

City of Rockford (City) Residential Housing Application - Guidance for completing & submitting an application

Application Submission Package

This is a formal application for federal Community Development Block Grant (CDBG) and/or HOME Investment Partnerships Program (HOME) funding. The development, including all of the owners, and all of the businesses that make up the development team, must meet the City's policies, including all associated local, state and federal regulations and statutes at the time of award.

The City will only process complete applications. At the City's discretion, the City may request that applicants submitting incomplete applications, financially infeasible or otherwise deficient applications resubmit their applications.

After submitting an application, ensure that the City Housing Rehabilitation Specialist is notified of all changes.

Please contact the City for any questions regarding what constitutes a complete application. Generally, a complete application includes the following:

1. [Residential Housing Application](#)
2. Development Team Package
3. Sources & Uses
4. Commitment Letters for all funding sources
5. Market Study
6. Construction Package
7. Community Housing Development Organization (CHDO) certification package, if applicable.
8. Affirmative Marketing Plan
9. Development Time Line
10. Evidence of Site Control
11. Match (HOME funded developments only)
12. Homebuyer Developments: Evidence of buyer interest
13. Rental Developments:
 - o Proforma / Cash flow analysis
 - o Leases for all occupied units
 - o Housing Assistance Payments (HAP) Contract for all Public Housing Authority (PHA) Project Based Voucher (PBV) units –
14. Relocation plan

City of Rockford Residential Housing Application Guidance

1. **Property Owner** is the applicant. All legal documentation for the funds awarded are made between the Property Owner and the City of Rockford.
2. Obtain a **UEI** number for the Property Owner [here](#). The Property Owner must have a Unique Entity Identifier (UEI) and be registered in [SAM.GOV](#) to receive any HOME or CDBG Federal funds from the City.
3. **Property Information:** For multiple sites, include a spreadsheet listing all of the site addresses.
4. For **Type of Development:**

- Homebuyer Rehabilitation: Preservation of one or more existing single-family properties for a qualified homebuyer to purchase.
 - Homebuyer New Construction: Increasing the number of single-family housing units (one or more, including subdivisions) for a qualified homebuyer to purchase through new construction.
 - Rental Rehabilitation: Preservation of one or more existing units for qualified tenants to rent.
 - Rental New Construction: Increasing the number of rental housing units for qualified tenants to rent through new construction.
5. **Funding Source**
- [HOME CHDO Reserves](#)
 - [HOME](#)
 - [CDBG](#)
6. **Relocation:** The Uniform Relocation Act is applicable. HUD guidance may be found [here](#).
7. **Activity Description:** Provide a project description that captures the maximum anticipated scope of the proposal. It should include all contemplated actions, which logically are, either geographically or functionally, a composite part of the project, regardless of the source of funding. Describe all physical aspects of the project, such as plans for multiple phases of development, size and number of buildings, and activities to be undertaken. Include details of the physical impacts of the project, including whether there will be ground disturbance. If applicable, indicate whether the project site will require acquisition or if the sponsor already has ownership. If there is not enough space, or if there are additional documents required to supplement the description, clearly label and attach.

This description will be included as part of the Environmental Review. In addition, if this is a LIHTC project, the activity description should match the Project Narrative on your Common Application.

8. **Application Checklist:**
- Submit applications in the order of the application checklist, with the application fee on top.
 - At a minimum, the application itself and the fee must be submitted to the City at 425 E State St., City Hall 2nd floor, Rockford, IL 61104. However, the remainder may be submitted electronically with clear instructions on how to access. Please contact the City to confirm compatibility of software.
 - Each checklist item should be clearly identified with a cover page. If the item is not applicable, indicate such on the cover page for that item.
 - The \$150 Application Fee may be provided as a check payable to the City of Rockford.

NOTE: Disclosure of Information Pursuant to the Illinois Freedom of Information Act: The Application is subject to the Illinois Freedom of Information Act (5 ILCS 140). Accordingly, all or part of the Application may be open to public inspection or copying. Any claim that the information submitted is exempt from disclosure must be included in the submission and identified as exempt. The specific statutory basis for the claimed exemption must also be identified with an explanation as to why the information satisfies the exemption. The City of Rockford will determine whether such exemption applies in its sole discretion.

Development Team Package Guidance

Provide the following:

1. Clear explanation of ownership. This includes all members of an LLC with % ownerships, etc.
2. List of all the individuals/entities and their role throughout the project. Roles generally include being the owner, developer, general contractor, property manager, and/or architect.
3. Documented experience of each of the individuals/entities; i.e. list of all projects (completed and underway) and the roles played, resumes, certificates, licenses, etc. Indicate if a project had delays, and why.
4. Legal paperwork for each of the entities. This includes, but is not limited to, business registrations, incorporation papers, articles of incorporation, operating agreements, business licenses, partnership agreements, tax filings, bylaws, etc.

5. To document that the developers meet the Standards for Financial Management Systems described in 2 CFR Part 200 and that all findings, if any, are resolved, provide the most recent tax return/audit;
6. Additional documentation for the property owner, developer, general contractor, property manager, and architect:
 - UEI numbers & copy of SAM.GOV registration
 - Income Statement and Balance Sheet
 - Policies regarding internal control separation of duties and safeguarding of corporate assets must be in place to ensure Basic Cost Principals are being followed.
 - Primary contact information
7. Additional documentation for the owner:
 - When applicable, indicate if the owner meets the definition of small business, minority business enterprise, or women's business enterprise.

Sources & Uses Guidance

Costs should be allowable (reasonable, allocable, necessary) in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200.

- Reasonable Costs: A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- Allocable Costs: A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received.
- Necessary Costs: Costs necessary for the performance of the funding award.

Low Income Housing Tax Credit (LIHTC) developments – submit the Common Application Workbook submitted to the Illinois Housing Development Authority (IHDA).

All other developments – Discuss formatting of the sources and uses with the City Housing Rehabilitation Specialist II prior to submitting an application.

Additional guidance for Sources & Uses:

- The total development costs (uses) should equal the total resources (sources).
- The Scope of Work costs should match the construction costs listed on the Sources and Uses.
- Ensure that the cost associated with a Performance Bond for 100% of the total construction cost is included.
- See [Construction Package Guidance below](#), as additional costs may be associated with meeting all other Federal, State, or Local requirements such as Davis Bacon, Prevailing Wage, Section 3, and requirements if a property is Historic.
- Lease up reserves minimum is six (6) months and should never exceed eighteen (18) months.

NOTE: Choice limiting actions completed prior to any award will limit eligible expenses and may disqualify the development for funding. More information about Environmental Reviews and choice limiting actions may be found [here](#).

Commitment Letters for all funding sources Guidance

Commitments may be conditional, but must be fully executed (not in a draft form) when submitted with the application.

Market Study Guidance

- Rental and Subdivisions: The market study should demonstrate the demand for the development. [Click here](#) for the City's market study requirements.

- Single Family Home development: An informal market study is acceptable. Homes must be presold before rehabilitation or new construction may begin. Therefore, a Contract for Purchase is required prior to the execution of the funding award.
- City of Rockford must be listed as an intended user of the Market Study.
- Must not be older than twelve (12) months.

Construction Package Guidance

The Construction Package includes the following:

1. Capital Needs Assessment (CNA) – Developments for existing buildings
 - Rental Developments – Developments with 20 or more units should have a CNA completed by a third party.
 - LIHTC – a Physical Needs Assessment (PNA) is an acceptable replacement if the report assesses useful life and informs how much of a replacement reserve the development will need for the full term of the City’s loan. In addition, it must include major systems as specified in 24 CFR Part 92.251.
 - City of Rockford must be listed as an intended user of the report.
2. Scope of Work/Work Plans and specifications – Submit through [ProjectDox](#).
 - HOME funded developments must meet [Rehabilitation Standards](#).
3. Project must meet all federal, state, and local requirements including but not limited to the following:
 - Visitability for new construction
 - ADA Accessibility
 - BABA – Build America Buy America. For more information about BABA, follow the link [here](#).
 - Contractor Wages:
 - Davis Bacon, which will affect the wages that contractors must be paid.
 - Davis Bacon is applicable at the following times:
 - When requesting CDBG funds and there are eight (8) or more units
 - When requesting HOME funds and there are twelve (12) or more HOME Assisted units
 - When other funding sources such as Project Based Vouchers, requires Davis Bacon.
 - For more information about Davis Bacon, follow the link [here](#).
 - Illinois Prevailing Wage, also affecting wages paid to contractors, may be applicable if the funding mix includes State of Illinois funding.
 - To discuss what wage rates will apply to your project please contact Michaela Harris, the City’s Contract and Grant Compliance Officer, at Michaela.Harris@rockfordil.gov or 779-348-7264.
 - Section 3: All requests for HOME funds and/or CDBG funds exceeding \$200,000 requires compliance with Section 3. For more information about Section 3, follow the link [here](#).
 - Historic Preservation:
 - The City has a Historic Preservation Commission. The mission of the Historic Preservation Commission is to "Provide proactive and practical guidance and resources to preserve structures and neighborhoods of historic significance." More information about the Commission may be found [here](#).
 - The State of Illinois has a Historic Preservation Division. The State Historic Preservation website can be found [here](#).
4. Photos of the property
 - If being used for the Environmental Review, include photo of the whole property, exterior photos of building(s); one or more photos per each side of the building(s). When necessary, the City may request additional photos.
5. After rehabilitation/construction appraisal
 - City of Rockford must be listed as an intended user of the report.
 - Must not be older than six (6) months.
6. All environmental reports such as ASTM 1527-21 Phase I and II Environmental Site Assessments, reports and/or test results for Lead Based Paint, Asbestos, and Radon.

- City of Rockford must be listed as an intended user of the report.
 - City reserves the right to have reports updated.
7. Include any other pertinent information necessary to describe the development.

Community Housing Development Organization (CHDO) Application Package Guidance (HOME Only)

[Click here](#) for the CHDO Certification Package Information.

Affirmative Marketing Plan Guidance

Affirmative marketing provides information and otherwise attracts eligible persons to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability (e.g. populations protected by the Fair Housing Act). All City of Rockford staff, sub-recipients, developers, owners, and sponsors must follow these [guidelines](#).

Development Time Line Guidance

Provide a time line of events associated with the development. Include anticipated funding dates from other resources, bid openings, zoning approvals, environmental review, the funding award (anticipated closing date), building permits, demolition, construction start date, construction completion date, qualified beneficiaries occupying units, etc. Reasonable time lines include the following:

1. Acquisitions should be scheduled to take place no later than six (6) months within funding award.
2. Construction should be scheduled to start within twelve (12) months of funding award.
3. Homeownership projects – Homebuyer/Contract for Purchase must be fully executed with qualified buyers within nine (9) month of construction being 100% complete.
4. Rental projects/initial lease up – Tenant leases must be fully executed with qualified tenant within eighteen (18) months of project completion or HUD repayment may be required.

Evidence of Site Control Guidance

Provide a site map (maps if there are multiple sites) and evidence of Site Control; e.g. property deed, contract for purchase.

NOTE: NO choice limiting actions may occur prior to award. Therefore, if signing a contract for purchase, it must have a contingency based on the City of Rockford City Council final approval for funding. More information about Environmental Reviews and choice limiting actions may be found [here](#).

Match Guidance (HOME Only)

The HOME program requires a 25% non-federal match, permanent contribution to the HOME program or to affordable housing not assisted with HOME funds. [Click HERE](#) for more information about Match.

Homebuyer Developments: Evidence of Buyer Interest Guidance

Demonstrate how a homebuyer chosen and how they will obtain eight (8) hours of HUD Certified Housing Counseling.

Rental Developments: Proforma / Cash Flow Analysis Guidance

This analysis should be for the duration of the City loan.

- LIHTC – the City’s loan term is thirty (30) years.
- See chart below for non LIHTC developments, funded with HOME.
- Rents need to be reasonable for the type of unit and location and within funding program rent limits. CPD Program Limits may be found [here](#).

Activity	Per-Unit Home \$	Minimum Period of Affordability
Rehabilitation or Acquisition of Existing Housing	<\$25,000/unit	5 years
Rehabilitation or Acquisition of Existing Housing	\$25,000-\$50,000/unit	10 years
Rehabilitation or Acquisition of Existing Housing	>\$50,000/unit	15 years
RENTAL ONLY: New Construction or Acquisition of New Housing	Any \$ Amount	20 Years