

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

The City of Rockford is receiving \$2,171,526 in CDBG funds, \$982,370 in HOME funds, and \$184,641 in ESG funds for the FY 2020 program year. The program year goes from January 1, 2020 to December 31, 2020. These funds will be used to address the following priority needs: Housing; Homeless; Other Special Needs; Community Development; Economic Development; and Administration, Planning, and Management.

The accomplishments of these projects/activities will be reported in the FY 2020 Consolidated Annual Performance and Evaluation Report (CAPER).

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,171,526	8,000	0	2,179,526	8,686,104	8 Projects/activities were based on the FY 2020 CDBG allocations.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	982,370	5,440	0	987,810	3,929,480	5 Projects/activities were based on the FY 2020 HOME allocations.
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	184,641	0	0	184,641	738,564	1 Projects/activities were based on the FY 2020 ESG allocations.

**Table 1 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

**Leverage:**

Various departments of the City leverage entitlement and other public dollars with private, state and local resources. They include, but are not limited to, the following:

**Public:**

- United States Environmental Protection Agency
- Office of Administration for Children and Families – Community Services Block Grant
- Department of Energy – Weatherization Assistance Program

In addition, 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.

**Private:**

- Housing rehabilitation – If the cost of rehabilitation exceeds the City’s program maximums, property owners can invest their own savings, or seek loans from a financial institution.
- Homeownership is gap financing. Therefore, first mortgage financing is provided by mortgage lenders. Some homebuyers may qualify for additional homebuyer assistance through a Federal Home Loan Bank of Chicago housing program. In addition, most homebuyers are required to invest their own savings.
- In the past, the City has supplemented housing rehabilitation programs with Federal Home Loan Bank of Chicago (FHLBC) competitive grants. Traditionally competitive grant applications are accepted annually.
- Development assistance is gap financing. Therefore, developers may seek bridge loans and/or permanent financing from financial institutions, Community Development Financial Institutions, investors through Low Income Housing Tax Credit programs, deferred developer fee, donations, etc.
- Economic Development (ED) - Some ED programs require beneficiaries to provide their own funds as leverage. This may be their own savings, or a loan from a financial institution, etc.

**State:**

The City will continue to seek competitive grant funding through the Illinois Housing Development Authority (IHDA) for housing and community development. Most recently, funds have been awarded to supplement the City's Demolition and Clearance programs. The City plans to apply for future funding as it becomes available.

In addition, IHDA has homeownership programs which provide first mortgage financing and downpayment assistance. These funds are provided to homebuyers through financial institutions approved by IHDA.

**Local:**

Some local programs include, but are not limited to, the following:

- The Winnebago County Health Department
- The Rockford Area Habitat for Humanity
- The Community Foundation of Northern Illinois
- Tax Increment Financing Districts

**HOME and ESG Match Requirements:**

The City's HOME match requirement of 25% has been met; having an excess amount of \$1,078,723 from previous years. The match requirement is generally met through housing developments. However, the City does report other match funds as they become available. For homeownership this might be volunteer labor on a Habitat home that was purchased using the City's homeownership program. For housing rehabilitation projects, this could include capital improvements completed in the area.

The City anticipates that it will have ESG match of \$180,781 from local and state funds. In addition to local and state funds, match consists of donations and grants to ESG sub-grantees.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

In general, the City does not intend to acquire or improve land, property, or buildings with CDBG funds. However, the City reserves the right to utilize CDBG funds for such acquisitions, should there be an appropriate and vetted project.

**Discussion**

Not Applicable.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	HS-1 Housing Development	2020	2024	Affordable Housing	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Housing Strategy	HOME: \$256,770	Homeowner Housing Added: 1 Household Housing Unit Other: 1 Other
2	HS-2 Housing Rehabilitation	2020	2024	Affordable Housing	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Housing Strategy	CDBG: \$690,000 HOME: \$403,373	Rental units rehabilitated: 0 Household Housing Unit Homeowner Housing Rehabilitated: 49 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	HS-3 Homeownership	2020	2024	Affordable Housing	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Housing Strategy	HOME: \$76,635	Direct Financial Assistance to Homebuyers: 5 Households Assisted
4	HS-4 Fair Housing	2020	2024	Affordable Housing	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Housing Strategy	CDBG: \$10,000	Other: 1 Other
5	HS-5 Project Delivery	2020	2024	Affordable Housing	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Housing Strategy	CDBG: \$402,348	Homeowner Housing Added: 1 Household Housing Unit Homeowner Housing Rehabilitated: 49 Household Housing Unit Direct Financial Assistance to Homebuyers: 5 Households Assisted Other: 1 Other
6	HMS-1 Housing	2020	2024	Homeless	City Wide	Homeless Strategy	ESG: \$68,000	Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	HMS-2 Operation/Support	2020	2024	Homeless	City Wide	Homeless Strategy	ESG: \$45,000	Other: 2 Other
8	HMS-3 Prevention and Re-Housing	2020	2024	Homeless	City Wide	Homeless Strategy	ESG: \$57,978	Other: 1 Other
17	CDS-6 Clearance/Demolition	2020	2024	Non-Housing Community Development	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Community Development Strategy	CDBG: \$413,148	Buildings Demolished: 35 Buildings
20	EDS-1 Employment	2020	2024	Economic Development	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Economic Development Strategy	CDBG: \$0	
21	EDS-2 Development	2020	2024	Economic Development	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Economic Development Strategy	CDBG: \$278,769	Businesses assisted: 3 Businesses Assisted Other: 1 Other



Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
23	EDS-3 Redevelopment	2020	2024	Economic Development	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Economic Development Strategy	CDBG: \$0	
24	AMS-1 Overall Coordination	2020	2024	Administration, Planning, and Management	City Wide CDBG Eligible Areas Neighborhood Revitalization Strategy Area (NRSA)	Administration, Planning, and Management Strategy	CDBG: \$377,261 HOME: \$245,592 ESG: \$13,663	Other: 3 Other

**Table 2 – Goals Summary**

**Goal Descriptions**

1	<b>Goal Name</b>	HS-1 Housing Development
	<b>Goal Description</b>	Increase the number of affordable housing units in the City for owners and renters by assisting with acquisition, development fees, construction, and rehabilitation.
2	<b>Goal Name</b>	HS-2 Housing Rehabilitation
	<b>Goal Description</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.

3	<b>Goal Name</b>	HS-3 Homeownership
	<b>Goal Description</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.
4	<b>Goal Name</b>	HS-4 Fair Housing
	<b>Goal Description</b>	Promote fair housing choice through education, testing, training, and outreach in the City of Rockford.
5	<b>Goal Name</b>	HS-5 Project Delivery
	<b>Goal Description</b>	Provide eligible program delivery and oversight for the CDBG and HOME funded housing projects/activities.
6	<b>Goal Name</b>	HMS-1 Housing
	<b>Goal Description</b>	Support the Continuum of Care's efforts and applicants to provide emergency shelter, transitional housing, permanent supportive housing, and other permanent housing opportunities.
7	<b>Goal Name</b>	HMS-2 Operation/Support
	<b>Goal Description</b>	Assist providers who operate housing or provide support services for the homeless and persons or families at-risk of becoming homeless.
8	<b>Goal Name</b>	HMS-3 Prevention and Re-Housing
	<b>Goal Description</b>	Assist the Continuum of Care's efforts in prevention of homelessness through anti-eviction activities and program for rapid re-housing.
17	<b>Goal Name</b>	CDS-6 Clearance/Demolition
	<b>Goal Description</b>	Remove and eliminate slum and blighting conditions through demolition of vacant, abandoned, and dilapidated structures.
20	<b>Goal Name</b>	EDS-1 Employment
	<b>Goal Description</b>	Support and encourage job creation, job retention, and job training opportunities.

<b>21</b>	<b>Goal Name</b>	EDS-2 Development
	<b>Goal Description</b>	Support business and commercial growth through rehabilitation of store fronts and retail space, expansion of businesses, and the development of new businesses.
<b>23</b>	<b>Goal Name</b>	EDS-3 Redevelopment
	<b>Goal Description</b>	
<b>24</b>	<b>Goal Name</b>	AMS-1 Overall Coordination
	<b>Goal Description</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.

# Projects

## AP-35 Projects – 91.220(d)

### Introduction

The City of Rockford proposes to undertake the following activities with the FY 2020 CDBG, HOME, and ESG, funds.

### Projects

#	Project Name
1	CDBG Administration
2	Housing Services
3	Rehab Services
4	CDBG Housing Rehabilitation
5	Fair Housing
6	Clearance/Demolition
7	Economic Development
8	Section 108 Stand-by Loan Debt Service
9	HOME Administration
10	HOME Housing Rehabilitation
11	Homeownership
12	Housing Development
13	CHDO Operating
14	Emergency Solutions Grant

**Table 3 - Project Information**

## **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

There are many factors that guided the City when developing the FY 2020 budget for CDBG, HOME, and ESG. Besides taking into consideration feedback from all the City's outreach described throughout this document, the City considers the following:

- At least 70% of the City's CDBG entitlement over a 3 year period must benefit low/mod income persons, a National Objective required by the CDBG regulations. This may occur through directly assisting low/mod income households and/or benefitting low/mod persons through an area benefit.
- By program design, all of the HOME and ESG program funds, except for allowable administration, planning, and/or CHDO operating costs, must benefit low income households. The City determines that beneficiaries are low income by documenting their income or, under certain circumstances, the City is allowed to presume beneficiaries are low income.
- Active local and regional plans, strategies, and initiatives; i.e. the 5-Year Plan, the 2020 Comprehensive Plan, the National Resource Network (NRN) Neighborhood Revitalization Strategy, etc.
- The capacity of staff and partners, ensuring the City's Grant Policy and Federal Regulations are followed.
- Level of need and other resources available to meet those needs.
- Ability to leverage other resources to provide the greatest return on investment.

The City's plans to meet the National Objective of low/mod income for the FY 2020 budget through the following:

- The City plans to ensure beneficiaries of CDBG funded housing programs meet the definition of low/mod income. This may be through documenting that beneficiaries assisted throughout the City have low/mod income, or when located in the NRSA 51% of the beneficiaries have low/mod income, etc.
- Most Economic Development projects will either serve low/mod income areas by census tract or block group, be located in a census tract or block group with poverty level greater than 20% (or 30% if including Central Business District), create or retain employment of which 51% will be held by or made available to low-to-moderate income individuals, or assist a low-to-moderate income microenterprise development. When the City awards CDBG for Economic Development projects aligning with a redevelopment plan, the National Objective changes to Slums/Blight.

CDBG funded demolition and/or clearance activities prevent or eliminate slums and blight on a spot basis, and therefore, do not meet the National Objective of assisting low/mod income persons. In addition, Administration & Planning dollars, Fair Housing, Section 108, and CHDO

Operating, cannot count toward the 70% low/mod requirement.

The City must designate the 6 Priority Needs; e.g. Housing, Homeless, Other Special Needs, Community Development, Economic Development, and Administration, Planning and Management, as High or Low Priority. If High priority, activities are expected to be funded during FY 2020 . If Low Priority, activities may not be funded during FY 2020. All priorities are ranked High Priority, except for Other Special Needs, which is ranked Low Priority.

One of the biggest obstacles to addressing underserved needs is the age of Rockford's housing stock. 78% of the City's housing stock was built in 1979 or prior. The cost to rehabilitate homes to bring them up to code is expensive, due to lead-based paint requirements and the cost of deferred maintenance. In addition, there is a potential for the homes to be considered historic. The materials needed to meet historic standards are usually more expensive and may need to be custom-ordered, which increases the construction time to complete the project. The rehabilitation projects will require lead licensed contractors, which are limited in quantity and in high demand for other housing programs in the region.

**AP-38 Project Summary**  
**Project Summary Information**

<b>1</b>	<b>Project Name</b>	CDBG Administration
	<b>Target Area</b>	City Wide
	<b>Goals Supported</b>	AMS-1 Overall Coordination
	<b>Needs Addressed</b>	Administration, Planning, and Management Strategy
	<b>Funding</b>	CDBG: \$377,261
	<b>Description</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. No more than 20% of CDBG grant funds (plus allowable program income) may be used for planning and administration.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	1 Other
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Administration of federal, state and locally funded programs, including all necessary compliance, planning, reviews, and reports.
<b>2</b>	<b>Project Name</b>	Housing Services
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	HS-5 Project Delivery
	<b>Needs Addressed</b>	Housing Strategy



	<b>Funding</b>	CDBG: \$177,003
	<b>Description</b>	Funds may be used to pay costs in support of activities eligible for funding under the HOME program. This includes services such as housing counseling in connection with affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in the HOME program.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	22 Units 1 Other
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Project delivery to support HOME-funded housing rehabilitation (16 units), homeownership (5 units), affordable housing (1 unit) and CHDO Operating (1 other).
<b>3</b>	<b>Project Name</b>	Rehab Services
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	HS-5 Project Delivery
	<b>Needs Addressed</b>	Housing Strategy
	<b>Funding</b>	CDBG: \$225,345
	<b>Description</b>	Funding will provide for housing administration and activity delivery costs for all CDBG assisted housing rehabilitation and housing rehabilitation carried out using other funding sources that meet all CDBG program requirement. This includes, but is not limited to direct and indirect costs integral to the delivery of the activities.
	<b>Target Date</b>	12/31/2021

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	33 Units
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Project delivery to support CDBG-funded housing rehabilitation (33 units).
<b>4</b>	<b>Project Name</b>	CDBG Housing Rehabilitation
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	HS-2 Housing Rehabilitation
	<b>Needs Addressed</b>	Housing Strategy
	<b>Funding</b>	CDBG: \$690,000
	<b>Description</b>	Assists owners 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.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	33 Units
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Housing rehabilitation assistance for owners to address properties occupied by owners and renters (33 units).
	<b>Project Name</b>	Fair Housing

5	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	HS-4 Fair Housing
	<b>Needs Addressed</b>	Homeless Strategy
	<b>Funding</b>	CDBG: \$10,000
	<b>Description</b>	Promote fair housing choice through education, training, testing, and outreach in the City of Rockford.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	1 Other
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Provide education, training, testing, and outreach regarding Fair Housing topics.
6	<b>Project Name</b>	Clearance/Demolition
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	CDS-6 Clearance/Demolition
	<b>Needs Addressed</b>	Community Development Strategy
	<b>Funding</b>	CDBG: \$413,148
	<b>Description</b>	Funds will be used for the removal and elimination of slum and blighting conditions through clearance and demolition of vacant and blighted structures and improvements that are not suitable for rehabilitation.
	<b>Target Date</b>	12/31/2021

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	35 Structures
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Clearance, demolition, removal of vacant and blighted structures, and improvements for properties that are not suitable for rehabilitation (35 structures).
7	<b>Project Name</b>	Economic Development
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	EDS-1 Employment EDS-2 Development EDS-3 Redevelopment
	<b>Needs Addressed</b>	Economic Development Strategy
	<b>Funding</b>	CDBG: \$195,571
	<b>Description</b>	Funding may be used to improve and expand employment opportunities for low and moderate income persons. In addition, funds may support businesses and commercial growth through revitalization and development businesses and capital.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	3 Businesses
	<b>Location Description</b>	Citywide

	<b>Planned Activities</b>	ED projects will either serve low/moderate income areas by census tract or block group, be located in a census tract or block group with poverty level greater than 20% (or 30% if including Central Business District), create or retain employment of which 51% will be held by or made available to low-to-moderate income individuals, assist low-to-moderate income microenterprise development or align with a redevelopment plan. 3 Businesses will be assisted.
8	<b>Project Name</b>	Section 108 Stand-by Loan Debt Service
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	EDS-2 Development
	<b>Needs Addressed</b>	Economic Development Strategy
	<b>Funding</b>	CDBG: \$83,198
	<b>Description</b>	Loan guarantee program that leverages CDBG allocation to support larger job-creating/retaining economic development projects through access to low interest capital.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	1 Other
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	Loan guarantee program that leverages CDBG allocation to support larger job-creating/retaining economic development projects through access to low interest capital.
9	<b>Project Name</b>	HOME Administration
	<b>Target Area</b>	City Wide CDBG Eligible Areas

	<b>Goals Supported</b>	AMS-1 Overall Coordination
	<b>Needs Addressed</b>	Administration, Planning, and Management Strategy
	<b>Funding</b>	HOME: \$245,592
	<b>Description</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. No more than 10% HOME funds (plus allowable program income) may be used for planning and administration. However, the CARES Act increased the HOME administration maximum to 25%.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	1 Other
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Administration of HOME program, including and all necessary compliance, planning, reviews, and reports.
<b>10</b>	<b>Project Name</b>	HOME Housing Rehabilitation
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	HS-2 Housing Rehabilitation
	<b>Needs Addressed</b>	Housing Strategy
	<b>Funding</b>	HOME: \$403,373

	<b>Description</b>	Assists owners 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.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	16 Units
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Housing rehabilitation assistance for owners to ensure properties occupied by owners and renters meet local code, including the removal of lead and other hazards. In addition, the funding can be used to make units accessible (16 units).
<b>11</b>	<b>Project Name</b>	Homeownership
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	HS-3 Homeownership
	<b>Needs Addressed</b>	Housing Strategy
	<b>Funding</b>	HOME: \$76,635
	<b>Description</b>	Assist low 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.
	<b>Target Date</b>	12/31/2021

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	5 Units
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Assist low 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. (5 units).
<b>12</b>	<b>Project Name</b>	Housing Development
	<b>Target Area</b>	City Wide CDBG Eligible Areas
	<b>Goals Supported</b>	HS-1 Housing Development
	<b>Needs Addressed</b>	Housing Strategy
	<b>Funding</b>	HOME: \$207,652
	<b>Description</b>	Increase the number of affordable housing units in the City for owners and renters by assisting with acquisition, development fees, construction, and rehabilitation.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	1 Household Housing Unit
	<b>Location Description</b>	Citywide



	<b>Planned Activities</b>	Developers 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. Includes Community Housing Development Organization (CHDO) projects. 1 development will be assisted.
<b>13</b>	<b>Project Name</b>	CHDO Operating
	<b>Target Area</b>	City Wide
	<b>Goals Supported</b>	HS-1 Housing Development
	<b>Needs Addressed</b>	Housing Strategy
	<b>Funding</b>	HOME: \$49,118
	<b>Description</b>	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.
	<b>Target Date</b>	12/31/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	1 Other
	<b>Location Description</b>	Citywide
<b>Planned Activities</b>	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. 1 CHDO will be assisted.	
<b>14</b>	<b>Project Name</b>	Emergency Solutions Grant
	<b>Target Area</b>	City Wide

<b>Goals Supported</b>	HMS-1 Housing HMS-2 Operation/Support HMS-3 Prevention and Re-Housing AMS-1 Overall Coordination
<b>Needs Addressed</b>	Homeless Strategy Administration, Planning, and Management Strategy
<b>Funding</b>	ESG: \$184,641
<b>Description</b>	ESG funds will be used for essential services, operating/rehab of emergency shelters, homeless prevention/rapid rehousing, HMIS, and administration.
<b>Target Date</b>	12/31/2021
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	5 Others
<b>Location Description</b>	Citywide
<b>Planned Activities</b>	Essential Services = \$15,000 (1 – other) Operating/Rehab of Emergency Shelters = \$68,000 (1 – other) Homeless Prevention/Rapid Rehousing = \$57,978 (1 – other) HMIS = \$30,000 (1 – other) Administration = \$13,663 (1 - other)

## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

The following information provides a profile of the population, age, and racial/ethnic composition of the City of Rockford. This information was obtained from the U.S. Census Bureau American Factfinder website, <http://factfinder.census.gov>. The 2013-2017 American Community Survey 5-Year Estimates were used to analyze the social, economic, housing, and general demographic characteristics of the City of Rockford. The 5-year estimates are the most recent data available for the City.

#### **Population:**

The following illustrates the population trends for the City of Rockford:

- The total population for the City of Rockford at the time of the 2010 Census was 154,517. The American Community Survey Estimate for 2013-2017 estimate was 148,640. This illustrates a stable, yet slightly declining, population. The City's population decreased by about 3.8%, or an estimated 5,877 people.
- According to 2013-2017, there were an estimated 72,451 females (48.7%) and 76,189 males (51.3%) living in the City of Rockford.

#### **Age:**

The following illustrates the age of the population in the City of Rockford at the time of the 2013-2017 American Community Survey.

- Median age in the City of Rockford was 36.5 years, compared to 39.6 years in Winnebago County and 37.7 years for Illinois.
- Seniors age 65 or over make up 15.7% of the City's population. This is below the County's percentage of 16.1% of the population and

higher than the State's of 14.4% of the population.

**Race/Ethnicity:**

- Racial/ethnic composition of the City of Rockford from the 2013-2017 American Community Survey:
- 67.0% are White
- 21.6% are Black or African American
- 3.2% are Asian
- 18.4% are Hispanic or Latino/a

**Income Profile:**

The Median Family Household Income for a family of four is \$61,627 with a margin of error of \$1,120 in the Rockford Metro Area according to HUD's FY 2016 Income Limits. The following is a summary of income statistics for the City of Rockford:

- At the time of the 2013-2017 American Community Survey, median household income in the City of Rockford was \$41,991 which was lower than Winnebago County (\$47,198) and the State of Illinois (\$61,229)
- 33.2% of households with earnings received Social Security income.
- 4.3% of households with earnings received public assistance.
- 17.2% of households with earnings received retirement income.
- 46.3% of female-headed households were living in poverty.
- 32.2% of all youth under 18 years of age were living in poverty.

**Low/Mod Income Profile:**

The low- and moderate-income profile for City of Rockford is a measurement of the area's needs. City of Rockford has an overall low- and

moderate-income percentage of 54.03%.

**Economic Profile:**

The following illustrates the economic profile for the City of Rockford as of the 2013-2017 American Community Survey:

- 28.1% of the employed civilian population had occupations classified as management, business, science, and arts.
- 22.6% of the employed civilian population had occupations classified as sales and office.
- 20.8% were in the service sector.
- 22.7% of the employed population was in the production, transportation, and material moving sector.
- 85.7% of workers were considered in private wage and salary workers class.
- 4.4% of workers were considered in the self-employed workers in own not incorporated business.

According to the U.S. Labor Department, the preliminary unemployment rate for the City of Rockford and Winnebago County in December 2020 was 5.8%, 3.7% for the State of Illinois, and a national unemployment rate of 3.5%.

**Geographic Distribution**

Target Area	Percentage of Funds
City Wide	100
CDBG Eligible Areas	0

**Table 4 - Geographic Distribution**

**Rationale for the priorities for allocating investments geographically**

The AP-38 Project Summary describes the “Location Description” as Citywide for all projects. With over 51% of the census tracts in Rockford being considered low/moderate income, it is anticipated that many investments will be made within low/moderate income census tracts. In addition, other City departments invest in these same low/moderate income census tracts.

As part of the 5-year Consolidated Plan, the City developed a Neighborhood Revitalization Strategy Area (NRSA). The NRSA allows the City to

aggregate housing units within the area by demonstrating that 51% of the units rehabilitated are occupied by low/moderate income households. The NRSA provides flexibilities for qualifying Economic Development activities in the area as low/moderate. In addition, the public service cap is removed for public services carried out by a designated Community Based Development Organization (CBDO) in the area. Should HUD approve the NRSA, the City may strategically invest dollars, therefore, making a greater impact to the following Census Tract/Block Groups:

- CT 10/BG 2
- CT 11/BG 2
- CT 12/BG 1 & 2
- CT 13/BG 1 & 3
- CT 22/BG 3
- CT 27/BG 1, 2, & 3
- CT 28/BG 1 & 2

The National Resource Network (NRN), a consulting firm, developed the Rockford Neighborhood Revitalization Strategy as the City was developing the 5-year Consolidated Plan. The goal of the NRN strategy is to target blight and its negative impact on neighborhoods; reinforce positive perceptions; and develop robust outreach to foster community connection, engagement and improved quality of life. This strategy will help to determine some geographic priorities for community development and housing programs, depending upon the type of neighborhood (Strong, Middle, or Emerging), and the program type (i.e., homeownership, rehabilitation, economic development.)

For additional rationale for priorities, see AP-35 Projects.

## **Discussion**

Not Applicable.

## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

The City of Rockford will utilize its CDBG, HOME, and ESG funds to rehabilitate homes, assist with home ownership, and homeless programs. The one year goals for HOME-funded affordable housing in the City of Rockford for FY 2020 are as follows:

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	22
Special-Needs	0
Total	22

**Table 5 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	1
Rehab of Existing Units	16
Acquisition of Existing Units	5
Total	22

**Table 6 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

In addition to the units indicated in Table 57 and 58, which are HOME funded activities, the City budgeted CDBG and ESG funds the following affordable housing projects:

- CDBG-20-04 CDBG Housing Rehabilitation:** Housing rehabilitation assistance for owners to address properties occupied by owners and

renters (33 Rehab of Existing Units).

- **ESG-20-14 Emergency Solutions Grant:** Through essential services, operating/rehab of emergency shelters, and homeless prevention/rapid rehousing, 572 homeless households will receive support, and 64 households will receive rental assistance.



## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

Rockford Housing Authority serves the Rockford area by providing public housing for low-income city residents. The vision of the Rockford Housing Authority is “the RHA will re-establish itself as high performing agency that is a leader in housing and sustainable communities by developing additional, non-HUD revenue streams, increasing our asset base and offering state of the art resident initiatives.”

### **Actions planned during the next year to address the needs to public housing**

The Rockford Housing Authority’s (HACP) has outlined five (5) goals in addressing its needs as an agency:

#### **Goal 1: Reduce Dependency on HUD Grant Funds**

**Objective A:** Identify other sources of tax credit and grant funding including state and local dollars, and public and private foundation funds. *Diversify.*

**Objective B:** Create business opportunities including consulting and training activities

#### **Goal 2: Bring in Sufficient Funds from Grants, Consulting, Training and/or Other Activities Each Year to Fully Support Operations – includes**

**Fee for Service with RHA.**

**Objective A:** Develop a full cost of operation

**Objective B:** Establish budget and funding targets annually

**Objective C:** Internally track and monitor the flow of funds

**Goal 3: Streamline and Improve the Process of Identifying and Applying for Funds**

**Objective A:** Create internal tracking and monitoring systems

**Objective B:** Develop boilerplate proposals for PHAs and non-HUD funders

**Goal 4: Streamline and Improve the Process of Reporting Progress to Funders**

**Objective A:** Automate case management information

**Objective B:** Automate the Logic Model for each HUD grant award

**Objective C:** Automate and track goals and objectives for all other awards

**Goal 5: Increase the Percentage of Bridge and RHA Residents That Are Served by RSD**

**Objective A:** Establish an RSD presence on-site, funds allowing

**Objective B:** Increase the number of successful partnerships with local service provider organizations, and encourage them to provide

services in RHA communities

The Rockford Housing Authority's FY 2019 Capital Fund Program Budget is as follows:

- **Operations** = \$644,024.80
- **Management Improvement** = \$386,414.88
- **Administration** = \$322,012.40
- **Fees & Costs** = \$208,000.00
- **Site Improvement** = \$353,000.00
- **Dwelling Structures** = \$347,008.56
- **Dwelling Equipment** = \$120,000.00
- **Non-Dwelling Structures** = \$81,000.00
- **Non-Dwelling Equipment** = \$31,500.00
- **Relocation Costs** = \$10,000.00
- **Development Activity** = \$261,085.00
- **Collater Exp / Debt Srvc** = \$7,109.00
- **Contingency** = \$257,609.92
- **RAD-CFP** = \$77,741.00
- **Debt Reserves** = \$0.00
- **Loan Debt Obligation** = \$ 113,618.44
- **Total** = \$ 3,220,124.00

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The Rockford Housing Authority (RHA) has several opportunities for resident involvement. They are as follows:

- **Housing Occupants Mobilization Effort (HOME):** HOME is an organization that has the responsibility of working with RHA and Resident Leadership Councils (RLCs) for the good of all. It is comprised of RHA residents elected from RLCs. The HOME Board addresses issues which affect the quality of life of public housing residents. The HOME/RAB is the governing agency of all RHA's RLCs. HOME/RAB

Executive officers, in partnership with appropriate RHA staff, assist RLCs and residents at each site with the organization and functioning of the RLCs. RHA staff provides technical assistance to the HOME/RAB and RLCs to ensure compliance with HUD guidelines and requirements.

- Resident Leadership Councils (RLCs): RLC's serve as tenant organizations for a development or a building of RHA-managed property. The principal purposes of the RLC are: Advocate for residents before RHA and other agencies, and act as a liaison between such agencies. Aid in the evaluation of physical and social conditions at respective developments or buildings. Encourage programs and activities designed to promote independence, self-sufficiency, community and quality of life. Encourage good working relationships between residents, HOME/RAB and RHA staff. Aid in determining the needs of each development or building. Provide a forum for sharing of information about RHA and its programs and offerings. Make reformations to the development of the RHA capital and annual plans. RHA Family Self-Sufficiency (FSS): RHA encourages residents to participate in FSS programming which breaks down into four (4) different paths. These are ReBuild, ReStart: Empowerment & Life Skills Building, Rethink: Educational Development & Networking, and Recreate: Special Programs and Initiatives. Each of these tracts offer unique programming to fit the needs of the resident. ReBuild helps Residents reach short and long term goals to become self-sufficient. Residents receive direct services assistance, service coordination, and case management. ReStart: Empowerment & Life Skills Building focuses on Personal Empowerment & Goals, Health & Wellness, Housekeeping & Independent Living, and Parenting & Early Learning. ReThink: Educational Development & Networking focuses on Financial Education & Planning, Employment & Education, Digital Literacy, Leadership Development, and Homeownership. Recreate: Special Programs and Initiatives has special programs and initiatives such as ConnectHome, New Mix & Craft Entrepreneurship, and Resident Leadership Council. Resident Opportunities for Self-Sufficiency (ROSS): The ROSS program works closely with individual work plans related to employment, education, and strategies to reduce and eliminate subsidy assistance. A team of ROSS Case Managers work closely with residents to develop work plans to meet individual goals and they connect residents with local agencies and services that provide additional supportive services and resources needed to achieve success.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

The Rockford Housing Authority is not classified as “troubled” by HUD and is performing satisfactorily according to HUD guidelines and

standards. Therefore, no assistance is needed to improve operations of this Public Housing Authority.

**Discussion**

Not applicable.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City of Rockford is part of the Boone, DeKalb, and Winnebago County Continuum of Care. The City supports the efforts of the Continuum of Care and encourages organizations to submit applications for ESG funding requests to the Rock River Homeless Coalition. The goals identified are as follows:

- **HMS - 1 Housing** – Support the Continuum of Care's efforts and applicants to provide emergency shelter, transitional housing, permanent supportive housing, and other permanent housing opportunities.
- **HMS - 2 Operation/Support** – Assist providers who operate housing or provide support services for the homeless and persons or families at-risk of becoming homeless.
- **HMS - 3 Prevention and Re-Housing** – Assist the Continuum of Care's efforts in prevention of homelessness through anti-eviction activities and program for rapid re-housing.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The Rock River Homeless Coalition includes a broad representation of relevant organizations and agencies as well as interested individuals charged with:

- community-wide planning and strategic use of resources to address homelessness;
- improving coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness;
- promoting the quick re-housing of homeless individuals and families; and
- improving data collection and performance measurement to ensure program success.

The City of Rockford Department of Human Services Community Service Division has a street outreach team to identify homeless individuals and get them into emergency and eventually permanent shelter. Individuals' needs are assessed during street outreach to make referrals for services

if an individual does not want shelter assistance.

The Rockford Rescue Mission, a member of the Continuum of Care, places a great emphasis on helping individuals who are victims of domestic violence and abuse. The City of Rockford also has worked with the Rockford Police Department to help identify the risks of domestic violence and to keep victims in their homes while removing the perpetrator.

The City is also facing an increase in the amount of aging homeless as homes become more difficult and expensive to maintain. The City of Rockford Human Services Department offers short term monetary assistance in order to keep individuals and families in their homes.

The City of Rockford has reached “functional zero” for veteran and chronic homelessness and has goals to end family and youth homelessness.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

All homeless individuals enter through the Single Point of Entry and are assigned to the appropriate housing, which may include emergency or transitional locations while waiting for a permanent housing slot to open. The CoC has a variety of emergency and transitional units for this purpose. Hotel vouchers are used as needed if a household is not shelter appropriate.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The Coalition is a member of Built for Zero, a national movement to end homelessness; Rockford has reached “functional zero” for veterans and those who are chronically homeless. This means the City has reached a target number (seven for veterans and three for chronic) and has been able to maintain that number for over 90 days. It also means service providers rapidly rehouse newly homeless veterans and new chronically homeless in less than 30 days.

The City of Rockford’s Department of Human Services Community Service Division offers three (3) housing assistance programs. These are: rapid

rehousing, homeless prevention, and condemnation relocation.

The Community Service Division offers a Chance4Change/Homeless Single Point of Entry to help all literally homeless persons (on streets or in shelters) as well as homeless youth, veterans and survivors of domestic violence access housing services.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

The City of Rockford Human Services Department is the designated public Community Action Agency for Winnebago and Boone Counties. Community Action Agencies exist to break the cycle of generational poverty and to mitigate the immediate effects of poverty on individuals, families and neighborhoods.

As a Community Action Agency, the Human Services Department provides services to individuals, families, and neighborhoods in Rockford as well as in greater Winnebago and Boone Counties. This is accomplished by addressing systemic, community and individual factors. Key strategies include provision of direct services, partnering, collaborations and advocacy. Services are administered under two Divisions with input from a Community Action Board and the Head Start Policy Council.

## **Discussion**

Not Applicable.



## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

The City of Rockford in its most recent Analysis of Impediments to Fair Housing Choice identifies that the City of Rockford’s Zoning Code does not contain a definition for disabled or handicapped. The Zoning Code has been amended up through March 31, 2017. There are no other public policies that restrict fair housing.

The City of Rockford’s FY 2020-2024 Analysis of Impediments to Fair Housing Choice has identified the following impediments and strategies:

### **Impediment 1**

- A: Continue to promote Fair Housing awareness through the media, seminars, testing, and training to provide educational opportunities for all persons to learn more about their rights under the Fair Housing Act and Americans With Disabilities Act
- B: Continue to distribute literature and informational material concerning fair housing issues, an individual’s housing rights, and landlord’s responsibilities to affirmatively further fair housing
- C: Promote housing choice so residents with the same financial means may choose to live anywhere in the City

### **Impediment 2**

- A: Support and encourage both private developers and non-profit housing providers to develop and construct new affordable mixed and middle income rental housing that would be located throughout the City of Rockford
- B: Support and encourage the rehabilitation of existing housing units in the City to create decent, safe, and sound rental housing that is affordable to lower income households
- C: Continue to provide funding for Code Enforcement to identify buildings and units that need to be maintained and rehabilitated in

accordance with local codes

### **Impediment 3**

- A: Support homebuyer education and training programs to improve homebuyer awareness and increase the opportunities for lower-income households to become homebuyers
- B: Support and provide funds for downpayment assistance to lower-income households to become homeowners
- C: Support and encourage plans from both private developers and non-profit housing providers to develop and construct new affordable housing that is for-sale
- D: Support and encourage the acquisition, rehabilitation and resale of existing housing units to become decent, safe, and sound
- E: Partner with private and non-profit developers to Increase opportunities for “lease purchase” housing

### **Impediment 4**

- A: Support home rehabilitation programs that financially assist seniors and people with disabilities to provide a safe and accessible home in order to continue to age in place
- B: Support and encourage the development of accessible housing units in the City
- C: Provide fair housing education and outreach to seniors and people with disabilities to address fear of reporting housing and code violations
- D: Enforce the ADA and Fair Housing requirements for landlords to make reasonable accommodations to their rental properties so they become accessible to tenants with disabilities

### **Impediment 5**

- A: Continue to provide support, education, and technical assistance opportunities to minority, women owned and small businesses
- B: Support and enhance workforce development and skills training that result in a livable wage and increases job opportunities
- C: Continue to promote and encourage economic development with local commercial and industrial firms to expand their operations and increase employment opportunities
- D: Support and encourage efforts for improvements in public transportation options in the City to allow for second and third shift

workers

- E: Support and encourage private and non-profit developers and businesses to provide assets (grocery stores, services, etc.) in low to moderate income neighborhoods

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

The City of Rockford in its most recent Analysis of Impediments to Fair Housing Choice identifies that the City of Rockford’s Zoning Code does not contain a definition for “disabled” or handicapped”. The Zoning Code has been amended up through March 31, 2017. There are no other public policies that restrict fair housing.

There are no known public policies in the City of Rockford that are a barrier to affordable housing. The City’s Department of Community and Economic Development monitors the following:

- Construction and Development Services
- Neighborhood Standards
- Neighborhood Development
- Economic Development
- Long Range Planning

Fair housing is essential to ensuring that persons of all income levels, race, religion and ethnicity have equal access to safe, decent, sound, and affordable housing in the City of Rockford. The City of Rockford completed its Analysis of Impediments to Fair Housing Choice and is submitting

as part of the Five-Year Consolidated Plan.

**Discussion:**

During the FY 2020 Program year the City will undertake the following fair housing activities:

- Solicit ideas and feedback about opportunities to provide fair housing training, education or programming in our community.
- Pass a proclamation recognizing the impact and importance of the Fair Housing Act of 1968.
- Make informational brochures and other resources on fair housing rights available to residents.
- Support the efforts of the newly formed community relations commission.
- Support the efforts of fair housing groups and organizations.
- Staff will participate in fair housing training opportunities, as available.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

The City of Rockford has developed the following actions which addresses obstacles to meeting underserved needs, fosters affordable housing, reduces lead-based hazards, reduces the number of poverty-level families, develops institutional structures, and enhances coordination between public and private housing and social service agencies.

### **Actions planned to address obstacles to meeting underserved needs**

The City under its FY 2020 Program Year will take the following actions to address obstacles to meeting the underserved needs:

- Continue to provide funds for housing for owner occupied and renter occupied units.
- Continue to provide funds for new housing construction of owner occupied and renter occupied housing units that are decent, safe, sound, affordable, and accessible.
- Continue to work on the foreclosed and abandoned housing issues to help strengthen the City's vitality.
- Continue to work on the removal of architectural barriers in the City's older housing stock through rehabilitation.
- Continue to fund rehabilitation programs to help bring owner occupied housing stock up to code standards and to help seniors age in place.
- Continue to fund projects that assist business, employment training, and career counseling.
- Continue to leverage resources for minority and women owned businesses.
- The City will continue to leverage its financial resources and apply for additional public and private funds.

### **Actions planned to foster and maintain affordable housing**

The City of Rockford will coordinate with internal structures, non-profit and private developers, and community partners to increase the amount of affordable housing available in the City through new construction and rehabilitation projects as well as homeownership programs for eligible applicants. The City uses HOME funding for Community Housing Development Organizations (CHDO) as well as ESG funding to provide rental assistance for homeless households. Actions to maintain affordable housing will coordinate with anti-poverty measures such as job training,

creation, and retention activities.

The City of Rockford will undertake the following projects to maintain affordable housing:

- **CDBG Housing Rehabilitation** - Funding will increase the number of decent, safe, and sanitary single family housing (1-4 units) which will be occupied by low income beneficiaries (homeowner with or without special needs). (33 households)
- **HOME Housing Rehabilitation** - Funding will increase the number of decent, safe, and sanitary single family housing (1-4 units) which will be occupied by low income beneficiaries (homeowner with or without special needs). (16 households)
- **Homeownership** - Direct homebuyer assistance is available to low-income households purchasing single family (1-4) units. (5 households)
- **CHDO Affordable Housing** - Funding will increase the number of decent, safe, and sanitary housing units (single or multi-family) which will be occupied by low income beneficiaries (homebuyer or tenants with or without special needs). This includes but is not limited to, acquisition, rehabilitation, new construction, and accessibility modifications. (1 Other)
- **Emergency Solutions Grant** - ESG funds will be used for essential services, operating/rehab of emergency shelters, homeless prevention/rapid rehousing, HMIS, and administration. (5 Others)

### **Actions planned to reduce lead-based paint hazards**

The City is working to reduce potential lead-based paint hazards. Below are the City's activities to reduce lead-based paint hazards related to rehabilitation and homeownership programs.

#### **Rehabilitation Programs:**

While complying with Title 24 Part 35, the City of Rockford will ensure that:

- Applicants for rehabilitation funding receive the required lead-based paint information, including notices, and understand their

responsibilities.

- Properly certified people perform risk assessment, paint testing, lead hazard reduction, and post project lead clearances.
- Required lead hazard reduction work and protective measures are incorporated into project rehabilitation specifications.

### **Homeownership Programs:**

While complying with Title 24 Part 35, the City of Rockford will ensure that:

- Applicants for homeownership assistance receive the required lead-based paint information, including notices, and understand their responsibilities.
- Proper visual assessments are performed to identify deteriorated paint in the dwelling unit, and common areas servicing the unit, and exterior surfaces of the building.
- Prior to occupancy, properly qualified persons perform paint stabilization and the dwelling passes a clearance exam.

Lead reduction involves the implementation of a lead-based paint treatments which will be carried out in conjunction with the City of Rockford's CDBG and HOME funded housing activities. The City partners with, and supports, the Winnebago County Health Department, who administers a "Creating Lead Safe Rockford" (CLSR) program. This program is funded by the U.S. Department of Housing and Urban Development (HUD) to mitigate lead hazards for low/moderate income owner-occupied or rental homes in the region. The City recognizes the importance of addressing lead-based paint hazards and will continue to support partners with and/or apply for additional resources to support these efforts.

### **Actions planned to reduce the number of poverty-level families**

Approximately 22.2% of the City of Rockford's residents live in poverty, while only 15.3% of Winnebago County residents live in poverty and 13.5% of the State of Illinois residents live in poverty. Female-headed households with children are particularly affected by poverty at 54.6%.

The City's anti-poverty strategy is based on supporting workforce development including job-training services for low to moderate income

residents. In addition, the City's strategy is to provide supportive services for target income residents.

The City plans to use its CDBG funds to fund the following types of economic development and anti-poverty programs including:

- Assist in job creation and retention
- Small businesses assistance, which could include workforce training or support services for new employees
- Promote minority and women owned businesses
- Revitalization efforts
- Commercial/industrial infrastructure development and redevelopment

The City will also provide support of shelters and rapid rehousing/homelessness prevention through the use of ESG funds.

### **Actions planned to develop institutional structure**

To effectively implement the Five-Year Consolidated Plan, the City needs to collaborate with a variety of agencies located in the City of Rockford and in Winnebago County. Coordination and collaboration between agencies is important to ensuring that the priorities identified in the Five-Year Consolidated Plan within the City are adequately addressed. The key agencies that are involved in the implementation of the Five Year Consolidated Plan and FY 2020 Annual Action Plan, as well as additional resources that may be available are described below.

#### **Public Institutions –**

- The City continues to partner with the Winnebago County Health Department's Lead Safe Program on housing projects to leverage available resources.
- The Northern Illinois Land Bank was established in 2019 and will be a resource for addressing vacant and blighted properties, as well as providing more efficient and effective procedures for returning properties to beneficial use.
- In 2019, the City hired a new staff person to act as a liaison with neighborhood groups, associations, and residents. The Neighborhood Specialist facilitates networks of neighborhood associations, builds capacity of organizations and community leaders, and helps to strategize neighborhood level plans that align efforts with City programs.
- The City's Neighborhood Revitalization Strategy will be used to determine geographic priorities for community development and housing programs, depending upon the type of neighborhood (Strong, Middle, or Emerging), and the program type (i.e., homeownership,



rehabilitation, economic development.)

#### **Non-Profit Organizations –**

- The City certifies CHDOs at the time of application for a development providing affordable housing units and each year during the term of their loan.
- The City collaborates with other housing partner agencies to not only leverage funds but also support partner housing and community development projects.

#### **Private Industry –**

- The private sector is an important collaborator in the services and programs associated with the Five-Year Consolidated Plan and Annual Action Plan. The private sector brings additional resources and expertise that can be used to supplement existing services or fill gaps in the system. Several lending institutions provide first-time mortgage financing and financing for rehabilitation. Lenders, affordable housing developers, business and economic development organizations, and private service providers offer a variety of assistance to residents such as health care, small business assistance, home loan programs, and assisted housing, etc.

#### **Actions planned to enhance coordination between public and private housing and social service agencies**

The City is committed to continuing its participation and coordination with public and private housing and social service agencies. The City has made available on their website under Neighborhood Development a list of resources for Fair Housing, Homebuyer Assistance programs, Move to Own programs etc. Under the Human Services section of the website, the City offers information on financial assistance programs, homelessness prevention, Community Health, and information on the Continuum of Care and grant funding.

#### **Discussion:**

Not applicable.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

#### Introduction:

The City of Rockford receives an annual allocation of CDBG, HOME, and ESG funds. Since the City receives these federal allocations, the questions below have been completed, as they are applicable.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

- |  |          |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed  | 0        |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0        |
| 3. The amount of surplus funds from urban renewal settlements  | 0        |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan   | 0        |
| 5. The amount of income from float-funded activities   | 0        |
| <b>Total Program Income:</b>   | <b>0</b> |

#### Other CDBG Requirements

- |   |   |
|---|---|
| 1. The amount of urgent need activities | 0 |
|---|---|

2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

2020, 2021, 2022

**HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City of Rockford does not intend to use any other forms of investment other those described in 24 CFR 92.205(b). Not Applicable.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City of Rockford's Resale/Recapture guidelines are attached in the Grantee Unique Appendices.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

In addition to the guidelines described in question #2 above for Recapture, the City may allow a subsequent buyer to assume the HOME assistance (subject to the HOME requirements for the remaining term of affordability) if the subsequent buyer is low-income, and no additional HOME assistance is provided. To preserve affordability, the City may use HOME funds to acquire units through a purchase option, right of first refusal or other preemptive right to purchase the housing before foreclosure, or at the foreclosure sale. (HOME funds may be used to cover the foreclosure costs to acquire housing with a HOME loan in default, but not to repay a loan made with HOME funds.) The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing. Also, to preserve affordability the City may use HOME funds to

rehabilitate a unit, cover any costs associated with owning/holding the unit, and/or provide assistance to subsequent buyer. When this occurs, the additional investment is treated as an amendment to the original project unless the City chooses to treat the expense as an administration cost. As a project cost, the original and the additional HOME funds will not exceed the maximum per unit subsidy amount under 24 CFR 92.250. Any administrative funds that are used may be reimbursed, in whole or in part, when the housing is sold to a new eligible homebuyer.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

In general, the City does not intend to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds. In addition, the funds will not be used to refinance multifamily loans made or insured by any federal program. The City is aware that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG. The City reserves the right to consider such action and will ensure that guidelines are developed and implemented.

**Emergency Solutions Grant (ESG)  
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

Agencies that are currently funded agencies or those who have received prior funding from the Department of Human Services will be evaluated on past performance in carrying out programmatic activities and contractual compliance. Factors such as agency ability to meet service delivery goals, timely expenditure of funds, timely reporting, accuracy of reporting, ability to meet audit requirements, and other programmatic and fiscal contractual requirements will be considered. These other factors will be considered in conjunction with the proposal score in developing an overall recommendation for agency funding. Households receiving ESG Rapid Rehousing assistance may receive assistance up to 24 months. The CoC recommends that households receiving ESG Rapid Rehousing participate in a step-down payment plan to gradually shift rental costs to the household. In January 2020, City Council approved the “City of Rockford Grant Policy” which will be followed by all City of Rockford employees when managing City grants. Additional procedures will be developed in 2020,

including the management of sub-recipients.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Rock River Homeless Coalition (RRHC) implemented a Coordinated Intake & Assessment (CI/A) system effective January 2, 2015. The system is comprised of a Single Point of Entry (SPOE) location. This location is open from 8:00 am until 5:00 pm on Monday-Friday, excluding recognized holidays. An after-hours “Hotline” is available for 24-hour contact. The SPOE conducts initial screenings and assessments, which allow for service matching and referrals to appropriate housing options. The SPOE is also responsible for maintaining a Centralized Waiting list. All Rock River Homeless Coalition (RRHC) member agencies that operate any housing programs including Permanent/Permanent Supportive Housing (PH), Transitional Housing (TH), Emergency Shelters (ES), Rapid-Rehousing, or Homeless Prevention for the homeless will operate by this procedure in order to better serve the homeless population. This does include both CoC/ESG funded agencies and those funded through other means. The RRHC also seeks collaborations with other key stakeholders in order to make this a community- wide effort to end homelessness in Winnebago and Boone Counties. Based on HUD recommendations, the SPOE prioritizes clients based on lowest income, longest/chronically homeless and greatest barriers. In accordance with the Housing First Model, those with the highest priority will be directed to Permanent Housing options first (including supportive and non-supportive housing options), followed by Transitional Housing and Emergency Shelters. Based on federal initiatives, special preference will also be given to veterans and chronically homeless individuals or families.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The ESG funds will be awarded to community-based, nonprofit organizations providing emergency shelter and related services to the homeless, on a dollar-for-dollar match. The City issues a request for proposals for the eligible functions of ESG. A focus is placed on low/no barriers projects, on rapid rehousing, and the project’s ability to move participants to permanent housing quickly. Once the proposals are received, City staff, along with feedback from a Rock River Homeless Coalition committee, reviews and makes recommendations for awards. These recommendations go to City Council for final approval. In January 2020, City Council approved the “City of Rockford Grant Policy” which will be followed by all City of Rockford employees when managing City grants. Additional procedures will be developed in 2020, including the management of sub-recipients.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City requires non-profits participating in the ESG program to have homeless representatives on their board of directors. In addition, the Rock River Homeless Coalition includes homeless and formerly homeless persons who advise on the ESG program.

5. Describe performance standards for evaluating ESG.

ESG performance is monitored using the HUD CPD Monitoring standards. All recipients funded under this proposal must provide required data to the City of Rockford in order to be reimbursed for eligible expenses. ESG recipients must provide performance reports through HMIS that measures their performance against HUD goals. The City strives to meet all program specific requirements as detailed in the enabling legislation and program guidelines. City staff work with sub-grantees to ensure that these requirements are met and oversees internal operations towards the same goal. In January 2020, City Council approved the “City of Rockford Grant Policy” which will be followed by all City of Rockford employees when managing City grants. Additional procedures will be developed in 2020, including the management of sub-recipients.

**Housing Trust Fund (HTF)**  
**Reference 24 CFR 91.220(I)(5)**

1. Distribution of Funds

- a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2).
- b. Describe the jurisdiction’s application requirements for eligible recipients to apply for HTF funds.
- c. Describe the selection criteria that the jurisdiction will use to select applications submitted by eligible recipients.

d. Describe the jurisdiction's required priority for funding based on geographic distribution, which is a description of the geographic areas of the State (including areas of low-income and minority concentration) in which it will direct assistance during the ensuing program year.

e. Describe the jurisdiction's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner.

f. Describe the jurisdiction's required priority for funding based on the extent to which rents for units in the rental project are affordable to extremely low-income families.

g. Describe the jurisdiction's required priority for funding based on the financial feasibility of the project beyond the required 30-year period.

h. Describe the jurisdiction's required priority for funding based on the merits of the application in meeting the priority housing needs of the jurisdiction (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations).

i. Describe the jurisdiction's required priority for funding based on the location of existing affordable housing.

j. Describe the jurisdiction's required priority for funding based on the extent to which the application makes use of non-federal funding sources.

2. Does the jurisdiction's application require the applicant to include a description of the eligible activities to be conducted with HTF funds?

3. Does the jurisdiction's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements?

**4. Performance Goals and Benchmarks.** The jurisdiction has met the requirement to provide for performance goals, consistent with the jurisdiction’s goals established under 24 CFR 91.215(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

**5. Rehabilitation Standards.** The jurisdiction must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The jurisdiction’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The jurisdiction must attach its rehabilitation standards below. If the jurisdiction will not use HTF funds for the rehabilitation of housing, enter “N/A”.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

**6. Resale or Recapture Guidelines.** Below, the jurisdiction must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the jurisdiction will not use HTF funds to assist first-time homebuyers, enter “N/A”.

**7. HTF Affordable Homeownership Limits.** If the jurisdiction intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the jurisdiction will not use HTF funds to assist first-time homebuyers, enter “N/A”.

**8. Limited Beneficiaries or Preferences.** Describe how the jurisdiction will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the jurisdiction will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the jurisdiction must not limit or give preferences to students. The jurisdiction may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303 only if such limitation or preference is described in the action plan.



**9. Refinancing of Existing Debt.** Enter or attach the jurisdiction’s refinancing guidelines below. The guidelines describe the conditions under which the jurisdiction will refinance existing rental housing project debt. The jurisdiction’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the jurisdiction will not refinance existing debt, enter “N/A.”

**Discussion:**

Not applicable.



## **RESALE/RECAPTURE POLICY**

## City of Rockford Resale/Recapture Policy

**Description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254 is a follows:**

The City intends to provide HOME funds to low income homebuyers planning to occupy units as their primary residence. The homebuyer programs will follow the recapture guidelines. However, the City will follow the Resale guidelines if City provides *developer subsidy* and does not provide *direct HOME subsidy*, as defined below. The City will enforce deed restrictions, homebuyer agreements, and/or covenants recorded at the Winnebago County Recorder's Office. The City ensures compliance with the residency requirement as mortgagee on the homeowner's insurance policy – receiving notice upon ownership changes. Homebuyers found non-compliant for occupying the unit as their primary residence will repay the entire HOME investment (developer subsidy plus direct HOME subsidy) to the Department of Housing and Urban Development.

**Definitions:** The definition of *italicized* words throughout the document are below.

**Developer subsidy** - The difference between the cost of producing the affordable unit and the fair market value of the unit.

**Direct HOME subsidy** - The amount of HOME funds that enabled the *low-income* homebuyer to purchase a unit. This includes down payment, closing costs, interest subsidies, HOME funds provided directly to the homebuyer, and/or HOME funds that reduced the purchase price from fair market value to an affordable price. When developing a unit using HOME funds, if a unit sells below fair market value, the difference between the fair market value and the purchase price is also *direct HOME subsidy*.

**Fair return** - The City calculates a fair return by multiplying the percentage change in the Consumer Price Index (CPI) over the period of ownership by the amount of the homebuyer's initial investment plus any homebuyer capital improvements since time of purchase.

Step 1

$A - B = C$
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A = CPI % at time of sale to subsequent homebuyer  
B = CPI % at time of initial purchase  
C = % CPI change

Step 2

$(A + B) \times C = D$
------------------------

A = Homebuyer Initial Investment  
B = Homebuyer Capital Improvements  
C = % CPI change  
D = Fair Return

**Homebuyer capital improvements** – This includes the amount originally spent for improvements to the unit that add value or substantially prolongs the life of the unit. Examples may include, but are not limited to, room additions, roof and/or window replacement, electrical and/or plumbing upgrades, accessibility modifications, bathroom and/or kitchen remodel, and outdoor improvements such as a new drive way, side walk, retaining wall or fence. Examples do not include replacing worn or dated components such as appliances or carpet. Homebuyers must provide proof of amount originally spent; i.e. paid receipts/invoices.

## City of Rockford Resale/Recapture Policy

**Homebuyer initial investment** – This includes any homebuyer contributions at time of initial purchase. Examples may include but are not limited to, down payment, closing costs, and earnest money.

**Low-Income** – 80% of the area median income as determined annually by the Department of Housing and Urban Development.

**Net proceeds** – are the sales price minus *superior loan* repayment (other than HOME funds) and any closing costs.

**Period of affordability** – is the length of time a *low-income* homebuyer must occupy the unit as their primary residence.

Period of Affordability	
Total HOME funds provided to the homebuyer	Minimum Period of Affordability
Under \$15,000	5 years
Between \$15,000 and \$40,000	10 years
Over \$40,000	15 years

Affordability restrictions (recapture or resale) will be revived according to the original terms if, during the original period of affordability, the initial homebuyer has a terminating event and regains ownership interest in the unit.

**Superior loan** – The recording of the initial mortgage loans at the time of purchase will be in the order in which repayment is required should a transfer of ownership occur voluntarily or involuntarily. All mortgages recorded in front of the HOME funds are superior loans.

### **Recapture Guidelines:**

For recapture, the total *direct HOME subsidy* determines the length of time the *period of affordability* lasts. Since the *direct HOME subsidy* is subject to recapture throughout the *period of affordability*, the homebuyer will sign an assistance agreement, a promissory note, and a mortgage. Recorded at the Winnebago County Recorder's office is the assistance agreement and mortgage.

If transfer of ownership occurs to any willing homebuyer during the *period of affordability* either voluntarily or involuntarily, the initial homebuyer is required to repay the remaining principal loan balance after a pro rata reduction over time calculation. However, the City will never recapture more than the available *net proceeds*. When the *net proceeds* are zero, there is no recapture of *direct HOME subsidy*.

Homebuyers found non-compliant of the recapture requirements will repay the entire HOME investment (developer subsidy plus direct HOME subsidy) to the Department of Housing and Urban Development.

### **Subsequent Homebuyer:**

The City may allow a subsequent *low-income* homebuyer assume the HOME requirements if no additional HOME funds are provided.

## **City of Rockford Resale/Recapture Policy**

### **Lease Purchase:**

Under a lease purchase agreement, if the unit fails to transfer to the homebuyer within forty-two months after project completion, the City will ensure the HOME affordability requirements for rental housing apply.

### **Preserving Affordability:**

If necessary to preserve the affordability of the unit, the City may use additional HOME funds to acquire through a purchase option, right of first refusal, or other preemptive right before foreclosure, or to acquire the housing at the foreclosure sale, to undertake any necessary rehabilitation, and to assist a subsequent homebuyer. When this occurs, unless the City chooses to treat the expense as an administration cost, the original HOME funds and the additional HOME funds will not exceed the maximum per unit subsidy amount under 24 CFR Part 92.250. Considered will be the reimbursement of administrative funds used, in whole or in part, when the housing sells to the subsequent homebuyer.

### **Resale Guidelines:**

For resale, the total amount of HOME funds invested in the unit (*developer subsidy plus direct HOME subsidy*) determines the length of time the *period of affordability* lasts. The homebuyer will sign a resale covenant, a promissory note, and a mortgage. Recorded at the Winnebago County Recorder's Office are the covenant and the mortgage.

When transfer of ownership to a qualifying subsequent homebuyer occurs, voluntary or involuntary during the *period of affordability*, the initial homebuyer may receive, when *net proceeds* allow, the sum of their *initial investment, capital improvements, and fair return*. The City will not receive more than the total HOME investment. Therefore, when appreciation of the unit exceeds the amount of HOME funds invested, the City will only collect an amount equal to the HOME investment.

Besides allowing the initial homebuyer to receive a fair return on their investment, the City must ensure the unit is affordable to a reasonable range of *low-income* homebuyers interested in fulfilling the resale requirements for the remaining *period of affordability*. Affordable to a reasonable range of *low-income* homebuyers is defined as homebuyers with household income between sixty percent (60%) and eighty percent (80%) of the area median income paying between twenty-five percent (25%) and thirty percent (30%) of their gross monthly income for principal, interest, property taxes, and insurance. Exceptions to the 25%-30% range maybe made when 1) homebuyers use State or Federal funded first mortgage lending products or 2) when the result significantly reduces the homebuyer's cost burden. The current fair market value will determine the sale price and not what is affordable to the subsequent homebuyer. To ensure affordability for the subsequent *low-income* homebuyer, the City may provide additional HOME funds.

Homebuyers found non-compliant of the resale requirements will repay the entire HOME investment (developer subsidy plus direct HOME subsidy) to the Department of Housing and Urban Development.