



# 2021 Annual Action Plan

## DRAFT

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# City of Rockford 2021 Annual Action Plan

## OVERVIEW

The City of Rockford’s 2021 Annual Action is year two of the 2020-2024 Five Year Consolidated Plan. The Five-Year Consolidated Plan is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.

Projects and programs for 2021 will support the five strategies identified as High Priority in the 2020-2024 Consolidated Plan. These five strategies are as follows:

1. Housing Strategy
2. Community Development Strategy
3. Economic Development Strategy
4. Homeless Strategy
5. Administration, Planning, Management Strategy

## HOUSING STRATEGY

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.

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>			

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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 as outlined above
<b>Total</b>	<b>\$1,035,504</b>	<b>\$884,133</b>	<b>72</b>

Qualified Community and Housing Development Organizations (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 statutory deadline, the City will lose these funds unless they are used by a CHDO for an eligible CHDO project.

Operating funds are available for a non-profit meeting the Community Housing Development Organization (CHDO) requirements. CHDOs must have an eligible project within twenty-four (24) months of the operating award. Funds are limited to 5% of the HOME allocation.

As part of the CARES Act that was signed in March 2020, HUD has suspended some HOME regulatory provisions, subject to statutory limitations. One of these waivers is the 15% CHDO set-aside requirement for fiscal years 2017-2020. The City intends to utilize the flexibility offered by this waiver in the following manner:

Any CHDO funds that have not been committed by an eligible CHDO within three years of the program year grant allocation will be re-allocated to eligible HOME housing projects, based on the City's housing strategy. Based on this waiver, the 2017 CHDO set-aside of \$111,152 will be re-allocated during 2020.

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## COMMUNITY DEVELOPMENT STRATEGY

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.

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

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

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.

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.

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## HOMELESS STRATEGY

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.

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, MANAGEMENT STRATEGY

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.

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GOAL & PROJECTS	CDBG	HOME	ESG
<b>Administration, Planning, Management Strategy</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.	\$434,305	\$98,237	\$13,848

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.

### ADDITIONAL LOCAL POLICY AND PROGRAMMING DETAILS

#### 2021 Budget

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

<b>2021 Budget</b>	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>TOTAL</b>
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	

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Adjustments will be made to the 2021 budget once actual allocations are announced by the Department of Housing and Urban Development. 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.

### CHDO

Based on the CARES Act waiver regarding the HOME CHDO set-aside, 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 Community Housing Development Organization (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.

### City Council Approval

City Council approval of the FY 2021 Annual Action Plan allows the City's Community & Economic Development Department 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.

### CDBG and HOME Program Availability

Most of the City's housing, community development, and economic development programs are available on a city-wide basis. However, the City may provide additional programming or priorities to specific planning areas, such as areas described in the Neighborhood Revitalization Strategy Area (NRSA) or the NRN Neighborhood Revitalization Strategy.

### Additional Leverage/Grants

The City continues to utilize CDBG-CV and ESG-CV (CARES Act) funding and any additional dollars awarded to the City to address the impacts of COVID-19 on our community.

The City also plans to continue applying for additional funding to supplement federally-funded entitlement grant programming. Resources received in 2020 may be available for activities funded in 2021 and include such grants as the IHDA Single Family Rehab Roof program. The City also applied for an IHDA Strong Communities Program grant in late 2020, which, if awarded, could be used to support the City's demolition program in 2021.

### Section 108 Loans

The City of Rockford is eligible to make application to HUD for five times the current CDBG entitlement for application of Section 108 Loan Guarantee funds. Section 108 can be used to fund economic development, housing, public facilities, infrastructure, and other physical development projects, including improvements to increase resilience against natural disasters.

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## Amendments and Substantial Amendments

A substantial change to the plan invokes the citizen participation process and City Council approval. A substantial amendment is required for proposed activities not previously described in the applicable 5-year consolidated plan or increases/decreases in grant/activity dollars that cumulatively total thirty (30) percent of that program year's grant allocation, as amended. Monetary movement within Strategy categories (Housing, Homeless, Other Special Needs, Community Development, Economic Development, and Administration) can fluctuate within the strategy category and not trigger a substantial change. See the City's Citizen Participation Plan for additional details regarding the City's amendment process.

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