mobility obstacles at dwelling units of mobility challenged residents was set to be addressed by funding a ramp building program at the level of \$15,000. A total of \$11,750 was expended for these efforts during 2013.

Demolition efforts were funded at the level of \$170,754.90 in 2013. A total of \$166,511.25 was expended in 2013 for this activity.

Public service activities were funded to the extent of \$50,000 during 2013. There was a total of \$50,000.00 expended for such activities throughout 2013.

Code enforcement efforts to address zoning and property standard violations were funded at the level of \$505,754 in 2013 with the entire amount of \$505,754 being expended for these efforts throughout the year.

Homeless assistance programming was funded at the level of \$139,919.00 in 2013 by none of these funds had been expended as of 12/31/13.

In 2013, Microenterprise Assistance was budgeted to allow for expenditure of \$30,000 new CDBG funds for the Self-Employment Training (SET) Program and \$25,000 new CDBG funds for the Manufacturing (SET) program of which \$51,050.80 was expended. The start date of the first semester of SET program classes were delayed until federal funding was received in April and 2013 grant agreements were executed.

The Rehabilitation and Development Assistance program was budgeted to allow for a total expenditure of \$68,047 of new CDBG funds. The Façade Improvement Program was budgeted in the amount of \$49,720 of new CDBG funds. These programs started late in the year, due to federal funds not being accessible until the 2nd Quarter of 2013. There were more applications from the small business community for the Rehab & Development Assistance Program funds than for the Façade program. All of the Rehab and Development assistance funds were expended for the year and an additional \$13,543 of the \$49,720 programmed Façade funds was reprogrammed to the Rehabilitation and Development Assistance program. No activities or dollars were expended in 2013 for the Façade Program. A waiting list of businesses to be assisted under the Rehabilitation and Development Assistance program has been started.

The Section 108 loan payment funds budgeted for \$85,852 were expended in 2013. In addition, the funds budgeted for Economic Development Services for expenses of

\$104,075 for operational costs and staff positions were expended.

- c. If applicable, explain why progress was not made towards meeting the goals and objectives.

CAPER General Questions response:

As was noted in part a of this question, the City of Rockford was able to make acceptable progress towards meeting most of the goals and objectives outlined in the 2010-2014 for activities that were funded and done so at an adequate level.

As a result of funding cuts in entitlement grant programs, some activities that were previously identified were funded at a reduced level and in some instances not all. The activities considered reduced funding levels were determined from a strategic standpoint taking into account a number of different factors including citizen input.

2. Describe the manner in which the recipient would change its program as a result of its experiences.

CAPER General Questions response:

In 2012 and 2013 the Focus Area Rehabilitation program was leveraged with a Federal Home Loan Bank of Chicago grant. This grant was very different in its functionality. The Focus Area Rehabilitation program could have been more easily administered using only HOME funds but due to entitlement shortfalls, it was not. With diminishing funds, concentrating efforts to a much smaller area with a broader scope of use may be a more effective use of limited staff and monetary resources.

Due to program carryover at years end and enrollment numbers, the amount of funding for the Self Employment Training Programs will be reduced in the 2014 budget to \$20,000 for both the original and manufacturing based programs until enrollment numbers increase. Also, because a need has been identified in other areas, the Façade Program will be focused in major corridor areas (Downtown, South Main, & North Main) where public infrastructure rehabilitation is currently taking place. Federal CDBG funding will then be leverage with other dollars to complete much needed exterior repair to dilapidated building storefronts in those areas.

3. Affirmatively Furthering Fair Housing:
 - a. Provide a summary of impediments to fair housing choice.

CAPER General Questions response:

The most recent analysis of Impediments to Fair Housing Choice conducted for the City of Rockford by an outside consultant in late 2009 as a part of the development of the 2010 – 2014 Consolidated Plan. As is the practice every spring, the City of Rockford Fair Housing

Board conducts a review of the most recent Analysis to determine if previously identified impediments still exist and also to assess progress that has been made in trying to alleviate such impediments. As it turned out, the same five issues identified in the original analysis continue to be considered as barriers to affirmatively furthering fair housing. As a result, they are still viewed as impediments to fair housing choice. In reiteration, these issues are listed as follows:

1. Disproportional shares, defined as extremely high concentrations of selected racial and ethnic minorities, exist in Rockford. Areas of lower quality and older homes tend to be in these same areas. This has resulted in segregation. The same issues apply to high concentration of assisted housing units, public housing and section 8 voucher use in certain areas of the city that have this segregation.
2. Potential history of steering is a concern.
3. Very few housing complaints tend to lead to several concerns:
 - Insufficient fair housing system capacity for enforcement,
 - Lack of effective referral system,
 - Lack of understanding of fair housing system,
 - Lack of concern by residents on the east side of Rockford,
 - Questionable effectiveness of the Rockford Fair Housing Board fair housing complaint process
4. HMDA data indicate that minorities are denied home loans much more often than Caucasians, even after correcting for income.
5. Concentration of high annual percentage rate loans tends to occur more frequently in areas with high concentrations of racial and ethnic minorities. Hence, the geographic distribution of sales is a concern and it seems that subprime and potentially predatory lending has been occurring in marketplace.

b. Identify actions taken to overcome effects of impediments identified.

CAPER General Questions response:

As a non-home rule city, Rockford does not possess the power to levy fines to aid in enforcement of the city ordinance. Additionally, this lack of power means that the city ordinance is not substantially equivalent to federal law or state law, thus negating the possibility of securing federal or state fair housing funding.

Consequently, any efforts to overcome the identified impediments have had to revolve strictly around educational campaigns and efforts. With that being said, the City of Rockford Fair Housing Board has continued to work hard to implement a marketing campaign during the program with the sole purpose of increasing awareness of fair housing laws ranging from the local ordinance to state and federal law. These efforts coupled with a federal fair housing grant awarded to Prairie State Legal Services, a not-for-profit legal rights advocacy agency to test, investigate and enforce fair housing laws have enabled limited aspects of impediment #3 to be addressed during the program year with additional

progress anticipated in program year 2014 and beyond.

The implementation of the federal fair housing grant occurred throughout the 2013 program and has been carried over in the 2014 program year. Consequently, if positive results are achieved and this grant is renewed for additional years, the potential to address several of the other impediments will increase dramatically.

Also, the city continues to work with both local housing authorities to develop incentives for landlords to offer assisted living options throughout the city in order to reduce the concentrations that exist.

Lastly, the Rockford Metropolitan Area Planning (RMAP) group contracted with a consultant to develop a regional Analysis of Impediments, as part of their Sustainable Communities grant. The regional analysis did encompass the city of Rockford along with several other northern Illinois counties. Results that are specific to Rockford were evaluated and no additional actions were deemed appropriate and in need of being taken.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

CAPER General Questions response:

The needs of the underserved continue to outweigh the level of local, state and federal resources available to meet them. Consequently, this continues to be the biggest obstacle to addressing their needs. Further, the City of Rockford has determined that being able to address these needs must employ a strategy that identifies new resources and looks a ways to more effectively utilize current resources ultimately doing more with less.

To that end, the City has ramped up its efforts to find and secure new funding investigating both current and new sources. The city has also looked to fortify existing partnerships and foster new ones.

Lastly, the following is a listing of programming efforts to serve the underserved through the City's Community Action Program that have been improved upon during the last program year:

1. LIHEAP (Low Income Energy Assistance Program) helps eligible families with a subsidy that is paid directly to the electric and gas companies. Related is the PIPP (Percentage of Income) Program where clients may be eligible to pay a percentage of their income toward utility bills that is based on the amount of their income. On time payments results in reductions of their past due balances.
2. Weatherization Program targets low income residents with high energy bills for weatherization upgrades to make the home more energy efficient. The Emergency Furnace Program may be used for families that own their own

- homes to repair or replace non-operational heating systems.
3. A Homeless Prevention program is also available for those that have experienced a crisis which has led to them getting behind in their rent or mortgage. This is for those that can normally pay their rent but need a one-time assistance.
 4. Emergency Assistance can provide a variety of assistance to clients who have experienced a crisis beyond their control. It can assist with temporary shelter, car repairs for those who need transportation for work, or other needs.
 5. SWEEP (Sharing Work for Excellence Everywhere Program) trains income qualified youth to provide exterior clean-up, mowing, and repairs to homes of eligible seniors or disable residents.
 6. Small Business Loans can be provided at low interest rates for owners who agree to create at-least one job for every \$20,000 they are loaned.
 7. Community Action Gardens support local Community Garden projects ensuring residents have access to fresh, nutritious food that supports good health and builds strong neighborhoods.
 8. Summer Food Program provides no-cost nutritional meals at participating community sits for low-income youth aged 2-18.
 9. MYAC (Mayor's Youth Advisory Committee) is comprised of high school aged youth committed to civic engagement who plan activities that address emerging issues facing area youth.
 10. Rockford Alcohol Free Teens & Too Good for Drugs are prevention efforts that address the abuse of alcohol, tobacco, and illegal drugs affecting young people in the community; also includes violence prevention and anti-bullying efforts.
 11. Senior Citizen Programming—"Senior Coffee Chats" and Energy Conservation Programs were done with local seniors to get them more involved and to assist them to be able to "age in place".

5. Leveraging Resources

- a. Identify progress in obtaining "other" public and private resources to address needs.

CAPER General Questions response:

The City of Rockford has been successful in obtaining other public and private resources.

1. Rockford applied for and will be receiving in 2014 an IHDA Trust Fund grant under the Homebuyer Rehabilitation program in the amount of \$540,000 to assist 20 individuals/families buy vacant property in Rockford and rehabilitate the property. This will be leveraged with HOME and CDBG funds. Its partnering agency is NWHomestart. This agency will be responsible for intake and homebuyer counseling.
2. Rockford along, with 15 other agencies, applied for the Attorney General Lisa Madigan National Foreclosure Settlement Awards and will be receiving \$2.5m in 2014. A portion of these funds may be leveraged with HOME and CDBG funds.

3. Rockford applied for the Abandoned Residential Property Municipality Relief Program through IHDA in the amount of \$250,000. No awards have been made. An award will help stretch the limited dollars in the CDBG program for the demolition of substandard property.
4. The City of Rockford has agreed to provide \$500,000 from its sanitation fund for the demolition of substandard property. Also, cost savings measures are planned. The City expects to save on demolition costs as a result of the new Sanitation contract with regards to landfills costs for demolition debris and in host fees. Bidding the demolitions in batches, clustering the demolitions by location, and sending the demolitions out for bid in the winter will also result in additional savings.
5. A Landlord Registry was officially rolled out in 2013. This was established by ordinance and crafted to reduce chronic nuisance activity at residential rental properties through better communication between the City and landlords. Landlords that register receive automatic emails from the City whenever there is a Police or Fire incident at the rental property or alerts when there are code violations sited.
6. The City recently applied for a Byrne Criminal Justice Initiative Grant for a portion of the West State Revitalization Area that overlaps the Ellis Height footprint. This grant would provide funding for a comprehensive, proactive, and coordinated crime-fighting strategy that includes prevention, suppression, intervention and enforcement to support neighborhood revitalization effort.
7. The City provides Historic Preservation services which include support for the City's Historic Preservation Commission and the "Certificate of Appropriateness" process that local landmark and district building must go through. Historic preservation has proven to be a resource not only in retaining the physical evidence of Rockford's history and individual character, but also in maintaining the viability of older neighborhoods.
8. In 2014, the City of Rockford will be seeking Section 108 funds to possibly form a loan pool for economic development purposes and receive HUD technical assistance. A Section 108 loan may also be used for projects at Springfield Corners on the far West side of Rockford.
9. The Economic Development Division's Rehabilitation & Development Program and the Façade Program are designed so that all HUD funding is leveraged with 50% or more developer or applicant private funding and/or other public funding.
10. Whenever applicable other public funding from Tax Increment Financing, Enterprise Zone, River Edge Zone, and EDA funding sources are used to leverage funding for development.
11. Partnership For Success (PFS) Grant for \$105,000 was obtained and works to assist under-age drinking.
12. Summer Food Program is a 3 month program funded at \$371,641 by the USDA to provide free meals and snacks to kids under 18 during the summer months.
13. FEMA-EFSP grant provided \$6,640 that was used for temporary housing/hotels for families experiencing a crisis such as a fire, flood, or condemnation.
14. Homeless Prevention (IDHS) funds of \$156,444 were given to the Community Action Agency to prevent those experiencing a crisis with rental assistance funds to prevent them from becoming homeless.

15. The local Continuum of Care received around \$1.6 million in homeless funding for several local programs that serve various homeless populations.
16. The Community Action Agency also received \$925,666 during 2013 for CSBG services.

b. How Federal resources from HUD leveraged other public and private resources.

CAPER General Questions response:

See response to a. above.

c. How matching requirements were satisfied.

CAPER General Questions response:

The City of Rockford met its HOME match requirements in 2013 with match dollars banked. CDBG has no match requirements specifically for housing; ramps are provided for the physically disabled in the form of a grant with no match requirements.

Matching leveraged resources for Economic Development activities; will range from private lender financing, personal savings, investor funds, Tax Increment Financing (TIF), River Edge Zone incentives, Enterprise Zone incentives, New Market Tax Credits, IL Edge Program, and IL State Community Services Block Grant funds.

(c) Timely use of HUD funds. The City meets its timeliness tests for its entitlement funding, and has successfully completed and closed out the CDBG entitlement grant funds and is currently on schedule with its other grant programs. The City has a staff person to monitor the timeliness in implementation of grants and grant spending. This person is assisted by staff in the Finance and Community & Economic Development departments to insure timely and eligible spending.

EXHIBIT 3

EXHIBIT 4

EXHIBIT 4 Forecast Payback Schedule to Section 108 Note-Holders

Payment No.	Annual Principal Payment Amount	Date
1	\$ -	
2	\$ -	
3	\$ 127,000	
4	\$ 130,000	
5	\$ 132,000	
6	\$ 135,000	
7	\$ 138,000	
8	\$ 141,000	
9	\$ 143,000	
10	\$ 146,000	
11	\$ 149,000	
12	\$ 152,000	
13	\$ 155,000	
14	\$ 158,000	
15	\$ 161,000	
16	\$ 165,000	
17	\$ 168,000	
18	\$ 171,000	
19	\$ 175,000	
20	\$ 178,199	

EXHIBIT 5

EXHIBIT 5

DEVELOPMENT BUDGET

Building Renovations	\$1,932,500
Furniture and Fixtures	\$ 130,000
Parking and Lighting Improvements	\$ 28,275
Operating Reserve	\$ 200,000
Interest Reserve	\$ 75,000
Legal & Closing Costs	\$ 160,000
Loan Costs	\$ 28,000
Real Estate Taxes	<u>\$ 165,000</u>
Total Section 108 Loan	\$2,725,000

EXHIBIT 6

Cliffbreakers, Rockford, IL
Department/Payroll Rate

Dept Code	Department / Description	Salary or Wage Range	Current			Future			Current & Future		
			Employees		Full Time	Employees		Full Time	Employees		Full Time
			Full	Part	Equivalent	Full	Part	Equivalent	Full	Part	Equivalent
100	Rooms Head Houskeeper	\$30,000	1		1.00			0.00	1	0	1.00
101	Rooms Guest Services	\$8.91 - \$9.99	2	5	5.13	2		2.00	4	5	7.13
102	Rooms Room Attendants	\$8.20 - \$8.88	2	6	5.75		6	3.75	2	12	9.50
103	Rooms Housemen	\$9.50 - \$11.79		2	1.25			0.00	0	2	1.25
105	Rooms Laundry	\$8.15 - \$8.69		2	1.25		1	0.63	0	3	1.88
106	Rooms Breakfast Bar	\$8.36 - \$9.62	1	2	2.25			0.00	1	2	2.25
107	Rooms Guest Services Manager	\$30,000	1		1.00			0.00	1	0	1.00
110	Rooms Night Auditor	\$9.00	1	1	1.63			0.00	1	1	1.63
111	Rooms Room Inspectors	\$8.29			0.00	1		1.00	1	0	1.00
200	Food Administrative	\$65,000	1		1.00			0.00	1	0	1.00
201	Food Restaurant Manager	\$8.09 - \$9.46		2	1.25			0.00	0	2	1.25
202	Food Restaurant Server	\$10.71		4	2.50			0.00	0	4	2.50
203	Food Cashier/Hostess	\$8.42 - \$15.13	1	2	2.25			0.00	1	2	2.25
205	Food Bussers	\$7.76 - 9.83	2	15	11.38			0.00	2	15	11.38
206	Food Banquest Servers	\$8.75		1	0.63		8	5.00	0	9	5.63
207	Food Banquest Housemen	\$8.22		1	0.63		2	1.25	0	3	1.88
208	Food Cooks	\$10.45 - \$12.75	2	1	2.63		2	1.25	2	3	3.88
209	Food Warewashers	\$8.29 - \$8.98	1	2	2.25			0.00	1	2	2.25
210	Food Executive Chef	\$50,003	1		1.00			0.00	1	0	1.00
211	Food Pantry/Prep Cook	\$10.05	1		1.00			0.00	1	0	1.00
217	Food Banquest Captain	\$12.00	0	1	0.63			0.00	0	1	0.63
300	Beverage Beverage Director							0.00	0	0	0.00
302	Beverage Servers						8	5.00	0	8	5.00
303	Beverage Bartenders					2		2.00	2	0	2.00
600	Admin General Manager	\$82,500	1		1.00			0.00	1	0	1.00
601	Admin Assistant General Manager	\$50,000				1		1.00	1	0	1.00
602	Admin Contoller	\$34.42	1		1.00			0.00	1	0	1.00
700	Sales Director of Sales	\$55,000				1		1.00	1	0	1.00
702	Sales Catering Director	\$14.91	1		1.00			0.00	1	0	1.00
703	Sales Manager	\$38,000		2	1.25			0.00	0	2	1.25
705	Sales Administrative Assistant	\$32,000				1		1.00	1	0	1.00
800	Chief Engineer					1		1.00	1	0	1.00
801	Maintenance Techs	\$12.36 \$12.95	2		2.00	2		2.00	4	0	4.00
		Totals =	22	49	52.66	11	27	27.88	33	76	80.54

EXHIBIT 7

EXHIBIT 8



March 31, 2015

Jovita Donahue, MBA
Economic Development Administrator
Community & Economic Development Dept.
City of Rockford
425 E State St, 2nd Floor
Rockford, IL 61104

RE: Application for Section 108 Loan
Cliffbreakers Hotel & Conference Center

Dear Ms. Donahue:

As you know, when we took over the management of Cliffbreakers, it was in danger of foreclosure and of closing down permanently. Since that time, we have spent \$50,000 to \$150,000 each month to cover payroll and keep the hotel open. This ongoing equity investment requirement is not sustainable and, without critical renovations, the hotel will not be able to compete in the market, which is necessary for it to stabilize and not require additional equity.

If we obtain the 108 loan, renovations could be completed in as little as four months, and sales would increase significantly almost immediately. We have estimated that, not only would the current jobs be sustainable, we would also be able to create approx. 38 new positions, equaling approx. 28 FTEs.

Without the Section 108 loan, which will provide the money necessary to replace the roof, repair the riverfront decks, renovate the hotel interior, and create an operating reserve fund, the hotel cannot survive. We will have to close the hotel, and the 70+ current jobs at the property (approx. 53 FTEs) will be lost.

If you have any questions or need additional information in order to get this Section 108 loan approved, please contact me. Thank you for your support.

Sincerely,

A handwritten signature in blue ink that reads "Andrea C. Riegsecker".

Andrea C. Riegsecker
Executive Vice President

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing
and Urban Development

OMB Approval No. 2510-0011 (exp. 12/31/2015)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): City of Rockford, 425 East State Street, Rockford, Illinois 61104 (815) 987-5600	2. Social Security Number or Employer ID Number: 36-6006082
3. HUD Program Name Section 108 Loan Guarantee	4. Amount of HUD Assistance Requested/Received \$2,725,000
5. State the name and location (street address, City and State) of the project or activity: Cliffbreakers Riverside Resort and Conference Center 700 West Riverside Blvd., Rockford, IL 61103	

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds
HUD	Section 108	\$2,725,000	Redevelopment of Cliffbreakers

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

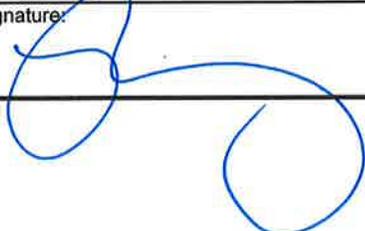
Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
Hospitality Furnishings & Design, Inc.		Contractor	
Downs, Johns		Consultant	0%
Favela, Raquel		Consultant	0%
Dugan, Stephanie		Consultant	0%
Aries Investors, LLC		Developer	100%

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: X 	Date: (mm/dd/yyyy) 04/20/2015
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Public reporting burden for this collection of information is estimated to average 2.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Privacy Act Statement. Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Department of Housing and Urban Development (HUD) is authorized to collect all the information required by this form under section 102 of the Department of Housing and Urban Development Reform Act of 1989, 42 U.S.C. 3531. Disclosure of SSNs and EINs is voluntary. HUD is authorized to collect this information under the Housing and Community Development Act of 1987 42 U.S.C.3543 (a). The SSN or EIN is used as a unique identifier. The information you provide will enable HUD to carry out its responsibilities under Sections 102(b), (c), and (d) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. These provisions will help ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. They will also help ensure that HUD assistance for a specific housing project under Section 102(d) is not more than is necessary to make the project feasible after taking account of other government assistance. HUD will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period generally less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Freedom of Information Act (5 U.S.C. §552) and HUD's implementing regulations at 24 CFR Part 15. HUD will use the information in evaluating individual assistance applications and in performing internal administrative analyses to assist in the management of specific HUD programs. The information will also be used in making the determination under Section 102(d) whether HUD assistance for a specific housing project is more than is necessary to make the project feasible after taking account of other government assistance. You must provide all the required information. Failure to provide any required information may delay the processing of your application, and may result in sanctions and penalties, including imposition of the administrative and civil money penalties specified under 24 CFR §4.38.

Note: This form only covers assistance made available by the Department. States and units of general local government that carry out responsibilities under Sections 102(b) and (c) of the Reform Act must develop their own procedures for complying with the Act.

Instructions

Overview.

A. Coverage. You must complete this report if:

- (1) You are applying for assistance from HUD for a specific project or activity and you have received, or expect to receive, assistance from HUD in excess of \$200,000 during the fiscal year;
- (2) You are updating a prior report as discussed below; or
- (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

B. Update reports (filed by "Recipients" of HUD Assistance):

General. All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

Line-by-Line Instructions.

Applicant/Recipient Information.

All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's SSN or EIN, as appropriate, is optional.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. **Recipients filing Update Reports should not complete this Part.**

If the answer to *either* questions 1 or 2 is No, the applicant need not complete Parts II and III of the report, but must sign the certification at the end of the form.

Part II. Other Government Assistance and Expected Sources and Uses of Funds.

A. Other Government Assistance. This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
2. State the type of other government assistance (e.g., loan, grant, loan insurance).
3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

B. Non-Government Assistance. Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD *and any other source* - that have been or are to be, made available for the project or activity. Non-government sources of

funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Social Security Number (SSN) or Employee Identification Number (EIN), as appropriate, for each person listed is optional.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need

not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, and on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required.

Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.
4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.
5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED	Applicant Identifier	
<input type="checkbox"/> Construction	Pre-application	3. DATE RECEIVED BY STATE	State Application Identifier	
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier	
<input type="checkbox"/> Non-Construction	<input checked="" type="checkbox"/> Non-Construction			
5. APPLICANT INFORMATION				
Legal Name: City of Rockford		Organizational Unit: Department: Community & Economic Development		
Organizational DUNS: 136666174		Division: Economic Development Division		
Address: Street: 425 East State street		Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Rockford		Prefix: (779) 348-7419	First Name: Jovita	
County: Winnebago		Middle Name N/A		
State: IL		Last Name Donahue		
Zip Code 61104	Suffix: N/A			
Country: United States		Email: Jovita.Donahue@rockfordil.gov		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 3 6 - 6 0 0 6 0 8 2		Phone Number (give area code) (779) 348-7419	Fax Number (give area code) 1800-523-9000	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) C. Municipal Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 1 4 - 2 4 8		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
TITLE (Name of Program): Community Development Block Grant/Section 108 Loan guarantee		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Section 108 Loan Guarantee Program: Special Economic Development Assistance to a local company; permitting renovation and job creation & retention of a hotel.		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Rockford, Winnebago County, Illinois				
13. PROPOSED PROJECT Start Date: 2/1/2015		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 16th		
Ending Date: 8/31/2015		b. Project 16th		
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$ 2,725,000 ⁰⁰	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant	\$ ⁰⁰	DATE:		
c. State	\$ ⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
d. Local	\$ ⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$ ⁰⁰			
f. Program Income	\$ ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
g. TOTAL	\$ 2,725,000 ⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.				
a. Authorized Representative				
Prefix Mr.	First Name Lawrence	Middle Name J.		
Last Name Morrissey	Signature		Suffix	
b. Title Mayor	c. Telephone Number (give area code) (815) 987-5590			
d. Signature of Authorized Representative	e. Date Signed 4-20-2015			

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form used by applicants as a required face sheet for pre-applications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:	Entry:	Item:	Entry:																
1.	Select Type of Submission.	11.	Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.																
2.	Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).	12.	List only the largest political entities affected (e.g., State, counties, cities).																
3.	State use only (if applicable).	13.	Enter the proposed start date and end date of the project.																
4.	Enter Date Received by Federal Agency Federal identifier number: If this application is a continuation or revision to an existing award, enter the present Federal Identifier number. If for a new project, leave blank.	14.	List the applicant's Congressional District and any District(s) affected by the program or project																
5.	Enter legal name of applicant, name of primary organizational unit (including division, if applicable), which will undertake the assistance activity, enter the organization's DUNS number (received from Dun and Bradstreet), enter the complete address of the applicant (including country), and name, telephone number, e-mail and fax of the person to contact on matters related to this application.	15.	Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.																
6.	Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.	16.	Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.																
7.	Select the appropriate letter in the space provided. <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. State</td> <td style="width: 50%;">I. State Controlled Institution of Higher Learning</td> </tr> <tr> <td>B. County</td> <td>J. Private University</td> </tr> <tr> <td>C. Municipal</td> <td>K. Indian Tribe</td> </tr> <tr> <td>D. Township</td> <td>L. Individual</td> </tr> <tr> <td>E. Interstate</td> <td>M. Profit Organization</td> </tr> <tr> <td>F. Intermunicipal</td> <td>N. Other (Specify)</td> </tr> <tr> <td>G. Special District</td> <td>O. Not for Profit Organization</td> </tr> <tr> <td>H. Independent School District</td> <td></td> </tr> </table>	A. State	I. State Controlled Institution of Higher Learning	B. County	J. Private University	C. Municipal	K. Indian Tribe	D. Township	L. Individual	E. Interstate	M. Profit Organization	F. Intermunicipal	N. Other (Specify)	G. Special District	O. Not for Profit Organization	H. Independent School District		17.	This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
A. State	I. State Controlled Institution of Higher Learning																		
B. County	J. Private University																		
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H. Independent School District																			
8.	Select the type from the following list: <ul style="list-style-type: none"> • "New" means a new assistance award. • "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date. • "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision enter the appropriate letter: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. Increase Award</td> <td style="width: 50%;">B. Decrease Award</td> </tr> <tr> <td>C. Increase Duration</td> <td>D. Decrease Duration</td> </tr> </table> 	A. Increase Award	B. Decrease Award	C. Increase Duration	D. Decrease Duration	18.	To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)												
A. Increase Award	B. Decrease Award																		
C. Increase Duration	D. Decrease Duration																		
9.	Name of Federal agency from which assistance is being requested with this application.																		
10.	Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.																		