

**Substantial Amendment:
FY 2025 – Addition of Projects & Budget Amendments**

The City of Rockford was awarded FY 2025 Federal Award on 1/28/2026. Awards consisted of the following:

Community Development Block Grant (CDBG): \$2,254,724
Plus \$30,000 anticipated Program Income (PI)

Home Investment Partnership Program (HOME): \$961,680.65
Plus \$14,059.09 PI received during 2024, budgeted in 2025

Emergency Solutions Grant (ESG): \$195,054

The FY 2025 grants were budgeted as follows: (PI is not included in the budget below)

Projects	CDBG	HOME	ESG
Housing New Construction		\$673,176.47	
Preservation of Housing	\$1,015,344.20		
CHDO Support & Development		\$144,252.10	
		\$48,084.02	
Project Delivery	\$353,435.00		
To Reach Functional Zero for Families, Youth, and Single Adults			\$195,054.00
Public Services	\$10,000.00		
Clearance/Demolition	\$300,000.00		
Business Support	\$125,000.00		
Overall Coordination	\$450,944.80	\$96,168.06	
	\$2,254,724.00	\$961,680.65	\$195,054.00

When the FY 2025 Budget was developed, the City funded Homeownership, Non-Housing Community Development Needs, and ED Property Development with prior year grant funds. These projects were not funded with FY 2025 grant funds. Later, as the City was submitting the FY 2025 AAP, as part of the 2025-2029 Consolidated Plan, the Department of Housing and Urban Development (HUD) informed the City that since the City did not fund these projects with FY 2025 grant funds, the projects could not be included as part of the FY 2025 Annual Action Plan.

The City Federal budget must be as flexible as possible. Therefore, it should include funding for every eligible goal. This allows for amendments when the following occurs:

- Projects become shovel ready and/or program expenditure deadlines are near.
 - Pipeline of housing projects include new construction and/or rehabilitation of rental and/or homeownership units.
 - Economic Development activities provide for business support or property development
 - Community projects generally include sidewalks, demolitions, and/or public services.
- The City is applying for other Federal, State, or Local grant funds to supplement current programming.
- A project/activity needs additional funding and it was originally funded from a prior year grant.

The City followed this same philosophy when developing the FY 2026 Federal budget and making amendments to the prior year grants recently. Had the FY 2025 Annual Action Plan and 2025-2029 Consolidated Plan been approved by HUD at the time, the City would have proposed this amendment, as well. Therefore, the City proposes to add the following Projects to the City's FY 2025 Annual Action Plan, which is included as part of the City's 2025-2029 Consolidated Plan:

- CDBG Projects Added
 - HS-4 Homeownership
 - CDS-1 Non-Housing Community Development Needs
 - EDS-2 Property Development
- HOME Projects Added
 - HS-2 Preservation of Housing
 - HS-4 Homeownership

As mentioned previously, each project must be funded to be included in the Annual Action Plan. Therefore, the City proposes to amend the FY 2025 budget as follows:

- CDBG
 - The Preservation of Housing budget of \$1,015,344.20 would be reduced to allow for the following budget increases:
 - \$25,000 Homeownership
 - \$250,000 Non-Housing Community Development Needs
 - \$50,000 Property Development (ED)
- HOME
 - Since the City reserves the right to reallocate Community Housing Development Organization (CHDO) operating if not requested by the end of the year, the City proposes to reallocate the CHDO operating dollars of \$48,084.02 that were not requested, as follows:
 - \$24,042.02 to Preservation of Housing
 - \$24,042 to Homeownership

Below is what the new FY 2025 Budget would look like, should this Substantial Amendment be approved.

Projects	CDBG	HOME	ESG
Housing New Construction		\$673,176.47	
Preservation of Housing	\$690,344.20	\$24,042.02	
CHDO Support & Development		\$144,252.10	
Homeownership	\$25,000	\$24,042.00	
Project Delivery	\$353,435.00		
To Reach Functional Zero for Families, Youth, and Single Adults			\$195,054.00
Non-Housing Community Development Needs	\$250,000		
Public Services	\$10,000.00		
Clearance/Demolition	\$300,000.00		
Business Support	\$125,000.00		
ED Property Development	\$50,000		
Overall Coordination	\$450,944.80	\$96,168.06	
	\$2,254,724.00	\$961,680.65	\$195,054.00

