HOUSING

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.

Program Year 5 Action Plan Specific Objectives response:

The priorities and specific objectives are to maintain the current housing stock, increase in the number of home buying opportunities, provide housing for the homeless, and reduce blight by removing dilapidated housing not suitable for rehabilitation and through code enforcement activities.

A summary of what Rockford hopes to achieve with current available resources are defined in the table below. A more detailed enumeration of output and outcome objectives for individual housing projects is included in Appendix 2.

Type of Housing Activity	#of Units
Rehabilitation Units	41
Housing Projects (Non-Profits)	1
Homeless Projects/Programs	5
Homebuyer Assistance Activities	12
Construction of Ramps	6
Demolition	22*
Code Enforcement	3455

*It is anticipated that an addition 80 properties will be demolished leveraging the CDBG program funds.

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 5 Action Plan Specific Objectives response:

The numbers reflected in the table above are assuming level funding of CDBG, HOME and ESG. In addition, a more detailed description of expected resources is illustrated in the response to question number four in the General Questions section of this document. The limited amount of funds and flexibility continues to hamper the City's ability to address its economic challenges and to redevelop the city. Rockford will continue to look for other funds such as the State Illinois Housing Development Authority and other HUD funds to help address our needs.

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.

Program Year 5 Action Plan Public Housing Strategy response:

As a means to provide the greatest opportunity to public housing clients, Winnebago County Housing Authority (WCHA) and Rockford Housing Authority (RHA) address the needs of public housing by continuing to support the de-concentration of public housing as well as the advancement of opportunities to improve existing public housing stock. These efforts may include but are not limited to the support of grant, tax credit and financing applications, the promotion of home ownership programs and education and the promotion of resident networks or councils under the Neighborhood Network structure as well as through community policing via a neighborhood officer relationship. WCHA and RHA will continue to provide wait list preferences for working families, disabled families, veterans and the surviving spouses of veterans, elderly families and families displaced by natural disaster and domestic violence.

With public housing sites in Rockford, South Beloit, Winnebago County, Stephenson County and Boone County, with other affordable housing programs and partnerships in Winnebago County, Stephenson County, Boone County, Ogle County, Jo Daviess County and DeKalb County, which encourages resident's mobility to need for supportive services such as employment, education, veteran support and disability support, the needs of public housing are being addressed. A Statement of Housing Needs is also conducted to analyze community and program needs and provide targeted housing response within these areas.

In terms of home ownership, the Public Housing Family Self Sufficiency and Housing Choice Voucher Family Self Sufficiency programs are in place to guide residents to realizing the dream of owning a home. Computer technology programs are offered under the site lab Networks that brings homeownership resource assistance to all HA sites. The programs are also made available to the general public which promotes community growth. RHA and WCHA are committed to continue to work as partners to advance homeownership possibilities.

Resident councils are supported by the HAs at all sites and have sponsored a resident council coalition to result in an agency-wide Resident Advisory Board. All policy matters such as the Admissions and Continued Occupancy Policy, Administrative Plan, Agency Plan and other documents that may be required by HUD are presented to the resident councils and to the resident bodies through both formal hearing and informal meetings. The comments of the resident council are then provided to the board at the board meetings. The Executive Director and CEO meet monthly with the resident councils. All updates and changes are directed to each of the resident council presidents. The presidents then share this information with the resident council members.

In an effort to provide instant and continuous information to all residents and the public, the use of electronic media (Facebook) has been implemented. The board advertises through the media and post notices at the sites for each board meeting. Also, the regular monthly meetings are held at different sites to allow for easier access for the residents to attend. Although attendance is not mandatory, it is strongly encouraged that the residents participate in these meetings.

2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 5 Action Plan Public Housing Strategy response:

WCHA is a HUD designated top performer agency; RHA is a standard performer agency. Neither WCHA or RHA are troubled housing authorities; however, to the extent of availability of funds and application for qualified CBDG or HOME program fund dollars, the jurisdiction will assist in the application for such funds as a means to advance HA housing quality.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 5 Action Plan Barriers to Affordable Housing response:

As demographic changes and weak economic conditions are increasing there is a demand for decent affordable housing. But, there continues to be barriers.

The City of Rockford will continue its rehabilitation assistance and homebuyer assistance programs. The programs offered help people stay in their homes and helps to transition people from renting to home ownership. The goals of the programs are to help reduce the number of vacancies, increases neighborhood stability, increase family wealth, and preserve affordable housing.

The Rockford Housing Authority, working with the Continuum of Care has established a point priority system for persons who are homeless in our community.

Weatherization services shall be provided to approximately 150 low-income homeowners to bring their utility costs down making their housing more affordable.

City of Rockford Human Services caseworkers have worked hard to engage clients and provide follow-up support to ensure they are staying on track financially with their rent and utilities. Tenants are given information on how to work with landlords and encouraged to maintain frequent contact with them in case of issues with rent payments, needed repairs, etc. City staff also works to ensure that the units clients are living/renting are affordable by comparing them to local rent reasonableness and by making sure that the clients are not paying more that 50% of their income toward the rent. In the event of client-landlord issues, we make referrals to Prairie State Legal services to help mediate the situation. When working with clients who are on a

fixed income (such as SSI), caseworkers make every effort to link them with local PHA's or other subsidized housing programs.

RHA and WCHA will work to create cost effective affordable housing integrated into opportunity areas and partnered with educational resources. Jointly, the Housing Authorities will continue advancing efforts related to access and the inventory of QUALITY affordable housing. These efforts will be in tandem with the HA's instrumentalities. For RHA, this includes Bridge Rockford Alliance (RHA instrumentality) and its subsidiary, Illinois Housing Alliance. For WCHA this includes Winnebago Homes Association its instrumentality. The specific instrumentality and subsidiary actions include the acquisition and restoration of foreclosed properties, the renovation of existing units, the ongoing review of process and policies and the participation in local and regional efforts.

The Housing Authority will aggressively pursue the elimination of crime in public housing sites through such programs as Metro Policing and the Emergency Safety and Security program.

The experience as housing authorities allows both to effectively implement the following affirmative steps and methods to address impediments to Fair Housing and promote Fair Housing rights and choice:

1. Research and identify the impediments to Fair Housing in the state of Illinois

2. Address the specific impediments that are relevant to HA activities

3. Keep website(s) current in order to provide the necessary resources to housing providers, applicants and tenants

4. Provide training on Fair Housing issues, resources, and solutions to housing providers and staff

5. Maintain records of actions, goals, and outcomes

As WCHA and RHA work with landlords and families for placement in affordable housing in opportunity areas, the HAs will continue to provide assistance to residents, applicants, and property staff in understanding program rules while ensuring Section 8 owner compliance with Fair Housing regulations, thus reducing the likelihood of discrimination in rental practices. The Section 8 program staff provides owners with technical assistance to help them better understand their responsibilities in regards to any Fair Housing complaint. This improves the housing provider's knowledge and organizational capacity. In cases where Fair Housing complaints and inquiries to the HA are outside the scope of the ACC and additional guidance is needed, up-to-date lists of tenant associations and advocacy groups are available to assist individuals with Fair Housing issues. Similarly, consolidated list of legal aid providers are maintained to assist with cases involving legal matters.

RHA and WCHA will continue to project based vouchers at higher Payment Standards in opportunity areas to ensure a permanent placement at competitive use to funding, with such complement requiring service programs for disabled and elderly families.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).

Program Year 5 Action Plan HOME/ADDI response:

The City only uses the forms of investment described in the above referenced regulations. HOME will be leveraged with the Illinois Housing Development Authority as well as funding to HomeStart for counseling.

2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.

Program Year 5 Action Plan HOME/ADDI response:

The City intends to provide HOME funds to homebuyers. Primarily, the homebuyer programs will follow the recapture guidelines. However, when the City provides developer subsidy (i.e., the difference between the cost of producing the affordable unit and the fair market value of the unit) and does not provide direct HOME subsidy as defined below, resale guidelines will be followed as noted below. To ensure compliance, the City will enforce deed restrictions, homebuyer agreements and/or covenants recorded at the Winnebago County Recorder's Office.

Recapture:

Period of Affordability is the length of time the assisted low income homebuyer must occupy the unit as their primary residence. The chart below demonstrates the period of affordability based on the amount of direct HOME subsidy, as required.

Period of Affordability	
Total HOME funds provided to the homebuyer	Minimum Period of Affordability
Under $15,000	5 years
Between $15,000 and $40,000	10 years
Over $40,000	15 years

Direct HOME Subsidy, is the amount of HOME assistance that enabled the low income homebuyer to purchase a unit. This includes down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer, and/or the difference between the fair market value of the property and a reduced sales price attributable to HOME development assistance. The direct HOME subsidy is subject to recapture during the term of affordability.

If the unit is sold during the term of affordability either voluntarily or involuntarily, the City completes a pro rata reduction over time calculation and shares net proceeds. *Net proceeds* are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. If the net proceeds are not sufficient for the City to recapture the direct HOME subsidy (as reduced through the pro rate reduction over time) and ensure the homebuyer recovers the amount of their initial investment* plus any capital improvement investments** since time of purchase, the City and the homebuyer will share the net proceeds using the equation below. The City shall not recapture more than the direct HOME subsidy and if the net proceeds are zero, no direct HOME subsidy will be recaptured.

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{Amount to Homebuyer}$$

$$\frac{\text{Direct HOME Subsidy}}{\text{Direct HOME Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{Amount to City}$$

When the City allows for a lease purchase, the City will ensure HOME affordability requirements for rental housing are used if the property is not transferred to the homebuyer within forty-two months after project completion.

To preserve affordability of the unit purchased, the City may use additional HOME funds to acquire through a purchase option, right of first refusal, or other preemptive right before foreclosure, or to acquire the housing at the foreclosure sale, to undertake any necessary rehabilitation, and to provide assistance to another homebuyer. The City may also allow for subsequent low-income homebuyer to assume the existing HOME loan and recapture obligations.

Resale:

Period of Affordability for resale is based on the total amount of HOME funds used to develop the affordable unit is as follows:

Period of Affordability	
Total HOME funds	Minimum Period of Affordability
Under $15,000	5 years
Between $15,000 and $40,000	10 years
Over $40,000	15 years

A unit is sold voluntary or involuntary during the term of affordability when there are net proceeds (as previously defined), the homebuyer shall receive a *Fair Return* on their investment. The City calculates a fair return by multiplying the percentage change in the Consumer Price Index (CPI) over the period of ownership by the amount of the homebuyer's initial investment plus any capital improvement investments since time of purchase. Therefore, at time of sale, if net proceeds allow, the initial homebuyer may receive up to the sum of their initial investment, capital improvements, and fair return. The City shall not receive more than the total HOME investment.

Fair Return equation:

(Initial Homebuyer Investment + Capital Improvements) X % CPI change = Fair Return

Besides allowing for the initial homebuyer to receive a fair return on their investment, the City must ensure the unit is affordable to a reasonable range of low-income homebuyers. *Affordable to a reasonable range of low income homebuyers* is defined as homebuyers with household income between sixty (60) and eighty (80) percent of the area median income paying no more than thirty (30) percent of their income for principal, interest, property taxes, and insurance; exceptions to the 30% may be made for those using Federal Housing Administration (FHA) financing. The sales price is based on the current market value and not what is affordable to the subsequent buyer. Since the City must ensure the property is sold to an income eligible homebuyer during the term of affordability, the City may provide the subsequent homebuyer additional HOME funds if necessary to make the unit affordable.

* Homebuyer's initial investment includes any homebuyer contributions at time of purchase. Examples may include down payment, closing costs, and earnest money.

** Capital improvement investments may include documented (paid invoices/receipts) improvements to the unit which adds value or substantially prolongs the life of the unit. Examples may include, roof and/or window replacement, electrical and/or plumbing upgrades, bathroom and/or kitchen remodel. Examples do not include replacing worn or dated components such as appliances or carpet.

3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
   a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
   b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
   c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
   d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
   e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
   f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

Program Year 5 Action Plan HOME/ADDI response:

The City does not intend to refinance multi-family debt.

4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
   a. Describe the planned use of the ADDI funds.
   b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
   c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 5 Action Plan HOME/ADDI response:

The ADDI program is no longer available.