

# Action Plan

## Grantee: Rockford, IL

### Grant: B-08-MN-17-0006

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<b>LOCCS Authorized Amount:</b>	\$ 2,287,004.00
<b>Grant Award Amount:</b>	\$ 2,287,004.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 60,527.17
<b>Total Budget:</b>	\$ 2,347,531.17

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### Funding Sources

#### No Funding Sources Found

### Narratives

#### Areas of Greatest Need:

##### Introduction

The U.S. Department of Housing and Urban Development's (HUD) new Neighborhood Stabilization Program (NSP) provides financial assistance to local governments "to purchase foreclosed or abandoned homes and to rehabilitate, resell or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes." The following describes the methodology for choosing the City of Rockford designated area and further describes the target area which was prepared by the University of Illinois College of Medicine Health Systems Research on October 17, 2008.

##### Methodology

HUD provided housing, demographic and income data by census tract block group. Health Systems Research examined these data for the city of Rockford, identifying block groups that:

- 1) met income criteria (incomes do not exceed 120% of area median income),
- 2) possessed the highest current foreclosure risk score (10 on a ten-point scale), and
- 3) ranked within the top two quartiles for 18-month predicted foreclosure risk.

Based on these criteria, block groups were combined within their respective census tracts (in all cases except 23.02, all block groups within a census tract fell into the same categories). "Qualifying" census tracts were then placed into two priority groups, depending on whether they fell into the top or second highest quartile for 18-month predicted foreclosure risk.

#### Distribution and and Uses of Funds:

##### Neighborhood Stabilization Target Area

The target area for the City of Rockford is composed of 27 census tracts with 21 in the priority area. Total target area population is 79,631 or approximately half of the west, central, and near southeast portions of the community. These areas have been identified as areas of need in assessments by planning and consulting organizations.

The target area is typified by a high minority level in that about half of the population is minority. Tracts average 21% poverty, 24% within the priority area. Eight tracts exhibit median family incomes below \$3,000.

Once the data was received from Health Systems Research it was mapped, first by the 120% of median criteria, and then by the other need factors provided by the Department of Housing and Urban Development. We also analyzed rental and owner occupancy, police statistics for Part A and Part B crimes, and layered Rockford's General Disorder Density onto the base 120% of AMI map.

The priority area was rather large covering over 75% and of the census tracks in Rockford and half the population. Since grantees are to give priority emphasis and consideration to those areas with the greatest need, we honed in on the priority areas and selected census tracts within the priority area demonstrating all of needs criteria i.e. the highest vacancy rates,



foreclosure rates, rate of subprime mortgages, while being amongst the highest ranked for future foreclosures. The final census tracts selected as our geographic boundary include Census Tract 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32.

### Definitions and Descriptions:



### Low Income Targeting:

Identify the estimated percentage of funds appropriated or otherwise made available under this section to be used 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.

Response:

The estimated percentage of funds to be appropriated or otherwise made available to persons at or below 50% of AMI will be 25% of the City of Rockford's allocation. These funds will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for the provision of housing for these individuals or families. This represents \$571,751.00.

### Acquisition and Relocation:

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., = 80% of area median income).

If so, include:

(a) Number of low-and moderate-income dwelling units reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.

(b) The number of NSP affordable housing units that will be made available.

(c) The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

The City of Rockford intends to demolish or convert low- and moderate-income dwelling units. Approximately 78 units will be demolished or converted. Ten (10) units will be created under the NSP Urban Homesteading Program for individuals or households at 50% or less of AMI between January, 2009, and July, 2010. Ten (10) units will be created under the NSP Urban Homesteading Program for individuals or households at 120% or less AMI between January, 2009, and July, 2010. Also, the units will be created for rental housing for persons at or below 50% of AMI with the number to be determined and financing will be provided for purchase and rehabilitation through NSP Financing Mechanisms during the same timeframe which may serve persons at or below 50% of AMI.

### Public Comment:

The Draft NSP Substantial Amendment to the 2008 Action Plan was made available to the public for review and comment during a fifteen day comment period from 10/31/08 through 11/14/08. A legal notice regarding the comment period was published in the Rockford Register Star on October 31, 2008. Additionally, notice of the comment period was posted on the City of Rockford's website.

The following is a summary of public comments received to the proposed NSP Substantial Amendment.

Two comments were received. One comment was received from Kerry Knodle, the Executive Director of Comprehensive Community Solutions, Inc. (CCS). Mr. Knodle proposes collaboration between CCS and the City of Rockford to address issues relating to the foreclosure crisis. He believes their organization has the capacity and a construction line of credit that would enable them to readily respond to undertake construction activities and manage the process of acquisition and rehabilitation. In response, the City of Rockford intends to partner with lenders, Realtors, and non-profits and for-profits in order to utilize the funds in a manner that is not only timely but has an impact on the areas of greatest need. Comprehensive Community Services, Inc. will be considered as a potential partner.

The second comment was from the Executive Director of the Rockford Area Affordable Housing Coalition – Bob Campbell. Mr. Campbell suggests an innovative approach to buying and then selling through the selling of tickets and the "lottery" of

homes. The lottery winner would be responsible for bringing the home up to City standards. He suggests that this will “generate interest” and be a positive and creative use of the funds while also creating program income for additional projects.

Mr. Campbell’s suggestion is similar in many ways to what has been suggested through Activity #2 and #3 which resurrects the basic structure of the former Urban Homesteading Program. Mr. Campbell will be encouraged to participate in the further development of these activities. The organization itself is expected to play an integral role in the administration of counseling services which will be made available to the program participants.

Amendment #1 which included the additions of census tracts 21 and 22 was made available to the public for review and comment during a 15-day comment period which began on August 4, 2009 through August 19, 2009. A legal notice regarding the comment period was published in the Rockford Register Star on August 4, 2009. Additionally, notice of the comment period was posted on the City of Rockford’s website and was approved by City Council on August 31, 2009. No additional comments resulted from this amendment.

Amendment #2 made in February 2010 involved only budget adjustments and did not constitute a substantial amendment.

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title	Grantee Program
100	Administrative Costs	40	Planning and Administration	
101	Demolition	10	Demolition and Redevelopment Program	
102	Financing Mechanisms	20	Urban Homesteading - 50% AMI	
		80	Financing Mechanisms for Purchase and Redevelopment	
103	Acquisition and Rehabilitation	21	Urban Homesteading (50% of AMI or less)	
		30	Urban Homesteading (120% of AMI or less)	
		60	Rental Program (50% of AMI or less)	
		61	Rental 120% of AMI or less	
104	Redevelopment	31	Urban Homesteading (120% of AMI or less)	
		62	Rental (120% of AMI or less)	
105	Land Bank	70	Land Bank	
9999	Restricted Balance		<i>No activities in this project</i>	
BCKT01	Bucket Project		<i>No activities in this project</i>	



# Activities

**Project # /** 100 / Administrative Costs

**Grantee Activity Number:** 40

**Activity Title:** Planning and Administration

**Activity Type:**

Administration

**Project Number:**

100

**Projected Start Date:**

09/29/2008

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable (for Planning/Administration or Unprogrammed Funds only)

**Benefit Report Type:**

NA

**Activity Status:**

Completed

**Project Title:**

Administrative Costs

**Projected End Date:**

12/29/2021

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 193,938.43

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 193,938.43

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

**Responsible Organization**

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 193,938.43

**Location Description:**

Census tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32 i.e. areas determined to be of greatest need.

**Activity Description:**

This activity will provide the general administration and planning activities required to receive NSP funding and implement successful NSP activities, as described.



**Environmental Assessment:** EXEMPT

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:**

**Document** RockfordNSPPITransferApproval 03.22.2022.pdf

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**Project # / 101 / Demolition**



## Grantee Activity Number: 10

### Activity Title: Demolition and Redevelopment Program

**Activity Type:**

Clearance and Demolition

**Project Number:**

101

**Projected Start Date:**

01/15/2009

**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

**Activity Status:**

Completed

**Project Title:**

Demolition

**Projected End Date:**

12/29/2021

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:****Total Budget:** \$ 671,997.96**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 671,997.96**Benefit Report Type:**

Area Benefit (Census)

**Proposed Beneficiaries**

# of Persons

**Total**

30988

**Low**

15434

**Mod**

6934

**Low/Mod%**

72.18

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

40

# of Multifamily Units

# of Housing Units

40

# of Properties

40

**LMI%:**

72.18

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

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 671,997.96

**Location Description:**Properties will be located within Census Tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32.  
2000 Census**Activity Description:**

According to a Housing Study conducted by Western Economic Services for the City of Rockford and completed February 24, 2004, from the 1990 Census to the 2000 Census, housing production in Rockford increased



significantly. Occupied housing units rose more slowly than total housing production, thereby causing vacancy rates to increase. Vacancy rates in three quadrants of the city were relatively high, 8.5, 9.6, and 8.6 percent in the Northwest, Southeast, and Southwest, respectively. This was before the housing crisis. Single family housing production has slowed considerably; vacancy rates continue to be high. Some believe due to the struggling economy families are doubling up or leaving the Rockford area due to the rising jobless rate which in August reached 10.9% for the city of Rockford. The housing boom lifted homeownership to historic levels and apartment owners suffered. They lost their best tenants in the home-buyer frenzy leaving scores of units either unfilled or tented to those with unstable payment histories. One would think the foreclosure crisis would increase the need for rental units and decrease the vacancy rates. That does not seem to be the case except with the high-end units. The lower-rent areas remain largely unchanged. The lack of qualified renters means that units remain vacant, owners fail to maintain their property, or owners offer incentives to encourage occupancy. Housing prices in 2004 were not appreciating well and Rockford continues to be one of the most affordable city in the country due to this lack of appreciation. While values had been rising for several years prior to the Housing Study and reached an average price of \$97,267 in 2002, analysis of the Rockford Township Assessor data indicates that sales prices, in real 2002 dollars, were highest in 1991, when they reached an average of \$101,089. Recent economic events suggest that housing prices will continue to be soft in Rockford. At the same time that vacancy rates were rising, vacant housing that was neither for-sale or for rent jumped 18.4 percent, rising to 1,212 units in 2000, about 2 percent of the City's housing stock. This is a rate faster than the overall expansion of the housing stock, and occurred during the time that the City demolished 925 housing units. These particular vacant housing units were in the Southwest, the Northwest, and Southeast quadrants of the City, with the Southwest having 5% of its stock vacant and not for sale or for rent. Additionally, the Rockford Township Assessor classified 1,978 housing units as approaching unsoundness, undesirable, and barely useful, of which 786 were units in buildings with 2-6 dwelling units. These statistics did not include Public Housing Authority multifamily buildings. A housing conditions survey completed in November of 2008 indicates that in the eight census tracts of greatest need there are 61 structures open and vacant, 183 properties boarded and vacant, and 440 properties that are vacant. This is an opportunity for the city of Rockford to face this problem and renew efforts to eliminate blighted housing that are vacant, open, a public safety hazard, vandalized, and subject to illegal occupants as well as activities. They are a danger to a neighborhood of occupied and maintained homes and neighborhoods with schools. There are two approaches to resolving this dilemma: rehabilitation or demolition of the existing stock. Given the surplus of housing, low prices, and the cost of rehabilitation exceeding market values, demolition will be a priority through NSP funds. In 2004 when the study was completed, it was suggested that a reasonable goal would reduce the blighted stock of housing by 1,000 units in five years, both apartments and single-family dwellings. Due to the lack of resources, reaching this goal has been impossible. By focusing NSP funds to the census tracts in greatest need, the stabilization of the neighborhoods can be jump started creating the momentum needed to begin rehabbing the neglected housing stock. The redevelopment may be on the vacant lots resulting from the NSP clearance activity or may be other vacant parcels. Also, consecutive flood events in 2006 and 2007 have damaged homes in the Keith Creek area. The Rockford Local Development Corporation has acquired properties in behalf of the City in the floodway to mitigate future damage and improve flood control facilities. Of the 128 parcels, 50 homes were substantially damaged. Some of the homes are outside of the NSP eligible census tracts. Of those within the NSP target area, the City may move several of the homes to suitable vacant lots to redevelop and sell as part of the NSP as well as demolish the substandard homes. The remaining land will be used for flood mitigation purposes and park space. The beneficiaries of the clearance activity will be the residents of the LMMI area. The beneficiaries of any activity that may follow will be the individuals and families that receive the direct benefit. Program participants will be at or below 120% AMI – which may or may not include households at or below 50% of AMI. Any demolished or vacant housing that is redeveloped will be done within the required 10-year period and the financing structure will ensure continued affordability. See Activity #2 – Urban Homesteading (50% or less of AMI), #3 – Urban Homesteading (120% or less of AMI), #6 – NSP Rental Program and #8 – NSP Financing Mechanisms for Purchase and Redevelopment. Funds may be used to provide housing for persons whose incomes do not exceed 50% of area median. See Activity #2 – Urban Homesteading (50% AMI or less) and #6 – NSP Rental program that follow.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None



**Environmental Reviews:** None

**Activity Supporting Documents:** None

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**Project # / 102 / Financing Mechanisms**





## Grantee Activity Number: 20

### Activity Title: Urban Homesteading - 50% AMI

**Activity Type:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

102

**Projected Start Date:**

01/15/2009

**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.

**Activity Status:**

Completed

**Project Title:**

Financing Mechanisms

**Projected End Date:**

12/29/2021

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 15,078.80

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 15,078.80

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

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

**Proposed Accomplishments**

	Total
# of Singlefamily Units	1
# of Housing Units	1

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

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 15,078.80

**Location Description:**

Census tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32.

**Activity Description:**

This activity will address neighborhood stabilization in one or more of the census tracts noted above through the purchase, rehab of abandoned or foreclosed housing. The specific addresses within the census tracts will be identified at the time the NSP funds are available for drawdown. Purchase of specific foreclosed properties will be dependent on the availability of foreclosed, moderately priced properties but priority will be given to



locations near schools. Funds for this activity will be used to meet the 50% AMI housing requirement. The tenure of the beneficiaries will be homeownership. The homes will remain affordability for the term of affordability which will be ensured by recorded agreements. A portion of the assistance is expected from conventional/FHA first mortgage financing offered at terms from 20-30 years. The gap subsidy (or developer's subsidy) will be provided through NSP as well as the amount necessary to ensure affordability provided directly to the homebuyer. The NSP soft second mortgage will be forgiven over the term of affordability. The interest rate to the homebuyer will be consistent with the conventional/FHA rates. A minimum of 8-hours of homebuyer training will be required through one of the three HUD-approved housing counseling agencies in Rockford prior to the homebuyer obtaining a mortgage loan. All properties acquired will be at a discounted rate of a minimum of 5%. All properties acquired will be at a discounted rate of a minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City Land Acquisition Officer. The structure of the long-term financing in conjunction with the location of the sites will ensure continued affordability. NSP funds will provide housing for persons of 50% AMI. 25% of the NSP allocation is anticipated to be used for this activity.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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## Grantee Activity Number: 80

### Activity Title: Financing Mechanisms for Purchase and Redevelopment

**Activity Type:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

102

**Projected Start Date:**

03/15/2009

**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

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Completed

**Project Title:**

Financing Mechanisms

**Projected End Date:**

12/29/2021

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 63,650.10

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 63,650.10

**Proposed Beneficiaries**

# Owner Households

**Total**

**Low**

**Mod**

**Low/Mod%**

8

4

50.00

# of Households

8

4

50.00

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

8

# of Housing Units

8

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

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 63,650.10

**Location Description:**

Properties will be located within Census Tracts 10, 12, 13, 21, 22, 25, 26, 28 31, and 32

**Activity Description:**

This activity will address neighborhood stabilization in one to eight of the census tracts listed above through the establishment of creating financing mechanisms for purchase and redevelopment of fore closed upon homes



and residential properties. The specific neighborhoods within the census tracts will be identified at the time the NSP funds are available for drawdown as the program progresses. Purchase of specific foreclosed properties will be dependent on the highest degree of availability of foreclosed, moderately priced property. The tenure of beneficiaries will be low-, moderate, and middle-income homeownership. The housing will meet City standards and will be affordable. Homes will be purchased at the discounted rate of a minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City's Land Acquisition Officer. Homebuyers will receive down payment and closing cost assistance with maximum assistance to be determined. Minimum assistance will be \$1,000. Minor rehabilitation assistance may also be provided. Assistance will be forgiven over the term of affordability. Continued affordability will be achieved through the financing mechanisms. Financing will be long term and at a fixed-rate. Recapture provisions will be placed as a lien on the property. A portion of the funds to make the project affordable be forgiven over the term of affordability. The projects will be monitored through the same process that is used to monitor HOME projects. A limited amount of funds are expected to be used to provide housing for persons whose incomes do not exceed 50% of area median. It is anticipated that if persons are assisted, it may be in conjunction with Activities #2 - NSP Urban Homesteading program.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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**Project # / 103 / Acquisition and Rehabilitation**

## Grantee Activity Number: 21

### Activity Title: Urban Homesteading (50% of AMI or less)

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

103

**Projected Start Date:**

01/15/2009

**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.

**Activity Status:**

Completed

**Project Title:**

Acquisition and Rehabilitation

**Projected End Date:**

12/29/2021

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 225,619.28

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 225,619.28

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Owner Households

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

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

1

# of Housing Units

1

# ELI Households (0-30% AMI)

# of Properties

1

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

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 225,619.28

**Location Description:**

Census tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32 i.e. areas determined to be of greatest need.

**Activity Description:**

This activity will address neighborhood stabilization in one or more of the census tracts noted above through the purchase, rehab of abandoned or foreclosed housing. The specific addresses within the census tracts will be identified at the time the NSP funds are available for drawdown. Purchase of specific foreclosed properties will be dependent on the availability of foreclosed, moderately priced properties but priority will be given to locations near schools. Funds for this activity will be used to meet the 50% AMI housing requirement. The tenure of the beneficiaries will be homeownership. The homes will remain affordability for the term of affordability which will be ensured by recorded agreements. A portion of the assistance is expected from conventional/FHA first mortgage financing offered at terms from 20-30 years. The gap subsidy (or developer's subsidy) will be provided through NSP as well as the amount necessary to ensure affordability provided directly to the homebuyer. The NSP soft second mortgage will be forgiven over the term of affordability. The interest rate to the homebuyer will be consistent with the conventional/FHA rates. A minimum of 8-hours of homebuyer training will be required through one of the three HUD-approved housing counseling agencies in Rockford prior to the homebuyer obtaining a mortgage loan. All properties acquired will be at a discounted rate of a minimum of 5%. All properties acquired will be at a discounted rate of a minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City Land Acquisition Officer. The structure of the long-term financing in conjunction with the location of the sites will ensure continued affordability. NSP funds will provide housing for persons of 50% AMI. 25% of the NSP allocation is anticipated to be used for this activity.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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## Grantee Activity Number: 30

### Activity Title: Urban Homesteading (120% of AMI or less)

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

103

**Projected Start Date:**

01/15/2009

**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

**Activity Status:**

Completed

**Project Title:**

Acquisition and Rehabilitation

**Projected End Date:**

04/01/2013

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 251,054.77

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 251,054.77

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

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

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	1
# of Housing Units	1
# of Properties	1

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget</b>
City of Rockford	Unknown	\$ 251,054.77

**Location Description:**

Census tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32 i.e. areas determined to be of greatest need.

**Activity Description:**

This activity will address neighborhood stabilization in one or more of the census tracts noted above through the purchase, rehab of abandoned or foreclosed housing. The specific addresses within the census tracts will be



identified at the time the NSP funds are available for drawdown. Purchase of specific foreclosed properties will be dependent on the availability of foreclosed, moderately priced properties but priority will be given to locations near schools. Funds for this activity will be used to assist households at or below 120% AMI as allowed by the NSP. The tenure of the beneficiaries will be homeownership. The homes will remain affordability for the term of affordability which will be ensured by recorded agreements. A portion of the assistance is expected from conventional financing. The gap subsidy (or developer's subsidy) will be provided through NSP as well as the amount necessary to ensure affordability provided directly to the homebuyer. First mortgages will be offered at 20 and 30 years. The NSP soft second mortgage will be forgiven over the term of affordability. The interest rate to the homebuyer will be at the current rate of conventional financing. A minimum of 8-hours of homebuyer training will be required through one of the two HUD-approved housing counseling agencies in Rockford prior to the homebuyer obtaining a mortgage loan. All properties acquired will be at a discounted rate of a minimum of 5%. But, the City will make every attempt possible to acquire all properties at a discounted rate of minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City's Land Acquisition Officer. For housing activities, the design of the activity will ensure continued affordability. Loans will be made available at a fixed rate with terms that lend to continued affordability. The projects will be monitored and direct homebuyer's assistance will follow HOME program method of recapture. Funds will not be used to provide housing for persons whose incomes do not exceed 50% of area median.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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## Grantee Activity Number: 60

### Activity Title: Rental Program (50% of AMI or less)

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

103

**Projected Start Date:**

01/15/2009

**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.

**Activity Status:**

Completed

**Project Title:**

Acquisition and Rehabilitation

**Projected End Date:**

12/29/2021

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 331,056.04

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 331,056.04

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	4	4		100.00
# of Households	4	4		100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	4
# of Multifamily Units	2
# of Housing Units	6
# ELI Households (0-30% AMI)	
# of Properties	4

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed Budget</b>
City of Rockford	Unknown	\$ 331,056.04

**Location Description:**

Properties will be located within Census Tracts 10, 12, 13, 21, 22, 25, 26, 28 31, and 32.



**Activity Description:**

The expected benefit will be to improve and stabilize neighborhoods through the purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop. It may also include the new construction of housing. The tenure of the beneficiaries will be affordable rental housing. The duration or term of assistance will be consistent with the HOME regulations at 24 CFR 92,252 (a), (c), (e) and (f). Purchases will be at the discounted rate of a minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City's Land Acquisition Officer. To avoid potential non-compliance, the City's intent is to buy all property at a 1% discount. Interest rates will be established that are consistent with the conventional/FHA market. Since it is most likely that Tax Credits will be involved in any proposed project, the long-term affordability of the tax credit in conjunction with the HOME requirements will ensure continued affordability. Also, projects will be monitored annually in the same manner as HOME. Any change in ownership will only be allowable with the approval of the City and assumptions of the HOME conditions. The cost to acquire and rehabilitate homes is expected to exceed the after rehabilitation of the home due to Rockford's weak market. The property sold under the NSP program will be sold at FMV. The City may also provide a soft-second mortgage on each property to ensure continued affordability. The term of the soft-second will be consistent with the HOME regulations as previously noted. Funds will be used to provide housing for persons whose incomes do not exceed 120% with an emphasis on 50% of area median. At least \$318,003 of the amount of the budget will be allocated to 50 % of area median income. The estimated amount of funds to be used to provide housing for persons whose income do not exceed 50% of the AMI may be as high as \$571,751.00, which is just over 25% of our 2008 allocation.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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## Grantee Activity Number: 61

### Activity Title: Rental 120% of AMI or less

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

103

**Projected Start Date:**

01/15/2009

**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

**Activity Status:**

Completed

**Project Title:**

Acquisition and Rehabilitation

**Projected End Date:**

12/29/2021

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 528,841.76

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 528,841.76

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	5		5	100.00
# of Households	5		5	100.00

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

5

# of Multifamily Units

1

# of Housing Units

6

# of Properties

5

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

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 528,841.76

**Location Description:**

Census Tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32.

**Activity Description:**

The expected benefit will be to improve and stabilize neighborhoods through the purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop. It may also include the new construction of housing. The tenure of the beneficiaries will be affordable rental housing. The duration or term of assistance will be consistent with the HOME regulations at 24 CFR 92,252 (a), (c), (e) and (f). Purchases will be at the discounted rate of a minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City's Land Acquisition Officer. To avoid potential non-compliance, the City's intent is to buy all property at a 1% discount. Interest rates will be established that are consistent with the conventional/FHA market. Since it is most likely that Tax Credits will be involved in any proposed project, the long-term affordability of the tax credit in conjunction with the HOME requirements will ensure continued affordability. Also, projects will be monitored annually in the same manner as HOME. Any change in ownership will only be allowable with the approval of the City and assumptions of the HOME conditions. The cost to acquire and rehabilitate homes is expected to exceed the after rehabilitation of the home due to Rockford's weak market. The property sold under the NSP program will be sold at FMV. The City may also provide a soft-second mortgage on each property to ensure continued affordability. The term of the soft-second will be consistent with the HOME regulations as previously noted. Funds will be used to provide housing for persons whose incomes do not exceed 120% with an emphasis on 50% of area median. At least \$318,003 of the amount of the budget will be allocated to 50 % of area median income. The estimated amount of funds to be used to provide housing for persons whose income do not exceed 50% of the AMI may be as high as \$571,751.00, which is just over 25% of our 2008 allocation.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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**Project # / 104 / Redevelopment**

## Grantee Activity Number: 31

### Activity Title: Urban Homesteading (120% of AMI or less)

**Activity Type:**

Acquisition - general

**Project Number:**

104

**Projected Start Date:**

01/15/2009

**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

**Activity Status:**

Cancelled

**Project Title:**

Redevelopment

**Projected End Date:**

06/30/2012

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:****Total Budget:** \$ 0.00**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 0.00**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Owner Households

# of Households

**Total**      **Low**      **Mod**      **Low/Mod%**

0.0

0.0

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

# of Properties

**Total****Proposed budgets for organizations carrying out Activity:****Responsible Organization**

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 0.00

**Location Description:**

Census Tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32.

**Activity Description:**

This activity will address neighborhood stabilization in one or more of the census tracts noted above through the purchase, rehab of abandoned or foreclosed housing. The specific addresses within the census tracts will be



identified at the time the NSP funds are available for drawdown. Purchase of specific foreclosed properties will be dependent on the availability of foreclosed, moderately priced properties but priority will be given to locations near schools. Funds for this activity will be used to assist households at or below 120% AMI as allowed by the NSP. The tenure of the beneficiaries will be homeownership. The homes will remain affordability for the term of affordability which will be ensured by recorded agreements. A portion of the assistance is expected from conventional financing. The gap subsidy (or developer's subsidy) will be provided through NSP as well as the amount necessary to ensure affordability provided directly to the homebuyer. First mortgages will be offered at 20 and 30 years. The NSP soft second mortgage will be forgiven over the term of affordability. The interest rate to the homebuyer will be at the current rate of conventional financing. A minimum of 8-hours of homebuyer training will be required through one of the two HUD-approved housing counseling agencies in Rockford prior to the homebuyer obtaining a mortgage loan. All properties acquired will be at a discounted rate of a minimum of 5%. But, the City will make every attempt possible to acquire all properties at a discounted rate of minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City's Land Acquisition Officer. For housing activities, the design of the activity will ensure continued affordability. Loans will be made available at a fixed rate with terms that lend to continued affordability. The projects will be monitored and direct homebuyer's assistance will follow HOME program method of recapture. Funds will not be used to provide housing for persons whose incomes do not exceed 50% of area median.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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## Grantee Activity Number: 62

### Activity Title: Rental (120% of AMI or less)

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

104

**Projected Start Date:**

01/15/2009

**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

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Cancelled

**Project Title:**

Redevelopment

**Projected End Date:**

06/30/2012

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 0.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 0.00

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	2		2	100.00
# of Households	2		2	100.00

**Proposed Accomplishments**

	<b>Total</b>
# of Singlefamily Units	2
# of Housing Units	2
# of Properties	2

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

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 0.00

**Location Description:**

Census tracts 10, 12, 13, 21, 22, 25, 26, 28, 31 and 32.

**Activity Description:**

The expected benefit will be to improve and stabilize neighborhoods through the purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or



redevelop. It may also include the new construction of housing. The tenure of the beneficiaries will be affordable rental housing. The duration or term of assistance will be consistent with the HOME regulations at 24 CFR 92,252 (a), (c), (e) and (f). Purchases will be at the discounted rate of a minimum of 1% from the current market-appraised value of the foreclosed home or property. If the proposed acquisition is estimated at \$25,000 or less and the acquisition is voluntary, the value will be based on available data by the City's Land Acquisition Officer. To avoid potential non-compliance, the City's intent is to buy all property at a 1% discount. Interest rates will be established that are consistent with the conventional/FHA market. Since it is most likely that Tax Credits will be involved in any proposed project, the long-term affordability of the tax credit in conjunction with the HOME requirements will ensure continued affordability. Also, projects will be monitored annually in the same manner as HOME. Any change in ownership will only be allowable with the approval of the City and assumptions of the HOME conditions. The cost to acquire and rehabilitate homes is expected to exceed the after rehabilitation of the home due to Rockford's weak market. The property sold under the NSP program will be sold at FMV. The City may also provide a soft-second mortgage on each property to ensure continued affordability. The term of the soft-second will be consistent with the HOME regulations as previously noted. Funds will be used to provide housing for persons whose incomes do not exceed 120% with an emphasis on 50% of area median. At least \$318,003 of the amount of the budget will be allocated to 50 % of area median income. The estimated amount of funds to be used to provide housing for persons whose income do not exceed 50% of the AMI may be as high as \$571,751.00, which is just over 25% of our 2008 allocation.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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**Project # /** 105 / Land Bank



## Grantee Activity Number: 70

### Activity Title: Land Bank

**Activity Type:**

Land Banking - Acquisition (NSP Only)

**Project Number:**

105

**Projected Start Date:**

01/15/2009

**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

**Benefit Report Type:**

Area Benefit (Census)

**Activity Status:**

Completed

**Project Title:**

Land Bank

**Projected End Date:**

12/31/2012

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 7,198.34

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 7,198.34

**Proposed Beneficiaries**

# of Persons

**Total**

30988

**Low**

15434

**Mod**

6934

**Low/Mod%**

72.18

**Proposed Accomplishments**

# of Properties

**Total**

5

LMI%:

72.18

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

City of Rockford

**Organization Type**

Unknown

**Proposed Budget**

\$ 7,198.34

**Location Description:**

Properties will be located within Census Tracts 10, 12, 13, 21, 22, 25, 26, 28 31, and 32.

2000 Census

**Activity Description:**

This activity will allow for the establishment of land banks for homes by a governmental or nonprofit entity established to temporarily manage, and dispose of vacant homes for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. It will purchase properties in the census tracts noted above for the NSP that have been abandoned or foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties. It may also maintain abandoned or foreclosed property that it does not own, but the owner of the property will be charged the full cost of the



service or a lien will be placed on the property for the service. Properties acquired for land-banking purposes will be disposed of via Activity #2 – Urban Homesteading (50% or less of AMI), #3 - Urban Homesteading (120% or less of AMI), #6 – NSP Rental Program, or #8 – Financing Mechanisms for Purchase and Redevelopment which are outlined in this amendment. For housing activities, the design of the activity will ensure continued affordability.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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## Action Plan Comments:

- Ciampi, Amendment related to financing mechanisms in order to match budget line items is approved.
- Steele- City staff reduced the budgets for activity #30 and project #103 by \$98.27 and then marked activity #30 complete. Since this was a modification to our Action Plan, it needs to be reviewed and approved.
- Steele- Grantee completed Activity 70.

## Action Plan History

Version	Date
B-08-MN-17-0006 AP#13	03/29/2022
B-08-MN-17-0006 AP#12	02/14/2022
B-08-MN-17-0006 AP#11	01/31/2022
B-08-MN-17-0006 AP#10	02/01/2021
B-08-MN-17-0006 AP#9	11/17/2016
B-08-MN-17-0006 AP#8	08/24/2015
B-08-MN-17-0006 AP#7	01/29/2015



B-08-MN-17-0006 AP#6	08/09/2013
B-08-MN-17-0006 AP#5	03/19/2013
B-08-MN-17-0006 AP#4	10/04/2012
B-08-MN-17-0006 AP#3	01/31/2012
B-08-MN-17-0006 AP#2	02/07/2011
B-08-MN-17-0006 AP#1	08/23/2010

