

1 INTRODUCTION + BACKGROUND

The City of Aurora (“City”) requests to update and expand a previous Neighborhood Revitalization Strategy Area (NRSA) designation, as defined by the Department of Housing and Urban Development (HUD), pursuant to 24 CFR 91.215 (e)(2). This Amendment is submitted as part of the City’s 2020 – 2024 Consolidated Plan and is in conformance with HUD regulations.

What is an NRSA?

The NRSA is a special provision under the Community Development Block Grant Program to reinvigorate distressed community areas. Selection of an NRSA must be based on an assessment of economic conditions, opportunities for economic development and anticipated barriers and challenges. An NRSA plan should promote economic progress with a focus on activities that would create economic opportunities for low- and moderate-income residents of the NRSA. The City has developed actionable benchmarks over the course of the next five years, and will monitor progress made every year with annual reports to HUD.

Benefits of the Designation

The rules governing the use of grant money are more flexible for NRSAs than for regular CDBG programming, which promotes innovative approaches to economically disadvantaged areas developed under particular neighborhood needs, rather than strictly on income. CDBG funds designated for NRSAs are more flexible in these ways:

1. *Job Creation/Retention as Low/Moderate Income Area Benefit:* Job creation / retention activities pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the incomes of persons that are considered or hired for such jobs (24 CFR 570.208(a)(1)(vii) and (d)(5)(i));
2. *Aggregation of Housing Units:* Housing units assisted as part of the strategy may be considered part of a single structure for purposes of applying the low/moderate-income national objective criteria, thus providing greater flexibility to carry out housing programs that revitalize a neighborhood (24 CFR 570.208(a)(3) and (d)(5)(ii));
3. *Aggregate Public Benefit Standard Exemption:* Economic Development activities carried out under the strategy may, at the grantee’s option, be exempt from the aggregate public benefit standards, thus increasing a grantee’s flexibility for program design as well as reducing its record-keeping requirements (24 CFR 570.209(b)(2)(v)(L) and (M)); and
4. *Public Service Cap Exemption:* Public Services carried out pursuant to the strategy by a Community Based Development Organization will be exempt from the public service cap (24 CFR 570.204(b)(2)(ii)).

History of Aurora’s NRSA

The City’s NRSA plan was originally created in 1999 and subsequently amended in 2011. Through this designation, Aurora aimed to improve outcomes and effectiveness of its CDBG funding from HUD. Since the designation, the City has assisted several economic development projects, and numerous

households and organizations which has helped to alleviate economic and social distress within and adjacent to Downtown Aurora. These activities include:

- Preserving the existing housing stock through single-family housing rehabilitation programs.
- Down payment assistance incentives for income-qualified, first-time homebuyers seeking homes located within the NRSA.
- An increase in affordable housing through the adaptive re-use of another large, historic building when the long-time vacant, former St. Charles Hospital building (on the National Historic Register) was converted to affordable senior housing through a nearly \$25 million renovation. This project created 56 rental units and four market-rate rental units. Financed in part through Low Income Housing Tax Credits (9%), this project was able to score competitively under the Tax Credit Program's Community Revitalization Plan criterion due to its location within the NRSA.
- Located within the City's downtown, the City's most recent NRSA multi-use redevelopment (residential and commercial) project of three large, historic buildings within the NRSA resulted in the preservation (38 units) and creation (38 units) of seventy-six affordable rental housing units. This project's commercial development of a restaurant and performing arts school will create 75-100 new permanent jobs and attract 150,000 to 200,000 annual visitors to the area that will further stimulate the local economy. This project had several funding sources including LIHTC and HUD funds. For both programs, the NRSA location benefited the project's funding opportunities in anticipation of the economic and housing development opportunities.

While the City has seen improvements through these small and large-scale initiatives, the City's current NRSA boundary has limited the City from fully realizing the designation's potential for neighborhood revitalization for communities in and around Downtown Aurora, particularly given that many critical community assets and commercial gateways that are important to the broader downtown revitalization efforts were not included in the previous NRSA designation.

Since the 2011 NRSA amendment, the City released a 2017 Downtown Aurora Master Plan, which guides investment for downtown Aurora on the West and East sides of the Fox River. Expanding the NRSA boundary will complement this broader investment going into Downtown Aurora by incentivizing economic development activity that encompasses key gateways identified in the Master Plan, offer affordable housing incentives to a greater number of households surrounding the Downtown, which would counterbalance any negative impacts from increased investment (i.e., displacement). Since the housing stock and population of the proposed amended NRSA boundary share similar socio-demographic and neighborhood characteristics as the previous NRSA, the expansion would help promote social and neighborhood cohesion among communities along the Fox River.

2 PLANNING AREA

Boundary

The City is proposing one, contiguous Neighborhood Revitalization Strategy Area focused on the Fox River, Downtown Aurora and adjacent neighborhoods. Selection of the boundary was determined by an

analysis of HUD income data, consultations with community stakeholders, and building off of previous planning work from the 2017 Downtown Master Plan.

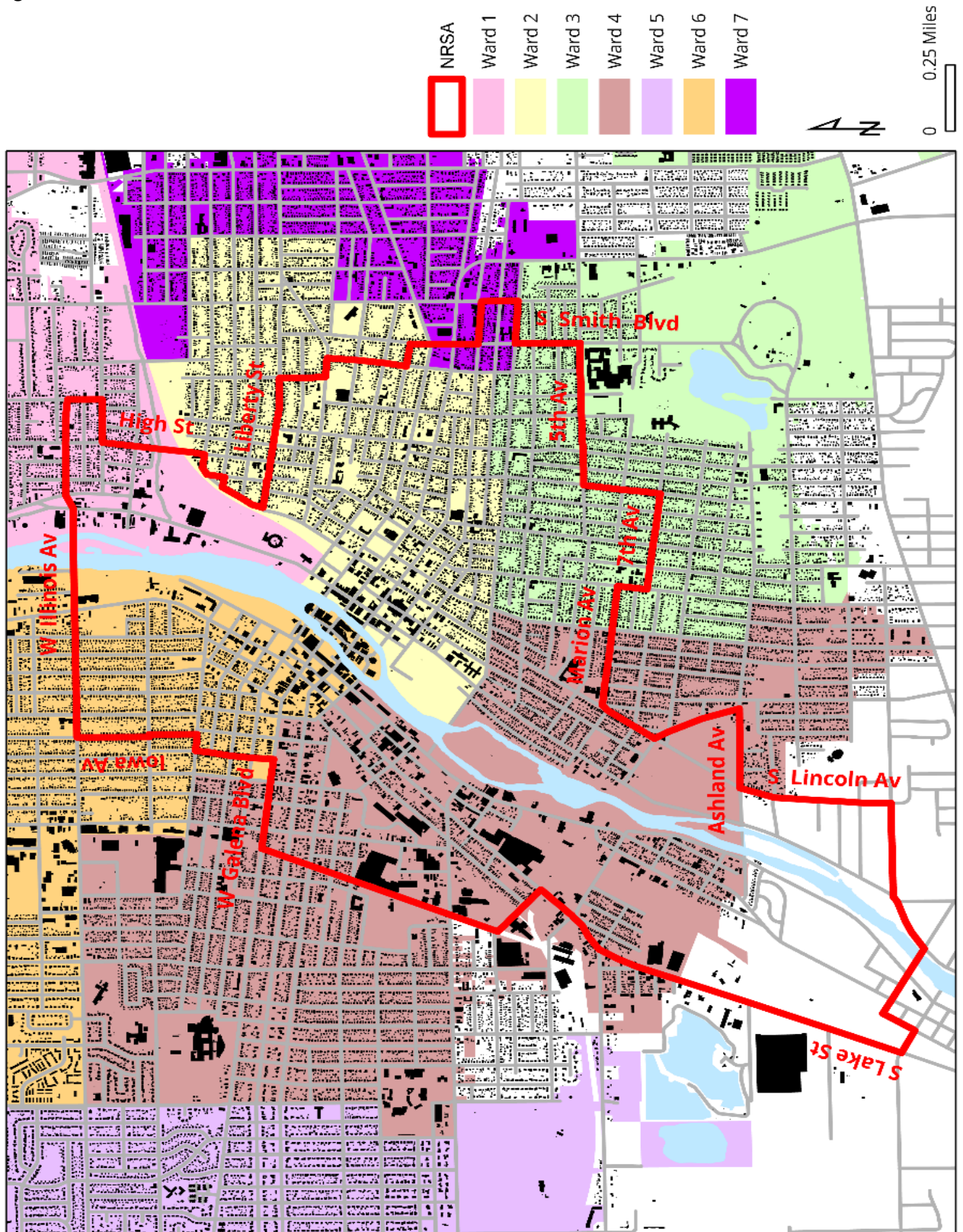


Figure 1. NRSA Boundary Map, City of Aurora