

Grantee: Aurora, IL

Grant: B-08-MN-17-0001

July 1, 2009 thru September 30, 2009 Performance Report

Grant Number:

B-08-MN-17-0001

Obligation Date:**Grantee Name:**

Aurora, IL

Award Date:**Grant Amount:**

\$3,083,568.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

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: Michael Kamon 44 E. Downer Place Aurora, IL 60505 Telephone: 630-264-3060 Fax: 630-264-3070 Email: mkamon@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 Auroras 2008-2010 Consolidated Plan identifies that special emphasis is placed on the citys Neighborhood Revitalization Strategy Area. The citys 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 citys 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.

Recovery Needs:

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
- 854200 1-4
- 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 Hi 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 for or 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 City of Aurora will ensure for the longest feasible term, 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 prorate 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 Auroras 2009-2013 Consolidated Plan public hearing held on October 21, 2008:

1. John Gardiner, Fox Valley Habitat for Humanity

Mr. 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 Fox Valley Habitats current model for service regarding new construction and rehabilitation would fit nicely with the NSP program funding. He expressed that Fox Valley Habitat was very interested and willing to meet with City representatives as early as next week to outline ways that Fox Valley Habitat could help the City utilize the NSP funding. Mr. Gardiner stated that Fox Valley Habitat pre-qualifies tentative homeowners for certification, financial classes and pre-approval of mortgage application. Fox Valley 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. Sterns 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 RTAs 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 Fox Valley 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 Fox Valley Habitat would be able to double that number. He explained some of the benefits of partnering with an agency such as Fox Valley Habitat for Humanity. Below are his talking points:

Fox Valley 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 Citys NSP program. Mr. Giuffre then wanted to comment on the City annexing any additional properties to be used within the program and that Fox Valley 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 comment on CDG unit in a high density area out of Hesed Houses 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. He stated that the program is expensive but does directly help reduce the amount of homelessness. Mr. Lubshina asked Mr. Dowd to explain his priorities for Pads/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.

City of Auroras Neighborhood Stabilization Program (NSP) Budget

Total NSP Allocation \$3,083,568

Activity Name Activity Type Budget Amount Benefit Quantity Benefit Unit Cost per Benefit 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 Homebuyer Program Properties located within High Need Target areas, purchased, rehabbed and then sold to below 120% of median family income

\$1,750,000

9

Homes

\$200,000

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

N/A

\$0

Medium

NSP Demolition and Redevelopment Program Demolish blighted structures and evaluate new housing construction options

\$0

Flexible, transfer funds from another activity

0

N/A

\$0

Medium

Administration NSP allows 10% of the allocation and 10% of any program income

\$308,356

5 Years of Admin

\$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 CDB 4 CR 7.20(a) Acquisition 24CFR57.202 Eligible rehabilitation and preservation activities

(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, Michael Kamon, Director

(The City of Aurora will partner with additional organizations to carry out this activity)

(7) Location Description:

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

(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, Michael Kamon, Director

(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. As program income is received, neighborhood stabilization through homebuyer activity may be expanded to additional census tracts 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.

(9) Total Budget:

\$1,750,000 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 (A) Development of financing mechanisms and NSP (B) Purchase of

foreclosed properties; DBG 4 CFR570.21(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, Michael Kamon, Director

(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, rehabilitation, and re-sale 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, Michael Kamon, Director

(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:

\$0 public NSP funds. Leveraging to be determined. 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 this 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, Michael Kamon, Director

(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:

\$0 public NSP funds. Leveraging to be determined. If it is determined that demolition and/or redevelopment 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 this activity is funded.

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, Michael Kamon, Director

(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.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$3,083,568.00
Total CDBG Program Funds Budgeted	N/A	\$3,083,568.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$80,329.83	\$80,329.83
Expended CDBG DR Funds	\$0.00	\$80,329.83
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$165.90
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$33.33
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$462,535.20	\$0.00
Limit on Admin/Planning	\$308,356.80	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The Neighborhood Stabilization Program is in place. The City's working with multiple organization to carry out and move the program forward. To date one foreclosed property has been purchased (see Activity # 2 Homebuyers Program) which is a hgih priority and located within a high need census tract area.

Project Summary

Project #, Project Title

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
Activity # 1, Rental Program	\$0.00	\$0.00	\$950,000.00	\$0.00
Activity # 2, Home buyer Program	\$0.00	\$0.00	\$1,750,000.00	\$0.00
Activity # 3, Homebuyer Counseling	\$0.00	\$0.00	\$25,212.00	\$0.00
Activity # 4, Financing Mechanisms for Purchase &	\$0.00	\$0.00	\$50,000.00	\$0.00
Activity # 5, Land Bank	\$0.00	\$0.00	\$0.00	\$0.00
Activity # 6, Demolition & Redevelopment Program	\$0.00	\$0.00	\$0.00	\$0.00
Activity # 7, Administration	\$0.00	\$0.00	\$308,356.00	\$0.00

Activities

Grantee Activity Number: Activity # 1

Activity Title: Rental Program

Activity Category:

Acquisition of property for replacement housing

Activity Status:

Planned

Project Number:

Activity # 1

Project Title:

Rental Program

Projected Start Date:

06/01/2009

Projected End Date:

11/01/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

City of Aurora Neighborhood Redevelopment

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$950,000.00
Total CDBG Program Funds Budgeted	N/A	\$950,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

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.

Location Description:

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

Activity Progress Narrative:

The City has created a multi-family property selection criteria to determine housing market and stabilization needs. We've been tracking these properties through the MLS and Kane County Lis Pendens filing. The city has completed request for proposals for project managers, lead assessors, appraisers, rehabilitation professionals, realtors, and title companies. We're ready to select our partners and begin acquiring, rehabbing, and renting units to families.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/7
# of Households benefitting	0	0	0	0/7	0/0	0/7
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/7
Total acquisition compensation to	0	0	0	0/0	0/0	0/0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number:	Activity # 2
Activity Title:	Home buyers Program

Activity Category:

Acquisition of property for replacement housing

Activity Status:

Under Way

Project Number:

Activity # 2

Project Title:

Home buyer Program

Projected Start Date:

06/01/2009

Projected End Date:

11/01/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Aurora Neighborhood Redevelopment

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,715,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,715,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$80,329.83	\$80,329.83
Expended CDBG DR Funds	\$0.00	\$80,329.83
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$165.90
Program Income Drawdown	\$0.00	\$0.00

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.

Location Description:

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

Activity Progress Narrative:

NSP Homebuyer program funds used to purchase a vacant foreclosed residential home located at 329 S. Lincoln Ave, Aurora, IL 60505, for a total of \$79,724.83. Property is located in census tract 8541 which is in an area with the greatest need based on the need categories identified in section 2301 (c) (2) of HERA. Associated costs include Appraisal for a cost of \$400.00, Property clean up totaling \$50.00, and residential locks installed for \$155.00. Total project expenditures to date totals \$80,329.83 and \$165.90 received in program income.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	1/9
# of Households benefitting	0	0	0	1/9	0/0	1/9
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0

# of Parcels acquired voluntarily	0	0	0	0/0	0/0	1/9
Total acquisition compensation to	0	0	0	0/0	0/0	0/0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number:	Activity # 3
Activity Title:	Homebuyers Counseling

Activity Category:

Public services

Activity Status:

Planned

Project Number:

Activity # 3

Project Title:

Homebuyer Counseling

Projected Start Date:

06/01/2009

Projected End Date:

07/30/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Aurora Neighborhood Redevelopment

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$25,212.00
Total CDBG Program Funds Budgeted	N/A	\$25,212.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

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

Location Description:

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

Activity Progress Narrative:

The City drafted a subrecipient agreement for Joseph Corporation to conduct homebuyer counseling. We are working to finalize the budget for this agreement. Joseph Corporation has been cultivating clients to counsel.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Public Facilities	0	0	0	0/0	0/0	0/0
# of Businesses	0	0	0	0/0	0/0	0/0
# of Non-business Organizations	0	0	0	0/0	0/0	0/0
# of Persons benefitting	0	0	0	0/9	0/0	0/9
# of Cases opened	0	0	0	0/9	0/0	0/9
# of Cases closed	0	0	0	0/9	0/0	0/9

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number:	Activity # 4
Activity Title:	Financing Mechanisms for Purchas and Redevelopment

Activitiy Category:

Homeownership Assistance to low- and moderate-income

Activity Status:

Planned

Project Number:

Activity # 4

Project Title:

Financing Mechanisms for Purchase & Redevelopment

Projected Start Date:

06/01/2009

Projected End Date:

09/01/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Aurora Neighborhood Redevelopment

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$50,000.00
Total CDBG Program Funds Budgeted	N/A	\$50,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

This activity will address neighborhood stabilization efforts in the identified high need census tracts through purchase, rehabilitation, and re-sale of foreclosed properties. Homes purchase will ultimately become available for single-family homeownership. Homebuyers will be required to receive home purchase counseling from 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.

Location Description:

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

Activity Progress Narrative:

This activity will address neighborhood Stabilization efforts in the identified high need census tracts through purchase, rehabilitation, and re-sale of foreclosed properties. Homes purchased will ultimately become available for single family homeownership. Homebuyers will be required to recieve home purchase counseling from 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 85.36

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/10
# of Households benefitting	0	0	0	0/10	0/0	0/10

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	Activity # 7
Activity Title:	Administration

Activity Category:

Administration

Activity Status:

Planned

Project Number:

Activity # 7

Project Title:

Administration

Projected Start Date:

10/01/2008

Projected End Date:

07/30/2013

National Objective:

N/A

Responsible Organization:

City of Aurora Neighborhood Redevelopment

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$308,356.00
Total CDBG Program Funds Budgeted	N/A	\$308,356.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

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

Activity Progress Narrative:

The City is tracking staff administration costs and will begin drawing funds based on these costs. We have been waiting to draw funds until we are ready to partner with a project manager. We have recieved proposals from 5 project managers to date. The City is in the process of selectiong a PM to begin working on NSP. We will select a PM and begin acquiring properties by the end of the year.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

