



## **Rehabilitation & Development Assistance Program**

### **PROGRAM**

The City of Rockford's Community Development Departments has allocated Community Development Block Grant (CDBG) funds to operate a *Rehabilitation & Development Assistance* program. CDBG funds can be used to assist business owners and developers with building improvements. The goal of this program is to assist in the renovation of deteriorated properties and eliminate conditions of "blight" in CDBG eligible areas and also to assist the low-income microenterprise business owner (5 or fewer employees). *Note: depending on the availability of funds and a significant investment, the City may, at their discretion, use these funds for qualified developments that will create jobs for low-income persons.*

The purpose of the federal Community Development Block Grant Program (CDBG) is to undertake eligible activities that will carry out the primary objectives of Title 1 of the Housing and Community Development Act of 1974, as amended. These objectives are designed to provide decent housing, a suitable living environment and to expand economic opportunities primarily for persons of low and moderate income. Low and moderate income is defined as persons making 80% or less of the area median income. (See table attached)

Although CDBG is a great program for many businesses, there are several important requirements of the CDBG program that should be considered before determining if CDBG is appropriate for your project. Use of these funds will be coordinated with the businesses private funds to cover a potential financing gap.

### **ELIGIBILITY**

- ✓ The business owner must be verified to qualify as a low-income person **OR**
- ✓ The business must be located in an eligible CDBG area (see map attached) **OR**, if applicable
- ✓ 51% of new employment positions created must be filled by or made available to Low-to-Moderate Income individuals (LMI). An LMI is defined as a person with a household income that falls at or below a predetermined threshold by Housing & Urban Development (HUD).

Qualified applicants may apply for a 50% matching grant, up to \$25,000 (depending on available program funding). Funds are available on a first-come, first-serve basis.

## ELIGIBLE PROJECTS

**Interior work** shall be funded, including but not limited to: plumbing; electrical; mechanical; structural; and purchase of equipment. Although the work need not be exhaustive, it should provide a reasonable sense of improvement and should not leave a property in unfinished and potentially blighted or unsafe condition. **Exterior improvements** may be applied for under the Façade Rehabilitation Program.

## ADDITIONAL PROGRAM/FUND REQUIREMENTS

- ✓ All contractors employed on a CDBG funded project must be paid Federal Davis-Bacon Wages. These wages are often higher than what would normally be paid to a non-union contractor. A City staff member will monitor the project for compliance. Please contact the City of Rockford for a current list of Davis-Bacon wage rates.
- ✓ Availability of adequate financing to complete the project must be shown.
- ✓ Adherence to City of Rockford building code and zoning regulations is required.

## APPLICATION PROCESS

- 1) Applicant completes application form, including name (corporate or personal); address; attests to tax payment and eligibility; project description; cost of project components; documentation of eligible income and/or eligible location if applicable; and description of source(s) of funds necessary to complete the project.
- 2) The applicant shall provide drawings, plans and specifications of proposed improvements; business plan; work estimates; signage or other approved work; and any other applicable documentation.
- 3) The applicant shall also provide acceptable and verifiable proof of project financing.
- 4) A brief narrative of project and description of use. Any information that is useful to understanding the impact and use of funds should be included.
- 5) Lessees must provide proof of permission to make improvements from the property owner and demonstrate a lease of a minimum of five years or more, or if bank financing is involved, a lease equal to or exceeding the term of the loan.

## STAFF EVALUATION

Staff will evaluate projects application for the following:

- ✓ Conformance to design standards
- ✓ Impact of project on building
- ✓ Evaluation of current condition vs. proposed improvement(s)
- ✓ Impact of project on area, neighborhood and City
- ✓ Availability of adequate financing to complete project
- ✓ Cost of project and reasonableness of costs and benefits.

## AWARDS

- ✓ On a first-come first-served basis until funds are exhausted. Applications for a given fiscal year will be accepted after January 1<sup>st</sup>.
- ✓ There will be no reimbursement for work already performed. However, work performed in 12 months previous to the application (with proper receipts and other documentation) may be counted toward a match for work to be performed.
- ✓ No funds will be awarded for work that is not first approved for total cost and conformity to the scope of the rehabilitation.

## SUBJECT TO HUD/CDBG RULES

The above rules and regulations are subject to compliance with federal rules and regulations. Microenterprise business owners must be considered to have low to moderate income by HUD income guidelines, property must be located within a designated low to moderate income area, or jobs created must be held by 51% low-to-moderate income persons. Also, commercial projects may be subject to compliance with Davis-Bacon Requirements (Federal Wage Scales). This will be determined after examination of the scope of work.

For additional information on this program please contact:

City of Rockford  
Community Development Department  
Economic Development Division  
779-348-7162



## Rehabilitation & Development Assistance Program Application

Date: \_\_\_\_\_

1. Type of Business: \_\_\_\_\_
2. Name of Applicant(s): \_\_\_\_\_
3. Address of Applicant(s): \_\_\_\_\_
4. Phone Number(s): \_\_\_\_\_

List any judgements owned or pending against the applicant(s) and/or corporation(s) and limited partnerships of which applicant is an officer or owner or its other officers.

5. Address of Property: \_\_\_\_\_

6. Is property company-occupied or investment? \_\_\_\_\_

7. How many square feet? \_\_\_\_\_ 8. How much is occupied? \_\_\_\_\_

9. Is property located in an eligible CDBG area? (See attached map) \_\_\_\_\_

10. What is your family income? \_\_\_\_\_ (Please provide documentation to prove income amount i.e. copy of current taxes, unemployment certification, etc.)

11. How many current employees? \_\_\_\_\_

How many jobs will be created (do not include construction jobs)? \_\_\_\_\_

How many jobs will be retained (job maintained due to this project)? \_\_\_\_\_

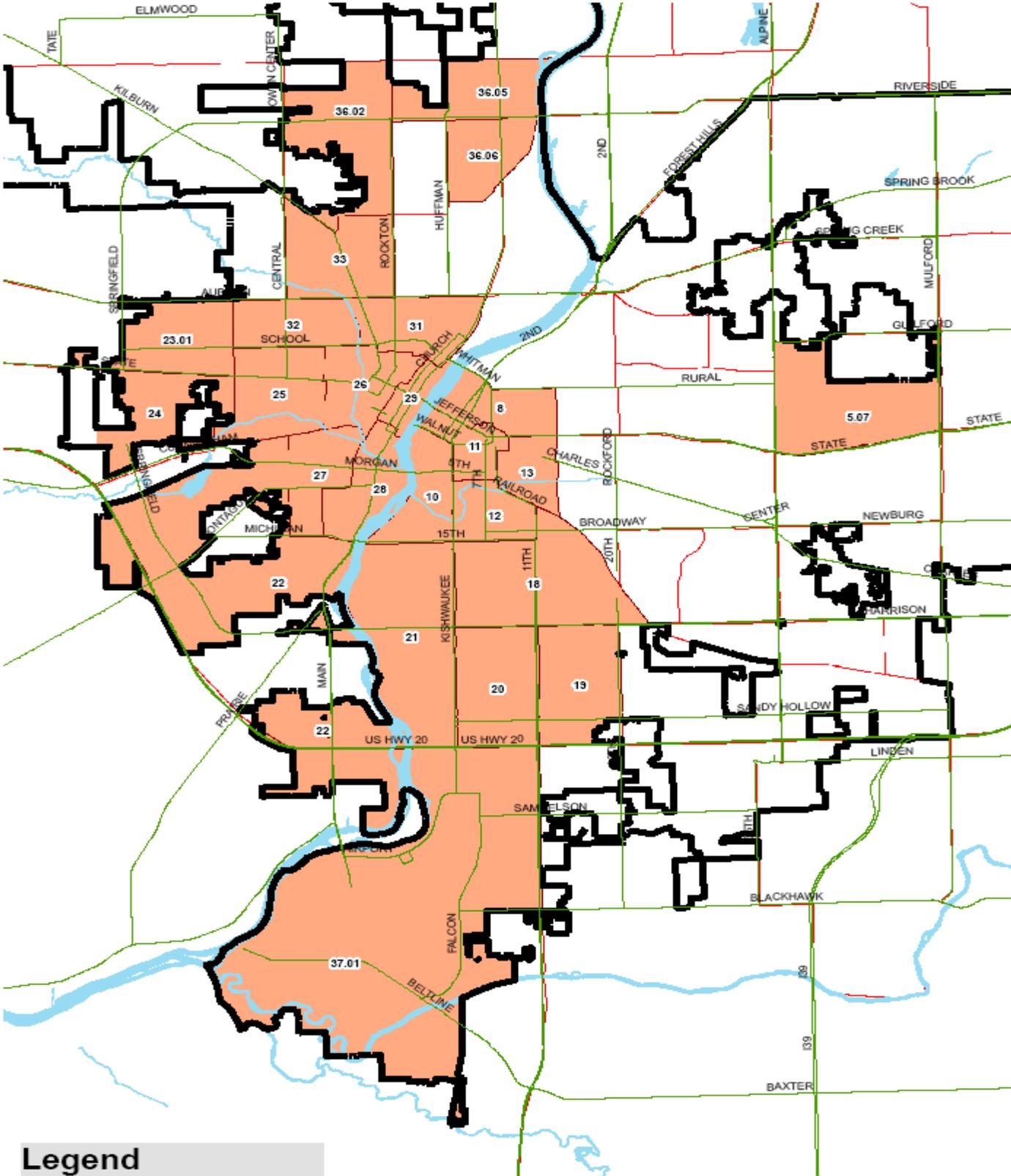
12. Improvement Description (Attach a separate sheet if necessary)	Estimated Cost
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

13. Has any of this work been started? \_\_\_\_\_

14. Do you owe any real estate taxes? \_\_\_\_\_

**NOTE: THIS IS NOT AN APPROVAL, ONLY AN ACCEPTANCE TO APPLY (July 2016)**

# CDBG Program Area Tracts



**Legend**

-  major streets
-  Rockford City Limits
-  CDBG Eligible Tracts



Community and Economic Development Department  
 Map Prepared 11/26/2008

**City of Rockford**

**2016 Low to Moderate Household Income Limits**

**Income Qualifications\***

<b><u>Family Size</u></b>	<b><u>Applicant's Income Cannot Exceed</u></b>
1	\$32,900
2	\$37,600
3	\$42,300
4	\$46,950
5	\$50,750
6	\$54,500
7	\$58,250
8	\$62,000

\*Effective 5/17/16 and subject to change annually.