

# Action Plan

**Grantee: Aurora, IL**

**Grant: B-08-MN-17-0001**

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<b>LOCCS Authorized Amount:</b>	\$ 3,083,568.00
<b>Grant Award Amount:</b>	\$ 3,083,568.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 434,641.96
<b>Total Budget:</b>	\$ 3,518,209.96

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## Funding Sources

### Funding Source

I.S. Department of Housing and Urban

### Funding Type

Do not select this item.

## Narratives

### Areas of Greatest Need:

City of Aurora, Illinois Substantial Amendment to the 2008 Annual Action Plan The 2008-2010 City of Aurora Consolidated Plan For Housing and Community Development Jurisdiction: City of Aurora, Illinois by the Division of Neighborhood Redevelopment NSP Contact Person: Karen Christensen, 44 E. Downer Place Aurora, IL 60505 Telephone: 630-264-3060 Fax: 630-264-3070 Email: kchristensen@aurora-il.org Jurisdiction Web Address: www.aurora-il.org The City of Aurora proposes to amend the 2008 Annual Action Plan and Consolidated Plan for the purpose of fulfilling the application requirements to receive Neighborhood Stabilization Program (NSP) funds from the U.S. Department of Housing and Urban Development (HUD) authorized under Title III of the Housing and Economic Recovery Act of 2008 (HERA). The purpose of these funds is to assist local governments in addressing the effects of abandoned and foreclosed properties. Eligible uses of the funds include: • Establishment of financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties • Purchase and rehabilitation of abandoned and foreclosed homes and residential properties • Establishment of land banks for homes that have been foreclosed upon • Demolition of blighted structures, and • Redevelopment of demolished or vacant properties HERA provides that these funds shall generally be treated as Community Development Block Grant (CDBG) funds. Making proper application to HUD by December 1, 2008, will result in the City of Aurora receiving an allocation of \$3,083,568 for the purpose of acquiring and redeveloping foreclosed properties to reduce the incidents of abandonment and blight within the city. The City of Aurora is targeting the areas of greatest need while benefitting low, moderate, and middle-income households (LMMI). Individuals and families with incomes not exceeding 120% of area median income qualify for these funds. At least 25% of the funds used for the purchase and redevelopment of abandoned or foreclosed upon homes must benefit households earning 50% or less of area median income. The City of Aurora may also enter into intergovernmental or subrecipient agreements with the State of Illinois, if such collaboration would enhance the efforts of the City of Aurora. The identified areas of greatest need for the purpose of this Substantial Amendment are based upon HUD data. The City of Aurora defines these areas in the following manner: • Areas with the greatest percentage of home foreclosures • Areas with the highest percentage of homes financed by subprime mortgage related loans, and • Areas identified as likely to face a significant rise in the rate of home foreclosures A. Areas of Greatest Need: The City of Aurora's 2008-2010 Consolidated Plan identifies that special emphasis is placed on the city's Neighborhood Revitalization Strategy Area. The city's HUD-approved NRSA was developed in 2000 so that additional resources could be blended with CDBG funding to provide expanded and enhanced economic development and job training activities, as well as to reduce the poverty and homeless rates within its boundaries. The NRSA is located in the East Central part of Aurora and includes the city's downtown, as shown in the map below. It is evident that the level of distress is very high in the NRSA. Most residents have low incomes in the NRSA, and an exceedingly high proportion are impoverished, many are on public assistance, are unemployed, have not attained a high school diploma, and are particularly at risk for lead based paint poisoning. They tend to live in overcrowded and substandard housing conditions and are renters. These levels of distress far exceed the levels found in the remainder of the city. All block groups within the NRSA have high minority concentrations.



## Distribution and Uses of Funds:

HERA provides that these funds shall be treated as CDBG funds. Making proper application to HUD by December 1, 2008, will result in the City of Aurora receiving an allocation of \$3,083,568.00 for the purpose of acquiring and redeveloping foreclosed properties to reduce the incidents of abandonment and blight within the city. The City of Aurora is targeting the area of greatest need while benefitting low, moderate and middle income households(LMMI). The following Census Tracts qualify at 51% of the residents at incomes at or below 120% of the area median income (LMMI). Census Tract Block Group 852902 1-4 852903 1 852904 1-2 852905 1-3 853001 1 853002 1-4 853003 1-3 853100 1-4 853200 1-3 853300 1-3 853400 1-6 853500 1-4 \* 853600 1-4 \* 853700 1-2 853800 1-2 853900 1,2,3,5,6,7 854001 3 854002 1,2,3,5 \* 854100 1-4 854200 1-4 854300 1-7 854400 1,2,4,6 \* denotes census tracts in NRSA B. Distribution and Uses of NSP Funds: Funds will be distributed to the areas of greatest need based on the following need categories identified in Section 2301(c)(2) of HERA. First, this table identifies census tracts in the City of Aurora with a foreclosure and abandonment risk score of 10. Census Tract Block Group 854100 1-4 853500 1-4 853600 1-4 854300 1-7 853400 1-6 853200 1-3 852905 1-3 The submitted map overlays the NRSA within the census tracts with the highest foreclosure and abandonment risk scores as identified above. Second, this table identifies census tracts in the City of Aurora with the highest percentage of homes financed by a subprime mortgage related loan. Fifty percent of loans in these areas are estimated to be high cost loans. Census Tract Block Group High Cost Loan Rate 854100 1-4 56.3% 853500 1-4 55% 853600 1-4 54.8% 854300 1-7 53.3% 853400 1-6 51.5% Third, this table identifies census tracts in the City of Aurora likely to face a significant rise in the rate of home foreclosures. This information is based upon "foreclosure starts" for the 18 month period from January 2007 through June 2008. Census Tract Block Group Predicted 18 Mo. Percentage 854100 1-4 10.1% 853500 1-4 9.9% 853600 1-4 9.8% 854300 1-7 9.6% 853400 1-6 9.4% C. Definitions and Descriptions: 1. "Blighted structure" is defined by the City of Aurora Property Maintenance Code 108.1.1 Unsafe Structures. An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe, or of such faulty construction or unstable foundation, that partial or complete collapse is possible. 2. "Affordable rents" shall be the maximum annual allowable high HOME rents as published by HUD. These rents include utilities. A utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent, if the tenant pays utilities. 3. "Current market appraised value" The current market appraised value is the value of a foreclosed residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer. 4. "Continued affordability" The Citerm, the that sale, rental, or redevelopment of abandoned and foreclosed upon homes and residential properties under this section remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income or for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) to remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income. NSP assisted units must meet the affordability requirements for not less than the applicable period specified in the Affordability Table. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. For NSP assisted rental units affordability will be enforced by deed restrictions. For NSP assisted home ownership units affordability will be enforced by a land use restriction agreement, except that the affordability restrictions may terminate upon foreclosure or transfer of units. The City of Aurora may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. NSP assisted home ownership units if the home owner sells the interest in the property or fails to occupy the property as their principal residence, the City of Aurora will recapture its NSP investment. The NSP investment, subject to recapture is defined as any deferred mortgage, closing cost, or down payment assistance provided to the homeowner buyer, the amount to be recaptured will be reduced on a prorata basis for the time the home owner has owned and occupied the housing measured against the required affordability period based on the following table. Affordability Table Rental or Home Owner Housing Act. Minimum Period of Affordability in Years Rehabilitation or acquisition of existing housing per unit of HOME funds: Under \$15,000 5 \$15,000 to \$40,000 10 Over \$40,000 15 New construction or acquisition of newly constructed housing 20 4. "Housing rehabilitation standards" shall be as set forth in the City of Aurora's Housing Standards Ordinance No. 001-47 effective 6-5-01, Aurora Building Code - 2000 International Code Council series with Aurora Amendments. A building permit is required to construct, alter, or demolish a structure. D. Low Income Targeting: The City of Aurora appropriated \$950,000 or 30% of the entitlement amount to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income. E. Public Comment: A summary of public comments received (November 12, 2008 thru November 26, 2008) by the City of Aurora for the proposed NSP Substantial Amendment includes: The following attendees provided comments during the City of Aurora's 2009-2013 Consolidated Plan public hearing held on October 21, 2008: 1. John Gardiner, For Habitat for Humanity. Gardiner introduced himself and explained that National Habitat for Humanity affiliates have been working directly with HUD regarding the regulations for the upcoming Neighborhood Stabilization Program (NSP). He felt that FV Habitat's current model for service regarding new construction and rehabilitation would fit nicely with the NSP program funding. He expressed that FV Habitat was very interested and willing to meet with City representatives to discuss the program. Mr. Gardiner stated that FV Habitat pre-qualifies tentative homeowner's for certification, financial classes and pre-approval of mortgage application. FV Habitat would like to submit a draft to DNR regarding possible ways to spend NSP funds. 2. Emily Stern, Rebuilding Together Aurora Ms. Stern explained that Rebuilding Together Aurora (RTA) National affiliates are also working on a model that will fit into the NSP funding. She also expressed an interest to meet with City representatives to discuss a possible program and collaboration. Mr. Kamon addressed Ms. Stern's comments and asked what type of capacity RTA would be able to offer to the program. Ms. Stern explained that RTA is able to complete 26 homes a year currently and with increased funding they would be able to rehabilitate an additional 10-15 homes per year. Mr. Kamon also asked if any changes would be made to RTA's existing model of services. Ms. Stern explained that it would be the same model of rehabilitation that they currently run with the absence of a homeowner. Ms. Stern commented on the large number of volunteers from Aurora and surrounding communities that are willing to help with rehabilitation programs such as RTA. She also commented on the need of the RTA clients and sited an example of an individual not being able to access their home, but through RTA was able to get an ADA ramp installed. 3. John Giuffre, Fox Valley Habitat for Humanity Mr. Giuffre explained that FV Habitat is currently building 4 new homes per year and that over the course of the 4 years for NSP funding they felt they could build a total of 20 new homes. If it was strictly a rehabilitation program with no new construction, then he felt that FV Habitat would be able to double that number. He explained some of the benefits of partnering with an agency such as FV Habitat for Humanity. Below are his talking points: • FV Habitat recruits and screens low income families for their programs. Once the potential owners are selected they assist with the actual build of the home • They currently have four owners that have been selected • They are in the process of screening an additional 35 families/individuals • By



February 2009 they will have an additional 8 new owners selected. Mr. Giuffre added that as a non profit they would only like to cover administration costs on a fee basis if selected to work within the City's NSP program. Mr. Giuffre then wanted to comment on the City annexing any additional properties to be used within the program and that FV Habitat is always looking for land to build homes. He also commented on the recent projects that the City has undertaken with using residential lots for parks. He understands the need for parks within the City but he would object to the NSP money being used to turn vacant lots into parks.

4. Ryan Dowd, Hesed House. Mr. Dowd asked to make comments on CDBG funding as NSP funding was out of Hesed House's area of expertise. Mr. Kamon asked Mr. Dowd to review the Consolidated Plan and the homelessness housing needs and possibly come up with some ideas that may work within the NSP program. Mr. Dowd agreed and continued by stating that Aurora has a massive need for supportive permanent subsidized housing. He explained the current program that Hesed House is running and the success that they have had with the program.

Hesed House when applying for CDBG funds. Mr. Dowd explained that when it comes to capital funds he is in great need of funds for roof and HVAC replacement and/or repairs. He explained that other grant funding is able to cover some of the fancier things associated with his building. On the programmatic funding side, he would like to continue to apply for funds that reduce homelessness. He feels that the model Hesed House is using is effective in doing so but it is costly for them to administer. The City of Aurora published a notice of public comment in the Beacon News on November 9, 2008. The draft amendment was posted on the City of Aurora website. The public notice, City of Aurora homepage, and all written comments received during the 15-day public comment period are included in Attachment A. F. NSP Information by Activity: The City of Aurora proposes to use the NSP funds for the seven strategies included in the following budget.

Activity Name	Activity Type	Budget	Amount	Benefit	Quantity	Unit Cost	Priority	Level
NSP Rental Program Properties located within NRSA, purchased, rehabbed and then rented to below 50% of median family income		\$950,000	7	Homes		\$150,000	High	NSP
High NSP Homebuyer Program Properties located within High Need Target areas, purchased, rehabbed and then sold to below 120% of median family income		\$1,715,000	9	Homes		\$200,000	High	NSP
High Homeowner Counseling Pre-homeownership counseling services		\$25,212	25	Clients		\$1,000	High	NSP
Financing Mechanisms for Purchase and Redevelopment Down payment and closing cost assistance for qualified buyers		\$50,000	10	Clients		\$5,000	Medium	NSP
Land Bank Establish land banks for homes that have been foreclosed upon		\$0						
Flexible, transfer funds from another activity		\$0						
Medium NSP Demolition and Redevelopment Program Demolish blighted structures and evaluate new housing construction options		\$35,000						
Transfer funds from Activity #2 Medium Administration allows 10% of the allocation and 10% of any program income		\$308,356	5	Years		\$61,671	Low	Each property purchased with NSP funds must be purchased at a minimum of 5% below market value; the total NSP portfolio must be purchased at 15% below market value. The City of Aurora reserves the right to shift funding from one activity to another, as additional areas of greatest needs are identified, and according to availability of suitable properties, agency capacity, project readiness, and ability to meet NSP timeliness requirements.

Activity #1 (1) Activity Name: Rental Program (High Priority) (2) Activity Type: NSP (B) – Purchase, rehabilitate, and rent foreclosed properties (3) National Objective: 24 CFR 570.208(a)(2) Limited clientele activity benefiting low income persons (4) Projected Start Date: June, 2009 (5) Projected End Date: November, 2010 (committed to specific addresses); activity will continue with realized program income (6) Responsible Organizations: City of Aurora Neighborhood Redevelopment Division, 44 E. Downer Place, Aurora, IL 60506, (630) 264-3060, Karen Christensen, Manager (The City of Aurora will partner with additional organizations to carry out this activity) (7) Location Description: The City of Aurora will target housing program within identified neighborhood (8) Activity Description: This activity will address neighborhood stabilization through purchase, rehabilitation, and rental of foreclosed properties to very low-income households at or below 50% of area median income. Prior to purchasing foreclosed properties the city will establish property selection criteria to determine housing market and neighborhood stabilization needs. All properties acquired under this activity must meet the required purchase discount of at least 5% less than current market appraised value, and must be as high as required to keep the total NSP portfolio within the required purchase discount level. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36. As program income is received from NSP activities, neighborhood stabilization through rental activity may be expanded to include additional properties. (9) Total Budget: \$950,000 public NSP funds for the purchase, closing costs, rehabilitation, carrying costs, and project delivery costs directly related to each purchase. (10) Performance Measures: 7 units of housing acquired, rehabilitated, and rented to households that are below 50% of median family income.

Activity #2 (1) Activity Name: Home buyer Program (High Priority) (2) Activity Type: NSP (A) – Development of financing mechanisms and NSP (B) – Purchase, rehab, sale of foreclosed properties; CDBG – 24 CFR 570.201(a) Acquisition; 24 CFR 570.202 Rehabilitation; 24 CFR 570.2012(n) Direct Homeownership Assistance; 24 CFR 570.201(b) Disposition (3) National Objective: 24 CFR 570.208(a)(2) Limited clientele activity benefiting low and moderate income persons (up to 120% of MFI permitted under NSP) (4) Projected Start Date: June, 2009 (5) Projected End Date: November, 2010 (committed to specific addresses); activity will continue with realized program income (6) Responsible Organizations: City of Aurora Neighborhood Redevelopment Division, 44 E. Downer Place, Aurora, IL 60506, (630) 264-3060, Karen Christensen, Manager (The City of Aurora will partner with additional organizations to carry out this activity) (7) Location Description: High need census tracts include 854100, 853500, 853600, 854300, 853400, 853200, 854200, 852905. (8) Activity Description: This activity will address neighborhood stabilization efforts in the census tracts listed above through purchase, rehabilitation, and re-sale of foreclosed properties. The purchased properties will be located within the Census Tracts identified with a foreclosure and abandonment risk score of 10. Prior to purchasing foreclosed properties the city will establish property selection criteria to determine housing market and neighborhood stabilization needs. Homes purchased will ultimately become available for single-family homeownership. All properties acquired under this activity must meet the required purchase discount of at least 5% less than current market appraised value, and must be as high as required to keep the total NSP portfolio within the required purchase discount level. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36. This program income received, neighborhood stabilization through homebuyer activity may be expanded to additional census tracts as funds permit if some are acquired through this homebuyer activity so that the homebuyer with a reasonable period of time, as determined in the sole discretion of the City of Aurora, such home may be temporarily rented to a household at less than 120% MFI and sold at a later date or leased with option to buy to an income qualified household. (9) Total Budget: \$1,715,000 in NSP funds are earmarked for the purchase, rehabilitation and re-sale of foreclosed properties. This budget includes purchase of home, closing costs, rehabilitation costs, carrying costs until sale, project delivery costs directly attributable to a specific address, and closing costs at resale. (10) Performance Measures: 9 units of housing acquired, rehabilitated, and sold to eligible households that are at or below 120% of median family income.

Activity #3 (1) Activity Name: Homebuyer Counseling (High Priority) (2) Activity Type: NSP (B) Purchase, rehab, and re-sell foreclosed properties (homebuyer counseling is required); CDBG – 24 CFR 570.201(e) Public services for housing counseling (3)

National Objective: 24 CFR 570.208(a)(2) Limited clientele activity benefiting low and moderate income persons (up to 120% of MFI permitted under NSP) (4) Projected Start Date: December, 2009 (5) Projected End Date: July 30, 2013 (6) Responsible Organizations: Joseph Corporation, 32 S. Broadway, Aurora, IL 60506 has shown the capacity to provide counseling and develop a list of eligible homebuyers. (The City of Aurora will partner with additional organizations to carry out this activity if needed) (7) Location Description: High need census tracts include 854100, 853500, 853600, 854300, 853400, 853200, 854200, 852905. (8) Narrative: This activity will provide the homebuyer counseling required under the NSP. Counseling services must include at least eight hours of homeownership counseling, individual financial literacy assistance, individual case management, and follow-up. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36. (9) Total Budget: \$25,212 of public NSP funds earmarked for this activity. Homebuyer counseling to produce 9 qualified buyers. (10) Performance Measures: 100% of homebuyers under the NSP program must complete at least eight (8) hours of homebuyer counseling. A pool of eligible homebuyers must be created.

Activity #4 (1) Activity Name: Financing Mechanisms for Purchase and Redevelopment (Medium Priority) (2) Activity Type: NSP (B & E) – Development of financing mechanisms and NSP (B) – Purchase of foreclosed properties; DBG – 4 CFR 570.21(a) acquisition; 24 CFR 570.02 Rehabilitation 24 CFR 57.201(n) Direct Homeownership Assistance (3) National Objective: 24 CFR 570.208(a)(2) Limited clientele activity benefiting low and moderate income persons (up to 120% of MFI permitted under NSP) (4) Projected Start Date: June, 2009 (5) Projected End Date: September, 2010, but activity will continue with program income (6) Responsible Organizations: City of Aurora, Division of Neighborhood Redevelopment, 44 E. Downer Place, Aurora, IL 60506, (630) 264-3060, Karen Christensen, Manager (The City of Aurora will partner with additional organizations to carry out this activity) (7) Location Description: High need census tracts include 854100, 853500, 853600, 854300, 853400, 853200, 854200, 852905. (8) Activity Description: This activity will address neighborhood stabilization efforts in the identified high need census tracts through purchase and rehabilitation, and resale of foreclosed properties. Homes purchased will ultimately become available for single-family homeownership. Homebuyers will be required to receive home purchaser counseling from a HUD certified counseling agency prior to purchase. A financing mechanism will provide a deferred loan at 0% for down payment and closing cost assistance. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36. (9) Total Budget: \$50,000 public NSP funds for down payment and closing costs assistance (10) Performance Measures: down payment and closing costs assistance applied to 10-12 previously foreclosed homes purchased by households at or below 120% of median family income.

Activity #5 (1) Activity Name: Land Bank (Medium Priority) (2) Activity Type: NSP (C) – Establish land banks for foreclosed upon homes; CDBG – 24 CFR 570.201(a) Acquisition; 24 CFR 570.201(b) Disposition (3) National Objective: 24 CFR 570.208(a)(2) Limited clientele activity benefiting low and moderate income persons (up to 120% of MFI permitted under NSP) (4) Projected Start Date: June, 2009 (5) Projected End Date: September, 2010 (6) Responsible Organizations: City of Aurora, Division of Neighborhood Redevelopment, 44 E. Downer Place, Aurora, IL 60506, (630) 264-3060, Karen Christensen, Manager (The City of Aurora will partner with additional organizations to carry out this activity) (7) Location Description: Reference High need census tracts include 854100, 853500, 853600, 854300, 853400, 853200, 854200, 852905. (8) Activity Description: This activity will allow the establishment of land banks for foreclosed upon homes. The specific neighborhoods within the identified high need target areas will be determined through a housing market analysis and neighborhood redevelopment needs. Properties acquired for land banking purposes will then become part of Activity #1, Rental Program, Activity #2, Homebuyer Program, or Activity #6, Demolition and Redevelopment Program. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36. (9) Total Budget: \$35,000 public NSP funds. Demolish (3) blighted structures. If it is determined that establishment of a land bank would be a beneficial use of NSP funds, NSP funds will be transferred to this activity from another activity. (10) Performance Measures: Performance measures will be determined when and if his activity is funded.

Activity #6 (1) Activity Name: Demolition and Redevelopment Program (Medium Priority) (2) Activity Type: NSP (D) Demolish blighted structures and NSP (E) Redevelop demolished or vacant properties; DBG – 24 CFR 570.201(a) Acquisition; 24 CFR 570.201(b) Disposition; 24 CFR 570.201(d) Clearance for blighted structures only; 24 CFR 570.201(c) public facilities and improvements. (3) National Objective: 24 CFR 570.208(a)(2) Limited clientele activity benefiting low and moderate income persons (up to 120% of MFI permitted under NSP); there is potential for area-wide benefit under 24 CFR 570.208(a)(1) at the discretion of HUD. (4) Projected Start Date: June, 2009 (5) Projected End Date: September, 2010 (6) Responsible Organizations: City of Aurora, Division of Neighborhood Redevelopment, 44 E. Downer Place, Aurora, IL 60506, (630) 264-3060, Karen Christensen, Manager (The City of Aurora will partner with additional organizations to carry out this activity) (7) Location Description: High need census tracts include 854100, 853500, 853600, 854300, 853400, 853200, 854200, 852905. (8) Activity Description: This activity will allow the demolition of blighted structures and redevelopment of demolished or vacant properties within the identified high need target areas. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36. (9) Total Budget: \$35,000 public NSP funds. It has been determined that demolition and/or redevelopment would be a beneficial use of NSP funds, NSP funds has been transferred to this activity from Activity # 2. (10) Performance Measures: Performance measures has been determined that three (3) blighted structures will be demolished.

Activity #7 (1) Activity Name: Administration (Low Priority) (2) Activity Type: NSP allows 10% of initial allocation, and 10% of program income, to be used for general administration and planning activities (Federal Register, Vol. 73, No. 194, II. H.) CDBG – 24 CFR 570.205 and 24 CFR 570.206 (3) National Objective: To administer activities that benefit low and moderate income persons under 24 CFR 570.208(a)(2) and potentially under 24 CFR 570.208(a)(1) (up to 120% of MFI permitted under NSP) (4) Projected Start Date: October, 2008 (Federal Register, Vol. 73, No. 194, II. C. allows reimbursement for pre-award costs) (5) Projected End Date: July 30, 2013; however, monitoring of projects and receipt of program income through recapture will continue past July 30, 2013. (6) Responsible Organization: City of Aurora, Division of Neighborhood Redevelopment, 44 E. Downer Place, Aurora, IL 60506, (630) 264-3060, Karen Christensen, Manager (The City of Aurora will partner with additional organizations to carry out this activity) (7) Location Description: High need census tracts include 854100, 853500, 853600, 854300, 853400, 853200, 854200, 852905. (8) Narrative: This activity will provide the general administration and planning for the NSP. (9) Total Budget: \$300,830 public NSP funds over the five year program period, beginning with pre-award activities as of September 29, 2008. Should this activity not require the allowed amount of administration funds, these funds may be re-assigned to any of the above activities and such re-assignment shall not be considered a Substantial Amendment to the Action Plan. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36. (10) Performance Measures: The City of Aurora will accurately administer NSP activities while spending 100% of the funds.





**Definitions and Descriptions:**

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance		<i>No activities in this project</i>
Activity # 1	Rental Program		<i>No activities in this project</i>
Activity # 2	Home buyer Program		<i>No activities in this project</i>
Activity # 3	Homebuyer Counseling		<i>No activities in this project</i>
Activity # 4	Financiing Mechanisms for		<i>No activities in this project</i>
Activity # 5 / Eligible Use C	Land Bank		<i>No activities in this project</i>
Activity # 6 / Eligible Use D	Demolition & Redevelopment		<i>No activities in this project</i>
Activity # 7 / Eligible Use	Administration	Activity # 7 / Eligible Use N/A /Administration	Administration
Activity #1 / Eligible Use B	Acquisition and rehab of	Activity # 1/ Eligible Use B / Rental Program	COA/Acq-Rehab/LH25 Rental Program
		Activity # 2/ Eligible Use B / Home Buyers Program	COA/Acq -Rehab/LMMI Home Buyers Program
		Activity # 3 / Eligible Use B / Home buyer Counsel	JOCO/Acq-Rehab /LMMI Home buyer Counsel
		Activity # 9/ Eligible Use B/ Rental Program	COA/Acq- Rehab/ LMMI Rental Program
Eligible Use E	Acquisition and rehab of vacant	Activity # 8 / Eligible Use E / Homebuyers Program	COA/Acq-Rehab/vacant/LMMI Homebuyers Program



# Activities

**Project # / Title: Activity # 7 / Eligible Use N/A / Administration**

**Grantee Activity Number: Activity # 7 / Eligible Use N/A / Administration**

**Activity Title: Administration**

**Activity Type:**

Administration

**Project Number:**

Activity # 7 / Eligible Use N/A

**Projected Start Date:**

10/01/2008

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Environmental Assessment:**

EXEMPT

**Benefit Report Type:**

NA

**Activity Status:**

Completed

**Project Title:**

Administration

**Projected End Date:**

07/30/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 350,000.00

**Other Funds:** \$ 5,939.04

**Total Funds:** \$ 355,939.04

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Aurora Neighborhood Redevelopment

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Aurora Neighborhood Redevelopment

City of Aurora

**Organization Type**

Unknown

Local Government

**Proposed Budget**

\$ 0.00

\$ 308,356.00

**Funding Source Name**

**Matching Funds**

**Funding Amount**



**Location Description:**

High need census tracts include 854100,853500,853600,854300,853400,853200,854200,852905.

**Activity Description:**

This activity will provide the general administration and planning for the NSP.

**Project # / Title: Activity #1 / Eligible Use B / Acquisition and rehab of**

**Grantee Activity Number: Activity # 1/ Eligible Use B / Rental Program**  
**Activity Title: COA/Acq-Rehab/LH25**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

Activity #1 / Eligible Use B

**Projected Start Date:**

06/01/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Completed

**Project Title:**

Acquisition and rehab of abandoned and

**Projected End Date:**

04/01/2011

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 1,180,000.00

**Other Funds:** \$ 101,903.61

**Total Funds:** \$ 1,281,903.61

**Proposed Beneficiaries**

# Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	8	4	4	100.00
# of Households	8	4	4	100.00

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

8



# of Housing Units 8  
 # of Properties 8

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Aurora

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
Boreas LLC	Non-Profit	\$ 0.00
City of Aurora	Local Government	\$ 1,180,000.00
Community Housing Advocacy & Development	Non-Profit	\$ 0.00

  

Funding Source Name	Matching Funds	Funding Amount
I.S. Department of Housing and Urban Development	Yes	\$ 101,903.61

**Location Description:**

The City of Aurora will target rental housing program within identified Neighborhood Revitalization Strategy Area (NRSA).

**Activity Description:**

This activity will address neighborhood stabilization through purchase, rehabilitation, and rental of foreclosed properties to very low-income households at or below 50% of area median income. Prior to purchasing foreclosed properties the city will establish property selection criteria to determine housing market and neighborhood stabilization needs. All properties acquired under this activity must meet the required purchase discount of at least 5% less than current market appraised value, and must be as high as required to keep the total NSP portfolio within the required purchase discount level. The city of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontractors shall conform to 24 CFR 85 and in particular 24 CFR 85.36. As program income is received from NSP activities, neighborhood stabilization through rental activity may be expanded to include additional properties.

Annual Action Plan Amendment (2014)

The City acquired the property at 83 North Avenue for rehabilitation and resale under the NSP program. Through a Development Agreement with Boreas, LLC, the city disposed of the property. In acknowledgement of current real estate market conditions and the capacity of new program partners (Boreas LLC), the City has proposed an amendment to its Annual Action Plan to re-classify the 83 North Avenue property from the Homebuyer Program Activity (Activity #8) to this Rental Program Activity, specifically to assist the Boreas, LLC – Aurora Impact Initiative project, previously awarded funds under the program. As part of this amendment for this property we moved \$143,004.24 from activity #8 to activity #1, this is reflected in the budget amount which increased from \$1,036,995.76 to \$1,180,000.00.

The City has far exceeded the NSP program 25% funding set-aside requirement for benefitting clients whose income does not exceed 50% (low income) thresholds, through the acquisition, rehab/construction of foreclosed and/or abandoned homes for rental housing. Although the 83 North Avenue property was acquired as a Vacant home (not foreclosed/abandoned), any expenditures or beneficiaries of this project will not be categorized under the 25% set-aside even though it has been re-classified under the Rental Program.

This change was approved as per the City's public participation plan on January 14, 2014. Due to DRGR system entry errors, the project has reached completion since the Amendment occurred.





## Activity Supporting Documents

- Document** Neighborhood Stabilization Program - Amend 2014-3.pdf
  - Document** Public Comment notice 2014-.pdf
  - Document** Publication.pdf
  - Document** Resolution AAP Substantial Amendment 2014-1 - 11-27-13.pdf
- 



**Grantee Activity Number:** Activity # 2/ Eligible Use B / Home Buyers Program

**Activity Title:** COA/Acq -Rehab/LMMI

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

Activity #1 / Eligible Use B

**Projected Start Date:**

06/01/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Completed

**Project Title:**

Acquisition and rehab of abandoned and

**Projected End Date:**

06/01/2012

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 863,763.41

**Other Funds:** \$ 5,896.47

**Total Funds:** \$ 869,659.88

**Proposed Beneficiaries**

# Owner Households

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	4	1	3	100.00
# of Households	4	1	3	100.00

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

# of Properties

**Total**

4

4

4

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Aurora Neighborhood Redevelopment

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Aurora Neighborhood Redevelopment

City of Aurora

**Organization Type**

Unknown

Local Government

**Proposed Budget**

\$ 0.00

\$ 745,603.65



Joseph Corporation

Non-Profit

\$ 0.00

**Funding Source Name**

**Matching Funds**

**Funding Amount**

I.S. Department of Housing and Urban Development

Yes

\$ 5,896.47

**Location Description:**

High need census tracts include 854100, 853500,853600, 854300, 853400, 853200, 854200, 852905.

**Activity Description:**

This activity will address neighborhood stabilization efforts in the census tracts listed above through purchase, rehabilitation, and re-sale of foreclosed properties. The purchased properties will be located within the Census Tracts identified with a foreclosure and abandonment risk score of 10. Prior to purchasing foreclosed properties the city will establish property selection criteria to determine housing market and neighborhood stabilization needs. Homes purchased will ultimately become available for single-family homeownership. All properties acquired under this activity must meet the required purchase discount of at least 5% less than current market appraised value, and must be as high as required to keep the total NSP portfolio within the required purchase discount level. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85 and in particular 24 CFR 85.36. As program income is received, neighborhood stabilization through homebuyer activity may be expanded to additional census tract as funds permit. If a home acquired through this homebuyer activity is not able to be sold to a homebuyer within a reasonable period of time as determined in the sole discretion of the City of Aurora such home may be temporarily rented to a household at less than 120% MFI and sold at a later date or leased with option to buy to an income qualified household.



**Grantee Activity Number:** Activity # 3 / Eligible Use B / Home buyer Counsel

**Activity Title:** JOCO/Acq-Rehab /LMMI

**Activity Type:**

Public services

**Project Number:**

Activity #1 / Eligible Use B

**Projected Start Date:**

06/01/2009

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Environmental Assessment:**

EXEMPT

**Benefit Report Type:**

Direct (Person)

**Activity Status:**

Completed

**Project Title:**

Acquisition and rehab of abandoned and

**Projected End Date:**

07/30/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 23,321.36

**Other Funds:** \$ 0.00

**Total Funds:** \$ 23,321.36

**Proposed Beneficiaries**

# of Persons

	Total	Low	Mod	Low/Mod%
# of Persons	9	9		100.00
# of Cases closed	9	9		100.00
# of Cases opened	9	9		100.00

# of Cases closed

# of Cases opened

**Proposed Accomplishments**

# of Non-business Organizations benefitting

# of Businesses

# of public facilities

**Total**

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Aurora Neighborhood Redevelopment

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Aurora Neighborhood Redevelopment

**Organization Type**

Unknown

**Proposed Budget**

\$ 23,321.36



**Location Description:**

High need census tracts include 854100, 853500, 853600, 854300, 853400, 853200, 854200, 852905.

**Activity Description:**

This activity will provide the homebuyer counseling required under the NSP. Counseling services must include at least eight hours of homeownership counseling, individual financial literacy assistance, individual case management and follow-up. The City of Aurora reserves the right to subcontract with partner agencies to complete this activity. All subcontracts shall conform to 24 CFR 85, and in particular 24 CFR 85.36

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**Grantee Activity Number: Activity # 9/ Eligible Use B/ Rental Program**  
**Activity Title: COA/Acq- Rehab/ LMMI**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

Activity #1 / Eligible Use B

**Projected Start Date:**

07/22/2014

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Completed

**Project Title:**

Acquisition and rehab of abandoned and

**Projected End Date:**

02/19/2016

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 143,004.24

**Other Funds:** \$ 0.00

**Total Funds:** \$ 143,004.24

**Proposed Beneficiaries**

# Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	1	1		100.00
# of Households	1	1		100.00

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

# of Properties

**Total**

1

1

1

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Aurora

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Boreas LLC

City of Aurora

**Organization Type**

Non-Profit

Local Government

**Proposed Budget**

\$ 0.00

\$ 143,004.24



**Location Description:**

Vacant and blighted property is located at 83 North Avenue

**Activity Description:**

Vacant and blighted property located within High Need Target areas will be purchased, rehabbed and then rented to below 80% of the area median family income.

**Project # / Title: Eligible Use E / Acquisition and rehab of vacant properties**

**Grantee Activity Number: Activity # 8 / Eligible Use E / Homebuyers Program**

**Activity Title: COA/Acq-Rehab/Vacant/LMMI**

**Activity Type:**  
Rehabilitation/reconstruction of residential structures  
**Project Number:**  
Eligible Use E  
**Projected Start Date:**  
06/01/2009  
**Project Draw Block by HUD:**  
Not Blocked  
**Activity Draw Block by HUD:**  
Not Blocked  
**Block Drawdown By Grantee:**  
Not Blocked

**Activity Status:**  
Completed  
**Project Title:**  
Acquisition and rehab of vacant properties  
**Projected End Date:**  
06/01/2012  
**Project Draw Block Date by HUD:**  
  
**Activity Draw Block Date by HUD:**

**National Objective:**  
LMMI: Low, Moderate and Middle Income National Objective for NSP Only  
**Environmental Assessment:**  
COMPLETED  
**Benefit Report Type:**  
Direct (Households)

**Total Budget:** \$ 952,870.95  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 952,870.95

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	5	4	1	100.00
# of Households	5	4	1	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	5



# of Housing Units 5  
 # of Properties 5

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Aurora

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed Budget
City of Aurora	Local Government	\$ 952,870.95
Fox Valley Habitat for Humanity	Non-Profit	\$ 0.00
Joseph Corporation	Non-Profit	\$ 0.00

**Location Description:**

High+need+census+tracts+include+854100,+853500,+853600,+854300,+853400,+853200,+854200,+852905.

**Activity Description:**

This+activity+will+address+neighborhood+stabilization+efforts+in+the+census+tracts+listed+above+through+prurchase,+rehabilitation,+and+re-sale+of+foreclosed+properties,+The+purchased+properties+will+be+located+withing+the+Census+Tracts+identified+with+a+vacant+and+abandonment+risk+score+of+10.+Prior+to+purchasing+foreclosed+properties+the+city+will+establish+property+selection+criteria+to+determine+housing+market+and+neighborhood+stabilization+needs.+Homes+purchased+will+ultimately+become+available+for+single-family+homownership.+All+propeties+acquired+under+this+activity+must+meet+the+required+purchase+discount+of+at+least+5%+less+than+current+market+appraised+value,+and+must+be+as+high+as+required+to+keep+the+total+NSP+portfolio+within+the+required+purchase+discount+level.+The+City+of+Aurora+reserves+the+right+to+subcontract+with+partner+agencies+to+complete+this+activity.+All+subcontracts+shall+conform+to+24+CFR+85+and+in+particular+24+CFR+85.36.+As+program+income+is+received,+neighborhood+stabilization+through+homebuyer+activity+may+be+expanded+to+additional+census+tract+ass+unds+permit.+If+a+home+acquiried+through+this+homebuyer+activity+is+not+able+to+be+sold+to+a+homebuyer+with+in+a+reasonable+period+of+time+as+determined+in+the+sole+discretion+of+the+City+of+Aurora+such+home+may+be+temporarily+rented+to+a+houshold+at+less+that+120%+MFI+and+sold+at+a+later+date+or+leased+with+option+to+buy+to+an+income+qualified+household.

**Location Description:**

High+need+census+tracts+include+854100,+853500,853600,+854300,+853400,+853200,+854200,+852905.

Annual+Action+Plan+Amendment+(2014)+The+City+acquired+the+property+at+83+North+Avenue+for+rehabilitation+and+resale+under+the+NSP+program.+In+acknowledgement+of+current+real+estate+market+conditions+and+the+capacity+of+new+program+partner+(Boreas+LLC),+the+City+has+proposed+an+amendment+to+its+Annual+Action+Plan+to+re-classify+the+83+North+Avenue+property+from+the+Homebuyer+Program+Activity+(Activity+#8)+to+this+Rental+Program+Activity,+specifically+to+assist+the+Boreas,+LLC+—+Aurora+Impact+Initiative+project,+previously+awarded+funds+under+the+program.+As+part+of+this+amendment+for+this+property+we+moved+\$143,004.24+to+activity+#1,+this+is+reflected+in+the+budget+amount+which+decreased+from+\$1,095,875.19+to+\$952,870.95.

The+City+has+far+exceeded+the+NSP+program+25%+funding+set-aside+requirement+for+benefitting+clients+whose+income+does+not+exceed+50%+(low+income)+thresholds,



+through+the+acquisition,+rehab/construction+of+foreclosed+and/or+abandoned+homes+for+rental+housing.+Although+the+83+North+Avenue+property+was+acquired+as+a+Vacant+home+(not+foreclosed/abandoned),+any+expenditures+or+beneficiaries+of+this+project+will+not+be+categorized+under+the+25%+set-aside+even+though+it+has+been+re-classified+under+the+Rental+Program.+This+change+was+approved+as+per+the+City's+public+participation+plan+on+January+14,+2014.

## Activity Supporting Documents

- Document** Neighborhood Stabilization Program - Amend 2014-3.pdf
  - Document** Public Comment notice 2014-.pdf
  - Document** Publication.pdf
  - Document** Resolution AAP Substantial Amendment 2014-1 - 11-27-13.pdf
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## Action Plan Comments:

- Reviewer - Action Plan amendment is rejected - plan details do not conform to the outlined amendments proposed by the Grantee and as drafted as part of their public process. Grantee will be required to resubmit a revised amendment; FO will also recommend DRGR TA for Grantee to resolve DRGR AP and QPR issues.
- Reviewer - The AP amendment submission was rejected per the following:  
Grantee proposes to utilize property acquired under the Homebuyer Activity #8 for rental activities per Activity #1; as the new use will not assist LH25 beneficiaries as per Activity #1, a new activity is to be created - Grantee is required to create two separate DRGR activities for each single DRGR project that will provide benefit to both households above 50% AMI and to households below 50% AMI
- Reviewer - Action Plan amendment for Activity #9 - addition of one rental unit for 25% set-aside requirement (50%AMI unit) (previously at issue of previous rejections) utilizing PI is rejected; grantee needs to amend completion information and responsible organization information.
- Reviewer - 3/25/15: Grantee is required to make final amendments for Activity #9 as previously indicated
- Reviewer - Grantee did not complete required amendment information for Activity #9; resubmission is required.
- Reviewer - The amendments to Activities #1 and #8 to reflect budget changes are approved; the grantee is repurposing an improved lot from homebuyer to rental housing to reflect changes in the homebuyer market and thus budget amendments were required.



## Action Plan History

Version	Date
B-08-MN-17-0001 AP#1	10/17/2016
B-08-MN-17-0001 AP#2	05/25/2016
B-08-MN-17-0001 AP#3	09/22/2015
B-08-MN-17-0001 AP#4	05/07/2013
B-08-MN-17-0001 AP#5	06/27/2012
B-08-MN-17-0001 AP#6	04/04/2012
B-08-MN-17-0001 AP#7	01/24/2012
B-08-MN-17-0001 AP#8	02/07/2011
B-08-MN-17-0001 AP#9	04/30/2010

