



2017 Annual Action Plan

This document includes Narrative Responses to specific questions that grantees of the Community Development Block Grant, HOME Investment Partnership, Housing Opportunities for People with AIDS and Emergency Shelter Grants Programs must respond to in order to be compliant with the Consolidated Planning Regulations.

GRANTEE: City of Beloit
CON PLAN PERIOD: 2015 to 2019
ANNUAL PLAN YEAR: 3

Substantial Amendment 1

Introduction

The City is submitting a substantial amendment to the 2017 Annual Action Plan in order to reprogram prior year unspent CDBG to fund Neighborhood Revitalization Strategy Areas (NRSA) activities. The Plan outlines practical actions steps for a coordinated response to addressing various concerns in the community of Beloit, specifically related to deteriorating properties, vacant and abandoned housing, an increasing number of rental properties, high rates of poverty and unemployment, and an increase in violent crimes.

The City obtained community input through a variety of forums in order to identify the needs of Beloit residents, Hackett and Merrill neighborhoods, businesses, and other community stakeholders. These efforts included individual interviews, stakeholder meetings, community listening sessions, neighborhood tours, and an online survey. The City also consulted with a variety of public services agencies, community organizations, business leaders, and other City Departments. The City conducted research and consulted with local agencies to assess current resource capacity and to develop coordinated efforts to fill gaps and meet the needs of the people.

Request for Regulatory Relief

The Development of Neighborhood Revitalization Strategy Areas (NRSA) allows the City to use Community Development Block Grant (CDBG) funding more flexibly. HUD approval of the NRSA designations provides regulatory relief from the public service cap requirement and percentage of LMI required for housing activities. With this Substantial Amendment, the City is requesting regulatory relief for the following:

- Public Service Cap Exemption: Public Services carried out under a HUD-approved NRSA are not subject to the 15% public service cap when carried out by certain organizations. This will allow the City provide more funding to subrecipients that carry-out public service activities to individuals residing in the NRSA's.
- Aggregation of Housing Units: Housing units assisted in an approved NRSA allows the City to provide CDBG funded rehabilitation to higher income households as long as at least 51% of household assisted are of low-moderate income. The City plans to use the aggregation of housing units for its rehabilitation

program activities in order to expand these opportunities to higher income individuals within the NRSA neighborhoods in order to promote mixed income neighborhoods.

NRSA Activities

The City is proposing to fund the following activities identified in the NRSA Plan with prior year unspent CDBG funding. The first three programs are Public Service programs but will be exempt from the Public Service Cap because they will be carried out by a qualified organization (Community Based Development Organization):

1. Resources Navigator: The Plan identifies the need for a community liaison to assist residents with locating and securing financial and supportive resources needed for success. The City is proposing to fund a Systems Navigator position with CDBG who can provide assistance to residents living in the two Census Tracts defined in the City of Beloit NRSA plan. They will conduct an analysis of needs and provide resource referral services to clients by facilitating and managing the coordination of agency and community resources available to clients. They will develop and maintain relationships with area service providers necessary to remain up-to-date in the knowledge of available services; increase the services available to neighborhood residents; and better coordinate existing services in the interest of aiding residents to progress toward greater self-sufficiency as it relates to their educational, financial, and basic needs.
2. Community Social Worker: The Plan identifies a need in the community regarding mental health issues related to generational poverty, neighborhood violence, and substance abuse. Even lead-based paint, infestations, unsanitary conditions include urine and feces can have a traumatic effect on people living in those conditions. When these issues are experienced by children, they can have long term effects on mental health and coping strategies. The plan explains that the Beloit Fire Department identified a need in the community regarding residents who are finding it difficult to remain in their homes due to having health related issues. There are numerous residents in the community that are contacting the Fire Department and Emergency Medical Services (EMS) to assist them with everyday living situations. There are also residents that Paramedics encounter who should be connected to more supportive services in order for them to safely live on their own.

The City is proposing to fund a Community Social Worker position with CDBG funds to work with residents in the NRSA neighborhoods that have been identified by health providers, service agencies, or local emergency responders to connect residents with the appropriate medical, supportive service, and mental health agencies in order to connect the population to the supportive services they need. The Community Social Worker will determine the professional needs of an identified resident and facilitate their connection to long-term professional case management, mental health counseling, or medical care, and provide follow-up case management until the resident can be fully supported.

3. Down Payment Assistance: The Neighborhood Revitalization strategies include objectives that encourage housing opportunities for households with a broad range of incomes, including those with moderate to middle income in order to improve the housing market dynamic in the neighborhoods. The City is proposing to fund down payment assistance with CDBG to be provided to homebuyers in the NRSA neighborhoods, in order to increase opportunities of low-moderate income (LMI) households to become homeowners.

4. Housing Rehabilitation Loan Program (RLF): The Plan identifies the need to improve the physical condition of the City's housing stock. The City is proposing to provide additional CDBG funding to the City's Housing Rehab Loan Program in order to improve housing quality for both LMI households and households of higher income in the two NRSA neighborhoods.

5. Code Enforcement: The Plan identifies the need to improve the physical condition of the City's housing stock. The City is proposing to provide CDBG funding to the Code Enforcement program in order to assist with meeting this need. CDBG funding for Code Enforcement can only be used in low-moderate income areas of the City, which includes the two NRSA neighborhoods. The City's Code Enforcement program is part of an overall strategy to improve and maintain the City's aging housing stock. In addition, this funding will fill the gap left by the reduction in CDBG Program Income due to the inability to charge rental registration fees.

Reprogramming Budget

The City is proposing to reprogram prior year CDBG funding as follows. The City has consulted with the agencies regarding their capacity to carry out the proposed services with the amount of funding proposed. The funds will be used throughout 2017 and part of 2018. A more detailed table is provided as Attachment A:

Project	Unspent CDBG Amount
Economic Development	\$ 354,943.00
Public Services	\$ 1,844.00
Clearance (Demolition)	\$ 1,345.00
TOTAL Unspent CDBG	\$ 358,132.00

Agency and Project to be Funded	Reprogrammed CDBG Amount
Community Action, Inc. – Resources Navigator	\$ 75,000.00
Family Services – Community Social Worker	\$ 75,000.00
NeighborWorks – Down Payment Assistance	\$ 50,000.00
City of Beloit – Housing Rehab Loan Program	\$ 78,791.00
City of Beloit Code Enforcement	\$ 78,341.00
TOTAL to be Reprogrammed	\$ 358,132.00

Attachment A

CDBG Reprogramming Table – 2017 Annual Plan Substantial Amendment

Prior Year Unspent CDBG Funding	2013		2014		2015		2016		TOTAL
	EN	PI	EN	PI	EN	PI	EN	PI	
Economic Development	\$ 11,350	\$ 216,646			\$ 80,000			\$ 46,947	354,942
Public Services							\$ 1,844		1,844
Clearance (Demolition)	\$ 1,345								1,345
									358,131

Reprogrammed as Follows									TOTAL
Community Action, Inc. - Resources Navigator		\$ 75,000							\$ 75,000
NeighborWorks – Down Payment Assistance					\$ 1,209		\$ 18,445	\$ 46,947	\$ 50,000
Family Services – Community Social Worker		\$ 75,000							\$ 75,000
City of Beloit – Housing Rehab Loan Program					\$ 78,791				\$ 78,790
City of Beloit – Code Enforcement	\$ 12,695	\$ 66,646							\$ 79,341
EN = Entitlement Funds PI = Program Income									358,131