



# 2021 Annual Action Plan

# City of Rockford - HUD Grant Funds

Annual entitlement grant funds from HUD:

- ✓ Community Development Block Grant (CDBG)
- ✓ HOME Investment Partnerships Program (HOME)
- ✓ Emergency Solutions Grants Program (ESG)

- Last year, the City developed its 2020-2024 Five-Year Consolidated Plan to help guide the strategy and use of housing and community development funds.
- 2021 is year 2 of the five year Consolidated Plan.
- Projects and programs for 2021 will support the five strategies identified as High Priority in the 2020-2024 Consolidated Plan.

# 2021 Annual Action Plan Strategies

- Housing Strategy
- Community Development Strategy
- Economic Development Strategy
- Homeless Strategy
- Administration, Planning and Management Strategy

# Housing Strategy (CDBG & HOME)

The objective of the Housing Strategy is to improve, preserve, and expand the supply of affordable housing for low- and moderate-income persons and families that is decent, safe, and sound.

# Housing Strategy (CDBG & HOME)

GOALS & PROJECTS	CDBG	HOME	# of Units
<b>Housing Development</b>			
Increase the number of affordable housing units in the City for owners and renters by assisting with acquisition, development fees, construction, and rehabilitation.		\$196,474	2
<b>Housing Rehabilitation</b>			
Continue to assist with rehabilitating existing affordable housing units occupied by owners and renters in the City by addressing code violations, emergency repairs, energy efficiency improvements, and handicap accessibility.	\$725,338	\$611,024	65
<b>Homeownership</b>			
Continue to assist low- and moderate-income homebuyers to purchase homes by providing direct subsidies which include but are not limited to down payment and closing cost assistance including housing counseling fees, interest subsidies, etc.		\$76,635	5
<b>Fair Housing</b>			
Promote fair housing choice through education, testing, training, and outreach in the City of Rockford.	\$10,000		
<b>Project Delivery</b>			
Provide eligible program delivery and oversight for the CDBG and HOME funded housing projects/activities.	\$300,166		Supports housing activities
<b>Total</b>	<b>\$1,035,504</b>	<b>\$884,133</b>	<b>72</b>

# Housing Strategy (HOME) - cont'd

## Community Housing Development Organizations (CHDO)

- The CHDO funded project is budgeted under the Housing Development goal.
- Qualified CHDOs demonstrating the capacity to deliver projects of similar or larger scope, value, and quality may receive assistance to develop single or multi-family housing units for the purpose of homeownership or rental.
- There is a 15% minimum HOME set-aside and a 2-year statutory deadline for the commitment of funds.
- Unless HUD waives the 24-month statutory deadline, the City will lose these funds unless they are used by a CHDO for an eligible CHDO project.

# Housing Strategy (HOME) - cont'd

## CHDO - Operating Funds

- Operating funds are available for a non-profit meeting the CHDO requirements.
- CHDOs must have an eligible project within 24 months of the operating fund award.
- Funds are limited to 5% of the HOME allocation.

# Housing Strategy (HOME) - cont'd

## CHDO - CARES Act Waiver

- CARES Act (signed in March 2020 to address coronavirus) suspended some HOME regulations.
- The City intends to utilize the 15% CHDO set-aside waiver (FY 2017-2020) in the following manner:
  - ✓ CHDO funds not committed to a CHDO within three years of a HOME grant allocation will be re-allocated to fund another Housing Strategy project/program.
- Based on this waiver, the 2017 CHDO set-aside of \$111,152 will be re-allocated during 2020.



# Community Development Strategy (CDBG )

The objective of the Community Development Strategy is to improve the community facilities, infrastructure, public services, public safety, and transportation, along with the elimination of blighting influences in the City of Rockford.

# Community Development Strategy (CDBG )

GOAL & PROJECT	CDBG	# of Units
<b>Clearance/Demolition</b>		
<b>Remove and eliminate slum and blighting conditions through demolition of vacant, abandoned, and dilapidated structures.</b>	<b>\$496,804</b>	<b>45</b>

- Blighted structures that are not suitable for rehabilitation will be demolished utilizing a ranking system.
- The City will focus on qualified properties that align with neighborhood revitalization strategies, including the NRN strategy, Neighborhood Revitalization Strategy Area (NRSA) and other plans.

# Economic Development Strategy (CDBG)

The objective of the Economic Development Strategy is to improve and expand employment opportunities in the City for low and moderate income persons and families.

# Economic Development Strategy (CDBG)

GOAL & PROJECT	CDBG	# of Units
<b>ED Development</b>		
Support business and commercial growth through rehabilitation of store fronts and retail space, expansion of businesses, and the development of new businesses.	\$204,913	4

- Assistance for qualified expenses for development of commercial or industrial property, including design work, mechanical systems, building materials, site readiness, and equipment.
- Expands micro-enterprise loan program.
- Funds will also be used to make the 14th of 16 annual payments to cover a previously defaulted loan with \$79,913 of its CDBG allocation.

# Homeless Strategy (ESG)

The objective of the Homeless Strategy is to improve the living conditions and support services available for homeless persons, families, and those who are at risk of becoming homeless.

# Homeless Strategy (ESG)

GOALS & PROJECTS	ESG	# of Programs*
<b>Housing</b>		
Support the Continuum of Care's efforts and applicants to provide emergency shelter, transitional housing, permanent supportive housing, and other permanent housing opportunities.	\$15,000	1
<b>Operation/Support</b>		
Assist providers who operate housing or provide support services for the homeless and persons or families at-risk of becoming homeless.	\$98,000	2
<b>Prevention and Re-housing</b>		
Assist the Continuum of Care's efforts in prevention of homelessness through anti-eviction activities and program for rapid re-housing.	\$57,793.00	1
<b>Total</b>	<b>\$170,793</b>	<b>4</b>

\*ESG grant funds are usually awarded to sub-recipient agencies through a request for proposal process. The outcomes are therefore based on the number of sub-awards, not the number of households/individuals assisted.

# Administration, Planning, and Management Strategy (CDBG, HOME & ESG)

The objective of the Administration, Planning & Management Strategy is to provide sound and professional planning, administration, oversight and management of Federal, State, and local funded programs and activities.

# Administration, Planning, and Management Strategy (CDBG, HOME & ESG)

GOAL & PROJECTS	CDBG	HOME	ESG
<b>Administration, Planning, Management Strategy</b>			
<b>Provide program management and oversight for the successful administration of Federal, State, and locally funded programs, including planning services for special studies, annual action plans, five year consolidated plans, substantial amendments, consolidated annual performance and evaluation reports (CAPER), environmental reviews and clearances, fair housing, and compliance with all Federal, State, and local laws and regulations.</b>	<b>\$434,305</b>	<b>\$98,237</b>	<b>\$13,848</b>

No more than 20% of CDBG grant funds (plus allowable program income) and 10% HOME funds may be used for planning and administration. ESG Administration is capped at 7.5% of the grant.



# 2021 Budget

The 2021 budget is based on the City's 2020 federal entitlement grant allocation of \$3,338,537.

2021 Budget	CDBG	HOME	ESG	TOTAL
Housing Development	\$0	\$196,474	\$0	\$196,474
Housing Rehabilitation	\$725,338	\$611,024	\$0	\$1,336,362
Homeownership	\$0	\$76,635	\$0	\$76,635
Fair Housing	\$10,000	\$0	\$0	\$10,000
Project Delivery	\$300,166	\$0	\$0	\$300,166
Clearance/Demolition	\$496,804	\$0	\$0	\$496,804
ED Development	\$204,913	\$0	\$0	\$204,913
Homeless Housing	\$0	\$0	\$15,000	\$15,000
Homeless Operation/Support	\$0	\$0	\$98,000	\$98,000
Homeless Prevention and Re-Housing		\$0	\$57,793	\$57,793
Administration, Planning, Management Strategy	\$434,305	\$98,237	\$13,848	\$546,390
<b>TOTAL 2021 budget</b>	<b>\$2,171,526</b>	<b>\$982,370</b>	<b>\$184,641</b>	<b>\$3,338,537</b>
2020 grant allocation	\$2,171,526	\$982,370	\$184,641	\$3,338,537
Anticipated program income	\$8,000	\$7,700	n/a	

# Additional Local Policy and Programming Details

- Adjustments will be made to the 2021 budget once actual allocations are announced by the Department of Housing and Urban Development (HUD).
- Any increases or decreases in CDBG and/or HOME funds will be applied to projects in need or slow moving, respectively.
- The City anticipates that it will incur pre-award costs for 2021 funds.

# Additional Local Policy and Programming Details

## CHDO

- Based on the CARES Act waiver, the City intends to re-allocate the 2018 CHDO set-aside of \$148,863, if funds are not committed to an eligible CHDO project by 8/7/2021.
- Any CHDO operating dollars that are not requested or committed by the end of the calendar year will automatically be moved to the HOME Housing Rehabilitation project.

# Additional Local Policy and Programming Details

## City Council Approval

City Council approval of the FY 2021 Annual Action Plan allows staff to commit to all programs/ activities without additional Council approval, with the exception of the following:

- ✓ Proposed projects, programs, or activities that are not included in this Annual Action Plan and
- ✓ Exceed \$25,000.

# Additional Local Policy and Programming Details

## Additional Leverage/Grants

- CARES Act funding (CDBG-CV and ESG-CV) and additional dollars awarded to the City to address the impacts of COVID-19 on our community.
- Seek additional funding through other sources/grants
- Grants received and not fully expended during 2020 may be available in 2021.
  - ✓ IHDA Single Family Roof Only program
  - ✓ IHDA Strong Communities Program grant (City has applied but grant awards have not yet been announced.)

# Additional Local Policy and Programming Details

## Section 108 Loans

- City is eligible to apply for five times the current CDBG entitlement allocation for application of Section 108 Loan Guarantee funds.
- Section 108 can be used to fund:
  - ✓ Economic development
  - ✓ Housing
  - ✓ Public facilities
  - ✓ Infrastructure
  - ✓ Other physical development projects, including improvements to increase resilience against natural disasters

# Additional Local Policy and Programming Details

## Amendments and Substantial Amendments

A substantial change to the plan invokes the citizen participation process and City Council approval.

- A substantial amendment is required:
  - ✓ Proposed activities not previously described in the applicable 5-year consolidated plan or
  - ✓ Increases/decreases in grant/activity dollars that cumulatively total 30% of that program year's grant allocation, and as amended.

# Citizen Participation Plan (CPP)

- Last revision: April 2020 included an Abbreviated Plan for when Disaster Declarations are made.
- December 2020 revision:
  - ✓ Currently available for public review and comment, along with the 2021 Annual Action Plan
  - ✓ Clarifies that the Abbreviated Plan may be used when Public Health Recommendations are made (i.e., social distancing, limited public gatherings).



# 2021 AAP/CPP Schedule - Next Steps

<b>12/7/20-1/5/21</b>	<b>Draft AAP and CPP are posted and available on website for 30 day public comment period.</b>
<b>12/17/2020</b>	<b>Virtual recorded public hearing is available for public review and comment.</b>
<b>1/5-1/25/21</b>	<b>City staff finalizes 2021 AAP, taking into consideration public feedback and comments.</b>
<b>January 25, 2021</b>	<b>City of Rockford's Planning &amp; Development Committee review/approve the 2021 Annual Action Plan &amp; CPP.</b>
<b>February 1, 2021</b>	<b>Rockford City Council review and approve the 2021 Annual Action Plan &amp; CPP</b>
<b>Date to be determined by HUD (based on gov't. appropriations)</b>	<b>HUD announces the 2021 City of Rockford grant allocations. City staff update the 2021 plan with final budget numbers and submit to HUD within 45 days of award notification.</b>

# Public Comments and Feedback

Please provide comments and feedback  
about the City's 2021 AAP and CPP.

Written comments and feedback can be submitted  
to Deb Dorsey, Housing and Program Manager.

Email: [Deb.Dorsey@rockfordil.gov](mailto:Deb.Dorsey@rockfordil.gov)

Fax: 815-967-6933

Mail: 425. E. State St, Rockford, IL 61104

Drop off box: City's payment drop box at 425 E.  
State Street (please address any written  
correspondence to Deb Dorsey at City of Rockford)