

Section I. Introduction

Overview

This document represents the Five-Year Consolidated Plan for Housing and Community Development for the City of Rockford, Illinois, covering plan years 2005-2009. HUD describes the Consolidated Plan in the following manner:

The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers local jurisdictions the opportunity to shape the various housing and community development programs into effective, coordinated neighborhood and community development strategies. It also creates the opportunity for strategic planning and citizen participation to take place in a comprehensive context, and to reduce duplication of effort at the local level.²

The Consolidated Plan was initiated in 1994, when the U.S. Department of Housing and Urban Development (HUD) issued new rules consolidating the planning, application, reporting, and citizen participation processes of four formula grant programs: Community Development Block Grants (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for People with AIDS (HOPWA).

The single planning process is intended to help the City fulfill more comprehensively three basic goals: to provide decent housing, to provide a suitable living environment, and to expand economic opportunities. These three goals are defined further as follows:

1. Provision of decent housing may involve helping homeless people obtain appropriate housing, retaining the affordable housing stock, increasing the availability of permanent affordable housing for low-income households without discrimination, and/or increasing supportive housing to assist persons with special needs.
2. Providing a suitable living environment means improving the safety and livability of neighborhoods, including the provision of adequate public facilities; reducing isolation of income groups within communities through special de-concentration of housing opportunities for persons of low income; revitalization of deteriorating or deteriorated neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; as well as conserving energy resources.
3. Expanding economic opportunities emphasizes job creation and retention, providing access to credit for community development, and assisting low-income persons to achieve self-sufficiency in federally assisted and public housing.

² "Guidelines for Preparing a Consolidated Plan Submission for Local Jurisdictions," U.S. Department of Housing and Urban Development, Office of Community Planning and Development.

The Consolidated Plan is actually a three-part planning process required by HUD. It comprises:

1. Developing a five-year strategic plan;
2. Preparing annual action plans; and
3. Submitting annual performance reports.

These three parts are intended to furnish the framework whereby the City of Rockford can identify its housing, homeless, community, and economic development needs; identify resources that will be tapped and actions to be taken that will address the needs; and look back, evaluating and measuring the City's progress toward achieving its strategic goals.

The first element referred to above, the strategic plan, also has three parts:

1. A housing market analysis;
2. A housing, homeless, community, and economic development needs assessment; and,
3. Establishment of long-term strategies for meeting the priority needs of the community.

HUD asks that the City's priority objectives be built upon specified goals that flow from quantitative and qualitative analysis of needs identified in the five-year planning process. Program funding is ensured by completing these documents on time and in a format acceptable to HUD.

Within the Consolidated Plan, inferences about housing and community development needs are drawn; prioritization of needs are presented; and strategic policies are designed to mitigate, or overcome, the City's housing and community development challenges.

The Consolidated Plan fulfills HUD's requirements and integrates information concerning the City's demographics, economy, housing market, and community development conditions into one document. The Plan also includes a five-year strategic plan, crafted from both quantitative and qualitative data collected to respond to the housing and community development needs in the City. The Plan presents feasible and measurable goals and program activities the City will perform over the next five years.

Compliance with HUD Regulations

In fulfilling each and all of the requirements outlined above, the City of Rockford followed federal guidelines about public involvement, evaluation of quantitative and qualitative data, needs assessment, strategy development, priority setting, and the formulation of objectives. The City of Rockford's Consolidated Plan for 2005-2009 was prepared in accordance with CFR Sections 91.100 through 91.230 of HUD's Consolidated Plan regulations, applicable to units of local government.

Consultation During Development of the Consolidated Plan

The Consolidated Plan represents a collective effort from a broad array of entities in the City of Rockford, ranging from the homeless Task Force to economic development organizations. Private, public, and nonprofit organizations were reached through several means, including informal telephone conversations, e-mail correspondence, and more formal survey formats.

One major outreach and data collection effort involved a telephone survey of organizations in the City, through which qualitative information about the City's needs and degree of need were collected. Exhibit 1, below, lists those organizations contacted for the telephone survey. As seen therein, the City of Rockford made special efforts in the Consolidated Planning process to consult with agencies providing assisted housing, health services, and social services, as well as with agencies that handle lead-based paint hazards, and with adjacent units of local government.

Exhibit I.1 Organizations Contacted for Rockford's Consolidated Plan Fall of 2003 and Spring of 2004

AIDS Care Network	La Voz Latina	Rockford Memorial Development Foundation
Alpine Bank	Lawn Place Association	Rockford New Hope, Inc.
Amcore Bank	Lifescapes	Rockford Police Department
American Red Cross	Lobdell Hall	Rockford Public Works Department
ANCHOR Group	Macedonia Baptist Church	Rockford Rescue Mission
Arena, Paul	MELD	Rockford School District 205
Associated Bank	Meltmar Realtors	Rockford Township
Board of Realtors	Mid Town District	Rockford Urban Ministries
Booker Washington Community Ctr.	Milestone	Rockford Zoning Division
Boys and Girls Club	Mother House	Rogers Development
Broadway Business Assoc.	National City Bank	Rosecrance Health Network
Calvin Park Blvd. Association	NIU Education Center	Rubloff Development
Camaraderie Arts	North End Commons	Saint Elizabeth Community Center
Center for Sight and Hearing Impaired	North End Square Neighborhood Assn.	Saint Patrick's Church
Charles E. Box	Northern Illinois Community Foundation	Salvation Army
Christ the Carpenter United Methodist	Northwest Community Center	Save Our Sablewood Area Assoc. (S.O.S.A.A.)
Churchill's Grove Neighborhood Assn.	Northwestern Illinois Area Agency on Aging	Second Congregational Church
Coldwell Banker Premier	Northwestern Park Neighborhood Association	Shelter Care Ministries
Comprehensive Community Solutions Inc.	Oaks Neighborhood Assn.	Signal Hill Neighborhood Assn.
Coronado Haskell Neighborhood Assn.	Oliver Emerson Development	Slack, John
Council of 100	Patriots' Gateway Center	South Park Neighborhood Association
Crusader Clinic	PHASE, Inc. / WAVE Domestic Violence	St. James Church
Diane Voneida	Pilgrim Baptist Church and CDC	St. Paul Lutheran Church
Dickerson and Nieman	Progressive West Rockford	State Street Business Association
Doyle, Woodhouse and Moore	Promised Land Employment	Stepping Stones of Rockford, Inc.
Edgewater Neighborhood Assn.	Quail Run Neighborhood Assn.	Summerfield Commons Homeowners Assoc.
Emmanuel Lutheran Church	RAMP	Sunset Hills Neighborhood Assn.
Fair Housing Board	River District	Swedish American Medical Foundation
Fairgrounds Community Center	Riverside Bank	SWIFTT
First Rockford Group	Rock River Development Corporation	The United Riverview Assn.
Friends' House Neighborhood Group	Rock River Water Reclamation	Three Hammer Construction
Gary Anderson and Associates	Rock Valley College	Trinity House, Inc.
Gomez Chapel AME Church	Rockford Apartment Association	Trinity Lutheran Church
Goodwill Abilities Center	Rockford Area Affordable Housing Coalition	United Way of Rock River Valley
Green Street Association	Rockford Area Habitat for Humanity	University of Illinois Extension
Highland Neighborhood Assn.	Rockford Area Indochinese Center	University of Illinois School of Medicine
Historic Preservation Commission	Rockford Association of Realtors	William Charles Investments, Inc.
Homebuilders Assn. Of Rockford	Rockford Board of Realtors	Winnebago County Board Chair
Homeless Task Force	Rockford Building Department	Winnebago County Health Department
House of Refuge Church	Rockford Business College	Winnebago County Housing Authority
Illinois Coalition for Community Services	Rockford College	YMCA
Indian Terrace Preservation Assn.	Rockford Fire Department	YWCA
Institute for the Oneness of Humanity	Rockford Housing Authority	Zion Development Corporation
Jackson Oaks Neighborhood Assn.	Rockford Human Services Dept.	Zion Lutheran Church
Janet Wattles Center	Rockford Local Development Corporation	Zoning Board of Appeals
Ken-Rock Community Center	Rockford Mass Transit District	

The Community Development Department of the City of Rockford staffs numerous City boards, commissions, and Task Forces that assist with outreach and coordination. These include the Homeless Task Force, Fair Housing Board, Historic Preservation Commission, Citizen Participation Committee, Rockford Area Affordable Housing Coalition, and Rock River Private Industry Council.

Additional organizations were contacted for informal discussions of the housing, homeless and special needs populations. These included the Illinois Department of Children and Family Services, Rockford Urban Ministries, Rockford Health Council, CONTACT of Rockford, Carpenter's Place, Rockford Department of Public Works, Winnebago County Health Department (Environmental Health), Rockford Area Habitat for Humanity, Zion Development Corporation, Rockford Area Council of 100, Winnebago County Department of Regional Planning and Economic Development, Housing Occupants Mobilization Effort, and La Voz Latina.

The consultation process also included discussion and coordination with the Rockford Housing Authority (RHA), which provided detailed statistics and narratives about their housing stock and the plans they have for on-going enhancements to their affordable housing stock.

Public Review Process

The Consolidated Plan was developed through a community-based collaborative process. Public involvement in the Consolidated Plan followed the guidelines set forth in the City's Citizen Participation Plan. That plan encourages citizen participation and involvement and defines the process for substantial amendments to the Consolidated Plan. The Citizen Participation Plan is publicly available for citizen and local government comment at the City of Rockford Community Development Department.

Public involvement was initiated in March 2004 and involved significant outreach to a wide array of organizations and entities throughout the City, as well as to neighboring jurisdictions and interested parties throughout the region and the State of Illinois.

In keeping with the Citizen Participation Plan, the public was provided significant opportunities to provide input to the initial development of the Consolidated Plan and to its data and needs assessments. Many citizens known to have interests in housing and community development took part in the surveys. In addition, four public input meetings were held on April 21 and 22, 2004, at the Rockford Housing Authority, the Patriot's Gateway Center, the Northwest Community Center, and the Trinity Learning Center. These sites were chosen so that all four quadrants of the City were represented.

Public review meetings were also conducted in the City. To ensure participation from the community, selected individuals were sent letters of invitation; public notices were placed in local newspapers; and signs in both English and Spanish were posted throughout the City, particularly in social and related service agencies. The number and diversity of persons who provided input to the Consolidated Planning process, representing a wide variety of interests, is a testament to the degree to which a wide array of organizations and groups were informed of and then engaged in the Plan's development.

Lead Agency

The Community Development Department of the City of Rockford is the lead agency responsible for completing the Consolidated Planning process. The Department is responsible for coordinating activities, guiding the process, and implementing and overseeing the Consolidated Plan. This responsibility is a result of the City's receipt of formula grant program funding for its HOME, CDBG, and ESG programs.

Organization of the Consolidated Plan

The Consolidated Plan documents the Citizen Participation process, offers perspective on the socio-economic profile of the City of Rockford, presents a housing market analysis, provides needs assessments of housing and community development issues, and reports the City's prioritization of needs and actions.

This document is organized in the following fashion:

Section I presents an introduction, a succinct review of the public involvement process, and a brief outline of the Consolidated Plan.

Section II presents the socio-economic profile of Rockford. This section provides insight into the economic and demographic context in which the City of Rockford is operating.

Section III offers a Housing Market Analysis, assessing housing affordability, overcrowding, housing conditions, and other important parameters describing Rockford's housing market. This includes a five-year forecast of housing needs, by tenure and income, for each of the City's four quadrants over the next 25 years.

Section IV presents the Housing, Homeless, and Non-Housing community development needs assessment. This includes descriptions of the nature and extent of homelessness, including the needs of sheltered and unsheltered populations and those who may be at risk of homelessness.

Section V presents the City's priority needs, strategies, and objectives. In particular, this section offers details about which program activities will be emphasized over the next five years, as well as where resources are to be most closely focused.

Section VI offers the Annual Action Plan, identifying where upcoming and anticipated federal resources will be directed as well as identifying individual projects the City will undertake.

The Appendices include expanded demographic, economic, and housing data; certifications; monitoring activities; citizen comments; and a glossary.

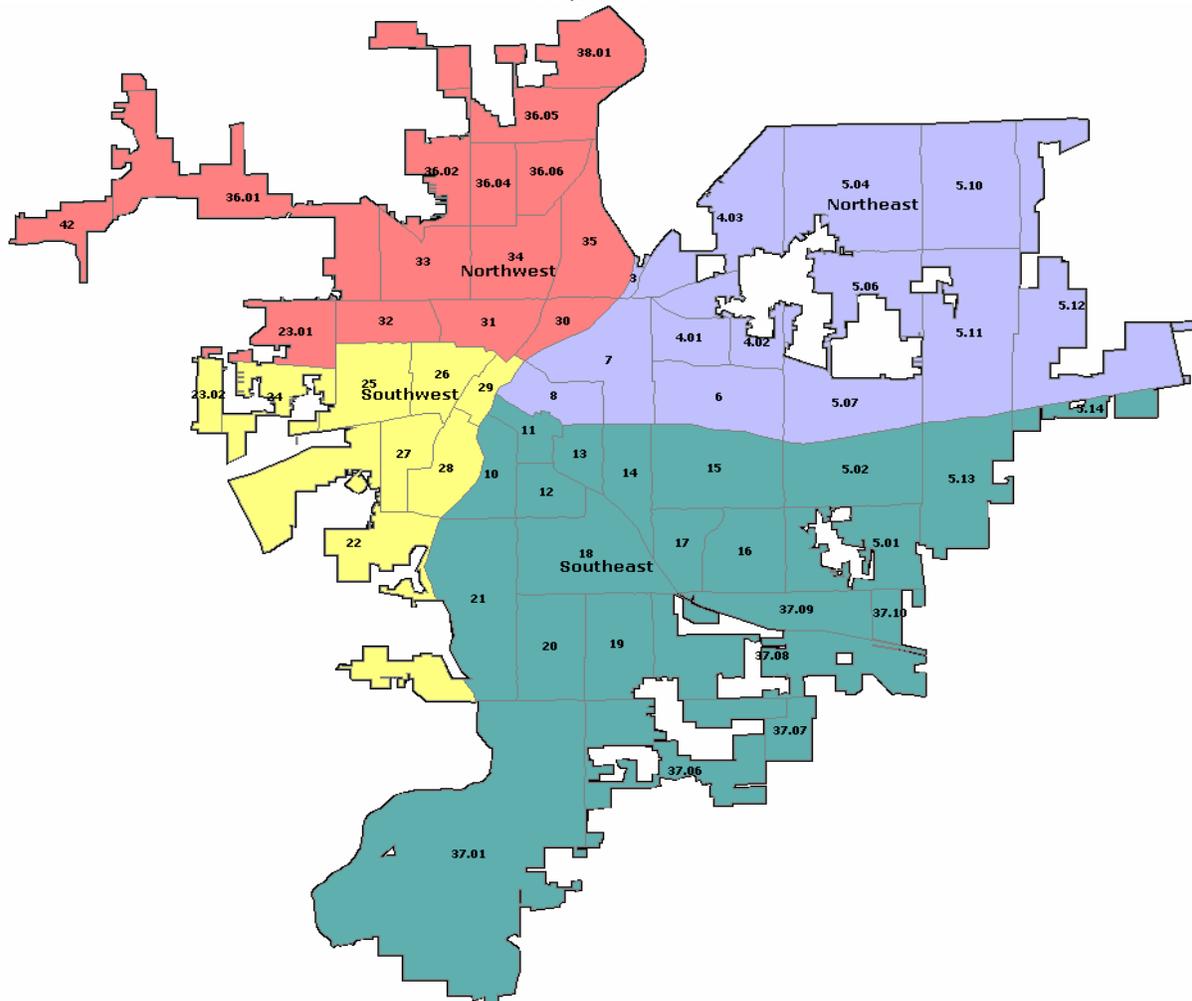
Section II. Demographic and Economic Profile

Introduction

The City of Rockford, with a population of slightly over 150,000, is located in north-central Illinois, 90 miles east of the Mississippi River, 60 miles northwest of Chicago, and 10 miles south of Wisconsin. It is located in Winnebago County and is the second largest city in Illinois.

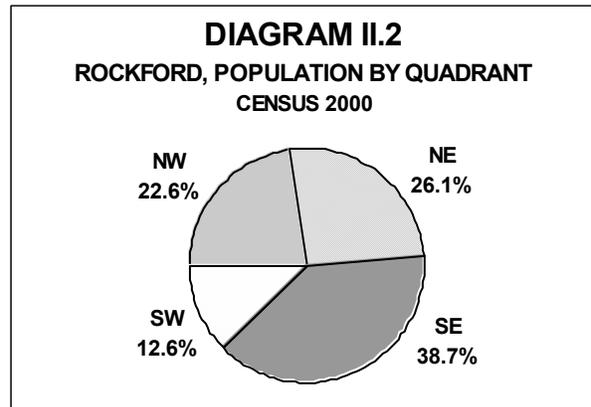
For the purposes of the Consolidated Plan, the City was divided into four quadrants (Northeast, Northwest, Southeast, Southwest), with the east-west quadrants approximately divided by Rock River, and the north-south quadrants approximately divided by State Street. Diagram II.1, below, shows the four quadrants as clusters of Census Tracts. The numbered sections within the map mark 2000 Census Bureau Tracts or those parts of the tracts within the City of Rockford.

DIAGRAM II.1
GEOGRAPHIC MAP OF THE CITY OF ROCKFORD, ILLINOIS
BY QUADRANT



Population

At the time of the 2000 Census, the population of the City of Rockford was 150,115. The total population, divided among the City's four quadrants, is shown in Diagram II.2, at right. The Southeast quadrant had the largest population, with 38.7 percent of the total, while the Southwest quadrant had the smallest percent of the population, just 12.6 percent. Between 1990 and 2000, the population of the City increased 7.7 percent, or about 10,700 persons, an average annual growth rate of just .7 percent per year.



Population in both the Northwest and Southwest quadrants declined slightly between 1990 and 2000, falling .04 and 1.2 percent, respectively. Population declined in the Southwest quadrant, by far the least populated quadrant of the City, at the highest rate. In contrast, the eastern portions of the City expanded rapidly during the 10-year period, with population in the Northeast quadrant increasing 15.8 percent and population in the Southeast quadrant rising 10.6 percent, as seen in Table II.1, below.

TABLE II.1
POPULATION CHANGE IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	33,805	39,146	15.8%
Northwest	33,908	33,894	-.04%
Southeast	52,549	58,143	10.6%
Southwest	19,164	18,932	-1.2%
City of Rockford	139,426	150,115	7.7%

The population of the City of Rockford did not keep pace with the growth rate in Winnebago County as a whole, which, according to the University of Illinois Healthy Community Study 2000, increased by 10.1 percent between 1990 and 2000.³ During the same period, the populations in nearby Boone and Ogle Counties also outpaced the City, rising by 35.6 percent and 11.0 percent respectively, as shown in Table II.2, below.

TABLE II.2
POPULATION CHANGE COMPARISON
2000 CENSUS

Region	Population	Change, 1990-2000
Winnebago County	278,418	+10.1%
Boone County	41,786	+35.6%
Ogle County	51,032	+11.0%
City of Rockford	150,115	+7.7%

³ *Healthy Community Study 2003*, Rockford Health Council, June 2003.

Race and Racial Concentrations

Between 1990 and 2000, Rockford's black population increased 24.9 percent, and the Asian population rose 54.5 percent.⁴ As seen in Table II.3, below, the City became significantly more racially diverse overall, with the non-white population increasing from 18.9 to 27.2 percent of the total population.

TABLE II.3
RACIAL CHANGE IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Race	1990	2000	% Change
Whites	113,118	109,303	-3.4%
Blacks	20,868	26,072	24.9%
Asian	2,136	3,301	54.5%
All Other Races	3,304	11,439	246.2%
City of Rockford	139,426	150,115	7.7%

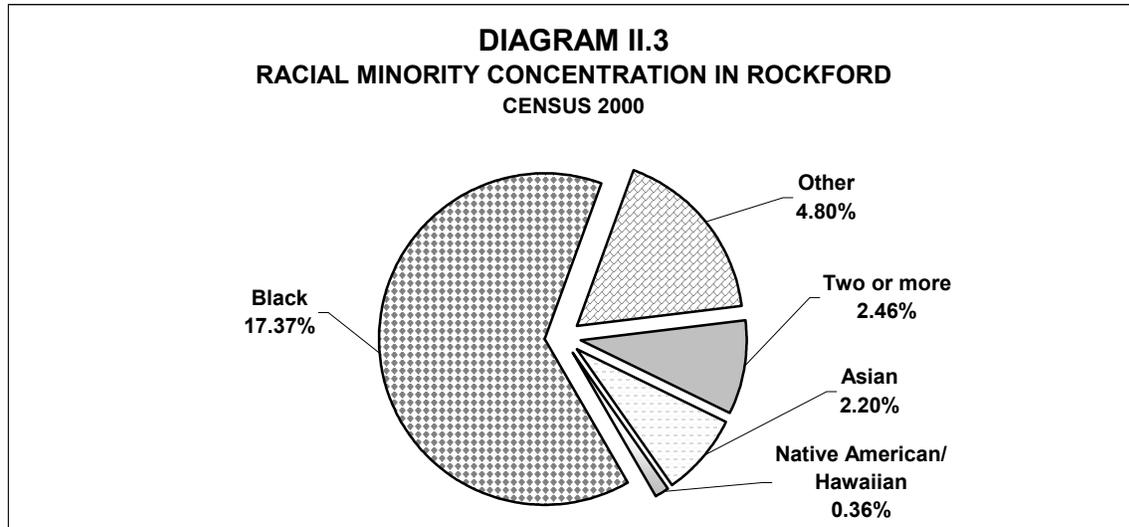
The racial composition of the City of Rockford changed along with the overall growth in the population. In 2000, 27.2 percent of the Rockford population was non-white, an 8.3 percent increase from 1990. Over the last decade, the white population in Rockford declined, coinciding with a significant rise in other races. In 2000, the City had a smaller percentage of whites than Winnebago County, the State of Illinois, or the nation, which are, respectively, 82.5, 73.5, and 75.1 percent white, as seen in Table II.4, below.

TABLE II.4
PERCENT POPULATION BY RACE AND ETHNICITY
2000 DECENNIAL CENSUS

Race/Ethnicity	Rockford	Winnebago County	Illinois	United States
White	72.8%	82.5%	73.5%	75.1%
Black	17.4%	10.5%	15.1%	12.3%
All Other Races	9.8%	7.0%	11.4%	12.6%

The City's percentage of blacks was much higher than in the county or nation, and 2.3 percent higher than in the State as a whole. The entire non-white, minority population of Rockford is represented in Diagram II.3, on the following page, which shows blacks form the largest minority population in Rockford.

² In 2000, the Census collected data on persons who classed themselves as two or more races. This was not done in 1990. Hence, the category "all other races" is not directly comparable between 1990 and 2000.



Racial diversity varied significantly by area of the City. The white population increased only in the Northeast quadrant, increasing by about 2,500 persons, or 7.7 percent. The white population declined in all other quadrants of the City, with the Northwest declining the most, 15.8 percent, or over 4,400 persons. Over the decade, the Southeast quadrant lost 2.8 percent of its white population and the Southwest quadrant lost 9.6 percent, as seen in Table II.5, below.

TABLE II.5
WHITES IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	32,154	34,643	7.7%
Northwest	27,992	23,576	-15.8%
Southeast	47,014	45,696	-2.8%
Southwest	5,958	5,388	-9.6%
City of Rockford	113,118	109,303	-3.4%

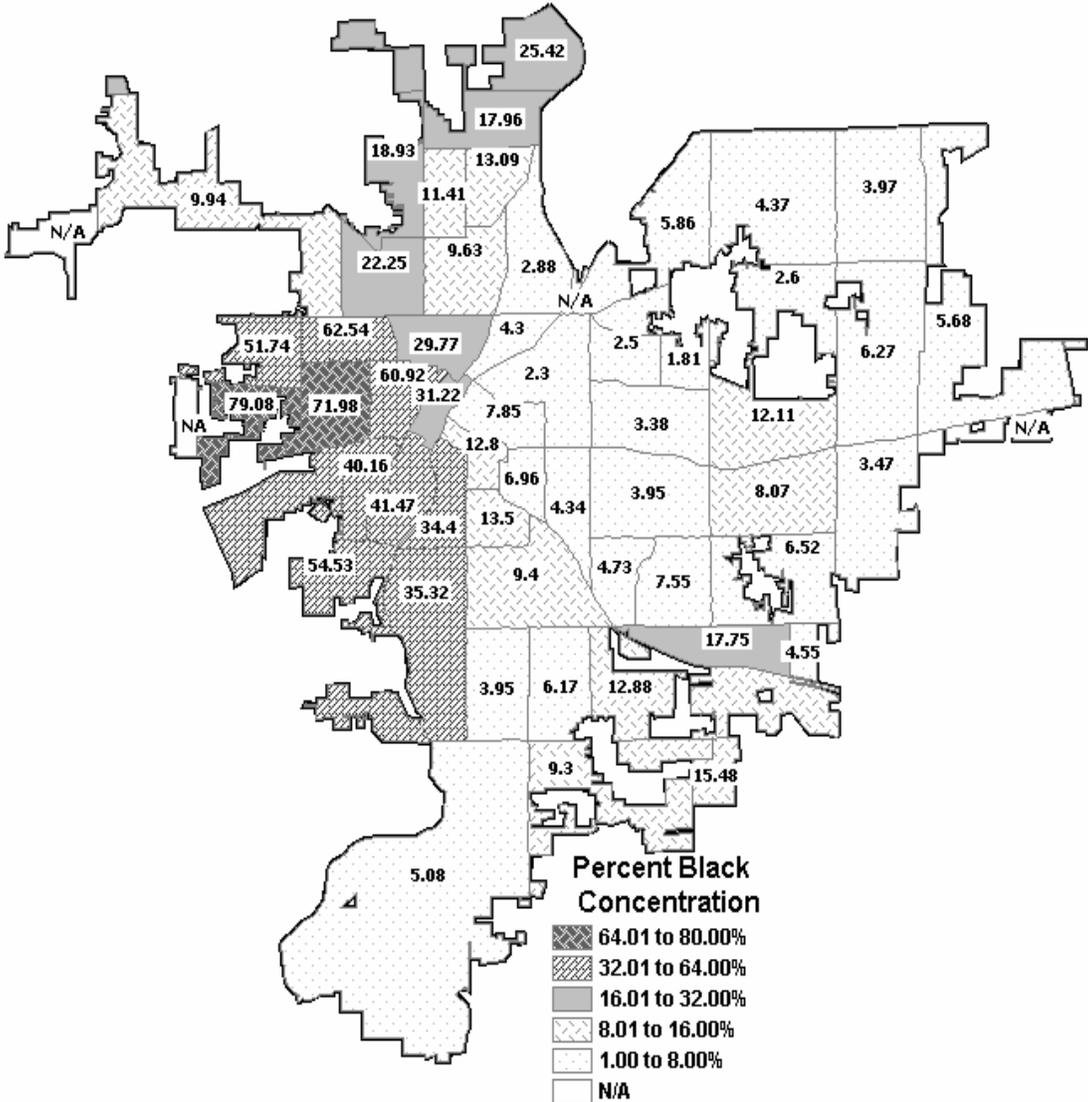
Blacks in Rockford moved in increasing numbers to the Northeast quadrant. Between 1990 and 2000, the black population jumped 156.6 percent, or over 1,100 persons, in the Northeast. Blacks also moved into the Northwest and Southeast quadrants, where their population increased 52.4 and 79.7 percent, respectively. The black population declined only in the Southwest quadrant, falling 10.8 percent, or over 1,200 persons, as seen in Table II.6, below.

TABLE II.6
BLACKS IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	747	1,917	156.6%
Northwest	5,101	7,772	52.4%
Southeast	3,299	5,928	79.7%
Southwest	11,721	10,455	-10.8%
City of Rockford	20,868	26,072	24.9%

The black racial minority concentration in Rockford in 2000 is illustrated by Census Tract in Diagram II.4, below.⁵ The highest concentrations of blacks were seen on the west side of the City, particularly in the Southwest quadrant, which was the only quadrant in which black concentrations were above 64 percent. Census Tracts 24 and 25 in the Southwest quadrant had especially high black racial concentrations, exceeding 79 and 71 percent, respectively. Black racial concentrations below 8 percent were seen mostly on the east side of the City, with disproportionately low rates in the Northeast.⁶

DIAGRAM II.4
ROCKFORD, PERCENT BLACK MINORITY CONCENTRATION BY CENSUS TRACT
CENSUS 2000



⁵ The four Census Tracts with concentrations of 0 have populations within the City limits of 19 or fewer persons.
⁶ It is important to note that racial concentrations are different from the total racial populations described in the above tables. Concentration refers to the percentage share of the total.

The Asian population increased significantly in all sections of the City, especially the Northeast and Southeast quadrants, as shown in Table II.7, below.

TABLE II.7
ASIANS IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	688	1,206	75.3%
Northwest	128	216	68.8%
Southeast	1,297	1,836	41.6%
Southwest	23	43	87.0%
City of Rockford	2,136	3,301	54.5%

Hispanic Population and Concentration

Over the decade, the Hispanic population expanded rapidly in the City, increasing by nearly 10,000 persons, or 161.6 percent. Hispanics comprised over 10 percent of the City's total population in 2000. Rockford's Hispanic concentration was significantly higher than the 6.9 percent seen in Winnebago County, but Rockford's concentration was lower than in either Illinois or the nation, which have Hispanic concentrations of 12.3 and 12.5 percent, respectively.

Over the decade, the largest increase in the Hispanic population occurred in the Southeast quadrant, where the population rose by almost 4,500 persons. The Northeast quadrant had the largest percentage increase, jumping 279.6 percent, as seen in Table II.8, below.

TABLE II.8
HISPANICS IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	510	1,936	279.6%
Northwest	1,207	2,706	124.2%
Southeast	1,904	6,400	236.1%
Southwest	2,220	4,236	90.8%
City of Rockford	5,841	15,278	161.6%

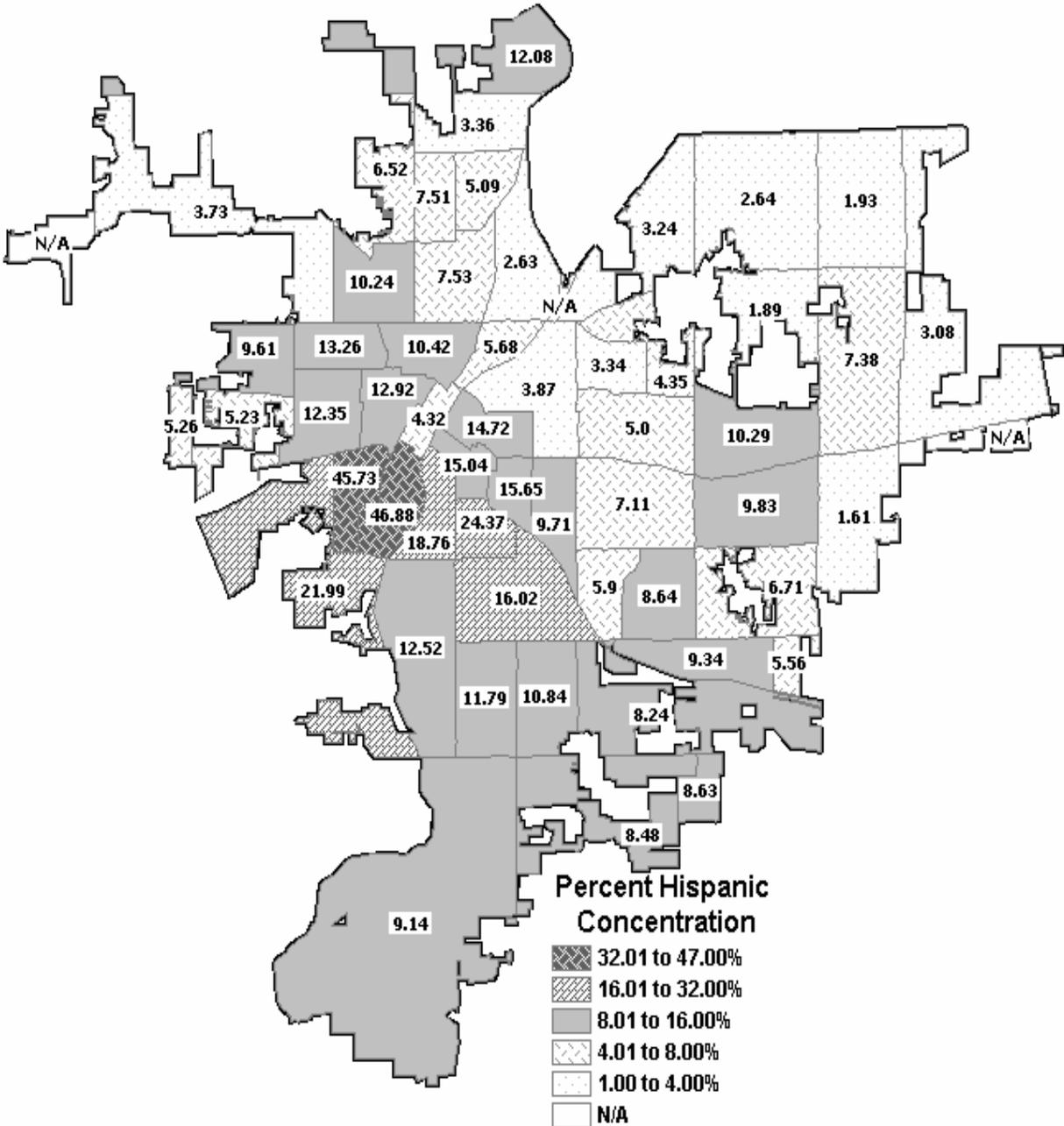
Table II.9, below, shows that 22.4 percent of the total Southwest population was Hispanic, more than double the concentration in the three other quadrants. The Southeast region was 11.0 percent Hispanic, while the two northern quadrants had Hispanic concentrations of less than 10 percent.

TABLE II.9
HISPANICS AS PART OF TOTAL POPULATION
2000 DECENNIAL CENSUS

Quadrant	Total Population	Hispanic Population	Percent Hispanic
Northeast	39,146	1,936	4.9%
Northwest	33,894	2,706	8.0%
Southeast	58,143	6,400	11.0%
Southwest	18,932	4,236	22.4%
City of Rockford	150,115	15,278	10.2%

As shown in Diagram II.5, below, Hispanic ethnicity was extremely concentrated in Census Tracts 27 and 28 in the Southwest quadrant, where ethnic concentrations exceeded 45 percent.⁷ Several tracts in the Southeast and Southwest quadrants had concentrations between 16 and 32 percent.

DIAGRAM II.5
ROCKFORD, PERCENT HISPANIC CONCENTRATION BY CENSUS TRACT
CENSUS 2000



⁷ The three Census Tracts with Hispanic concentrations of 0 also had a population of 0 within the City limits.

Age Distribution

The highest concentration of elderly persons existed in the Northeast quadrant, where 17.4 percent of the population was of retirement age. The west side of the City had the highest concentration of citizens under the age of 20, with 37.2 of Southwest residents and 30.9 percent of Northwest residents falling into that age bracket. This was probably due in part to the fact that 55 percent of the Hispanic population in the City of Rockford is under the age of 24, and the Hispanic population is concentrated most heavily on the west side of the City.⁸

Table II.10, below, shows the change in age distribution from 1990 to 2000. By far the largest percentage increase was in the 35-54 age category, which rose almost 26 percent. The biggest decrease came in the 25-34 age segment. Over the decade, the City lost adults between the ages of 25 and 34, and gained persons under the age of 20, as well as those in the prime wage-earning years of 35 to 54.

TABLE II.10
POPULATION BY AGE COHORT
2000 CENSUS CITY OF ROCKFORD

Age	1990	2000	% Change
Under 20	40,091	44,009	9.8
20-24	10,123	9,834	-2.9
25-34	24,324	22,414	-7.9
35-54	32,526	40,917	25.8
55-64	11,827	11,832	0.0
65 and over	20,535	21,109	2.8
Total	139,426	150,115	7.7

The age distribution within a community can highlight current or future needs. The distribution of age cohorts in Rockford's four quadrants differed significantly in 2000. In general, the east side, especially the Northeast quadrant, had fewer persons under the age of 20, and the Southwest quadrant had fewer citizens over the age of 55, as seen in Table II.11, below.

TABLE II.11
PERCENT OF POPULATION BY AGE COHORT
2000 CENSUS CITY OF ROCKFORD BY QUADRANT

Age	NE	NW	SE	SW	Rockford
<20	25.7	30.7	28.4	37.2	29.3
20-24	5.3	6.1	7.2	7.9	6.6
25-34	12.4	15.0	16.7	14.5	14.9
35-54	29.9	27.0	26.6	24.0	27.3
55-64	9.3	7.1	7.9	6.3	7.9
65+	17.4	13.5	13.5	10.0	14.1

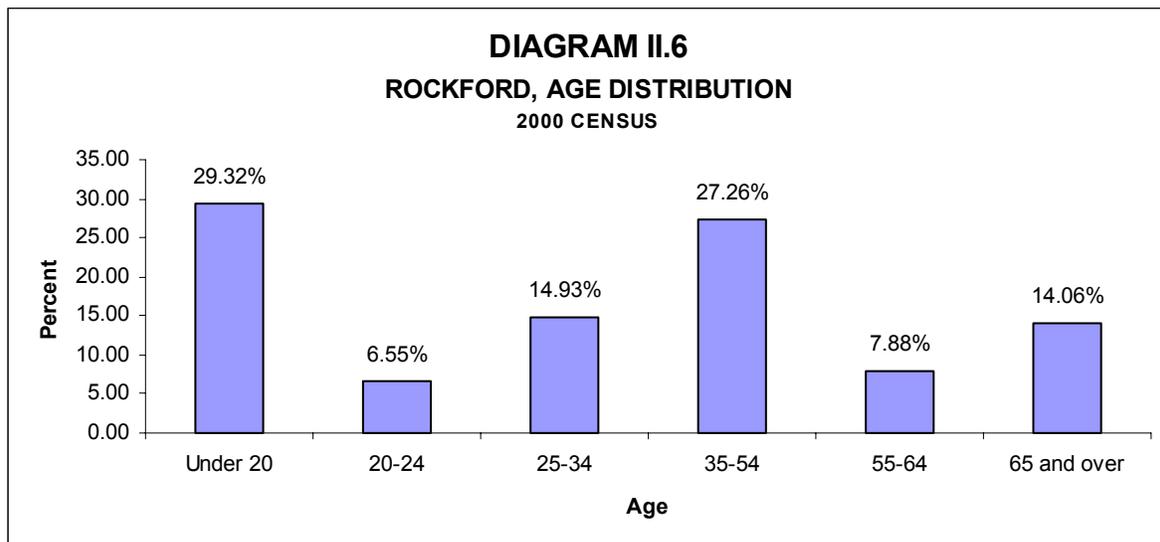
⁸ Telephone correspondence on April 23, 2004, with Marco Lenis, president and CEO of La Voz Latina.

Using Census data published in the Healthy Community Study 2003, Rockford's age distribution was compared to Winnebago County and the nation in Table II.12, below. The City of Rockford's age distribution was similar to that of both the county and the country, although the City's median age was less than in the county or nation. The percent of the population 65 and older and the percent of persons who were under the age of 24 were higher in Rockford than in Winnebago County or the nation.

TABLE II.12
AGE DISTRIBUTION COMPARISON
2000 DECENNIAL CENSUS

Age	Rockford	Winnebago County	United States
24 and under	35.9%	34.8%	35.4%
25-54	42.2%	43.6%	43.6%
55-64	7.9%	8.8%	8.6%
65 and over	14.1%	12.8%	12.4%
Median Age	34.4	35.9	35.3

About 57 percent of Rockford's population fell into one of two age categories. Some 29.3 percent of the population was under 20 years of age, and 27.3 percent was between the ages of 35 and 54. The City's age distribution is represented in Diagram II.6, below.



Sex

In 2000, Rockford had a slightly higher percentage of females than males in the City as a whole, as well as in each of the four quadrants. In the City, 51.8 percent of the population was female, and 48.2 percent of the population was male.

The Census Bureau also separates the 65-and-over population by sex. In 2000, the elderly in Rockford were predominantly female, with 12,947 females falling within this age range. Of the males in Rockford, 8,162 were elderly.

Persons with Disabilities

The 2000 Census defines disability with a broad range of categories, including physical, sensory, and mental disability. People with disabilities include those with long-standing conditions, as well as those with temporary conditions lasting six months or more that inhibit certain activities.

The Census breaks disabilities down further into three subcategories. These cover people with self-care disabilities (difficulty with activities such as bathing or dressing), go-outside-home disabilities (difficulty walking out of the home), and employment disabilities (difficulty working at a job or business).

In 2000, over 28,000 persons, or 19 percent, of Rockford's residents had some form of disability, or some combination of disabilities. The most common disability cited was physical, and the most common subcategory cited was employment, as shown in Table II.13, below.⁹ Of the 21,109 persons aged 65 or older, over 35 percent had disabilities.

TABLE II.13
DISABLED INDIVIDUALS BY AGE AND TYPE OF DISABILITY
CITY OF ROCKFORD, 2000 CENSUS

Type of Disability	5-15	16-20	21-64	65+	Total
Sensory	162	45	913	862	1,982
Physical	124	44	1,673	1,638	3,479
Mental	1,011	337	818	214	2,380
Self-care	83	15	65	7	170
Go-outside-home (ambulatory)	.	161	593	1,071	1,825
Employment	.	539	5,724	.	6,263
Two or more types	349	634	7,729	3,659	12,371
Total	1,729	1,775	17,515	7,451	28,470

Households

The total number of households in the City of Rockford increased slightly faster than did the population, 7.9 percent compared to 7.7 percent. The rate of household formation varied by quadrant. Household formation in the Northeast quadrant jumped 21.7 percent, outpacing population growth in the Northeast quadrant, which rose 15.8 percent.

TABLE II.14
TOTAL HOUSEHOLDS IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	13,022	15,850	21.7%
Northwest	13,543	13,223	-2.4%
Southeast	21,691	23,853	10.0%
Southwest	6,583	6,232	-5.3%
City of Rockford	54,839	59,158	7.9%

⁹ Appendix A provides a breakdown of disabled individuals in the City by quadrant.

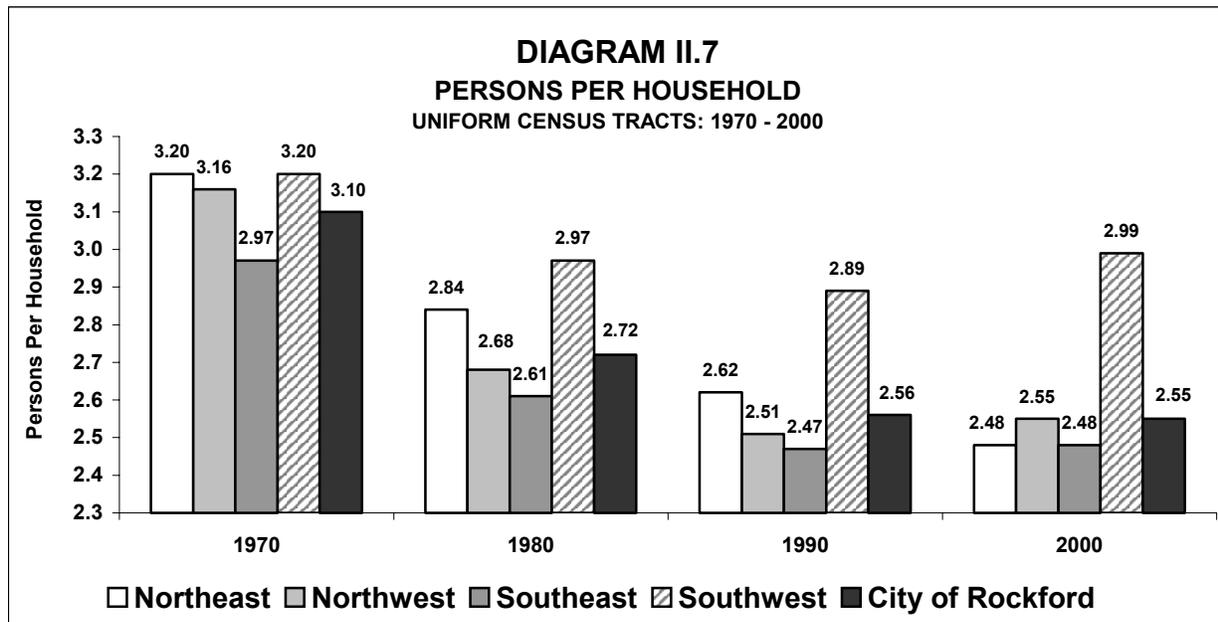
Declines in household formation in the Northwest and Southwest quadrants were more pronounced than the corresponding declines in population seen in those two areas. While population fell .04 percent and 1.2 percent, respectively, household formation dropped 2.4 percent in the Northwest and 5.3 percent in the Southwest quadrant. Household formation in the Southeast quadrant grew more slowly than the population.

Persons Per Household

Household formation can change either more or less quickly than the rate of change in the population due to changes in the number of persons per household.

Over the last 40 years, the number of persons per household fell in the City of Rockford. In 1970, the four quadrants clustered around three persons per household. That average fell from 3.1 in 1970 to 2.6 in 1990. The Southwest quadrant maintains the largest average number of persons per household, at 3.0. This is important to note because large households may have greater difficulty finding affordable housing, particularly rental housing.

The downward trend in persons per household, as seen in Diagram II.7, below, puts significant pressure on housing demand, thereby allowing housing demand to outpace population growth.¹⁰ Even if the City's population growth were to end entirely, the demand for housing would still increase if the number of persons per household continued to decrease.



¹⁰ These data represent a cluster of Census Tracts approximately consistent with the City's geographic area in 2000 for the Census years 1970, 1980, 1990, and 2000. Hence, the actual 2000 data for the City and its quadrants are slightly different.

Between 1990 and 2000, three of the City's four quadrants experienced a modest pause in this downward trend in persons per household. In fact, between 1990 and 2000, the number of persons per household in the Northwest, Southeast, and Southwest quadrants actually increased, as seen in Table II.15, to the right. These increases were not seen in the Northeast quadrant, where persons per household slipped 4.0 percent, causing the City's overall average to decline a modest .2 percent.

TABLE II.15
PERSONS PER HOUSEHOLD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	2.49	2.39	-4.0%
Northwest	2.43	2.47	1.9%
Southeast	2.39	2.40	0.8%
Southwest	2.79	2.86	2.5%
City of Rockford	2.47	2.46	-0.2%

Separating the growth of renter households and owner-occupied households provides further insights. While owner-occupied households declined in average size in three of the four quadrants, average renter household size increased in all four quadrants of the City. As seen in Table II.16, below, the average size of homeowner households increased only in the Southwest quadrant, where the average household in 2000 exceeded three persons per household. The average size of homeowner households in the other three quadrants declined by as much as .13, the amount seen in the Northeast quadrant.

TABLE II.16
PERSONS PER HOUSEHOLD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Owner-occupied: Persons Per Household			
Northeast	2.70	2.57	-4.8%
Northwest	2.62	2.60	-0.5%
Southeast	2.57	2.52	-1.9%
Southwest	2.97	3.05	2.6%
City of Rockford	2.65	2.59	-2.2%
Renter Occupied: Persons Per Household			
Northeast	1.92	1.95	1.4%
Northwest	2.14	2.27	5.8%
Southeast	2.15	2.24	3.9%
Southwest	2.66	2.72	2.3%
City of Rockford	2.20	2.26	2.8%

The implication of this demographic data is that household formation will outpace population growth because the average household size will continue to decline very slightly. It also is expected that the City of Rockford will continue to see significant in-migration from minority races and ethnicities, especially Hispanics.

Income Distribution and Low-Income Concentrations

Median household income in Rockford was \$37,667 in 2000, a 33.2 percent increase from the \$28,282 level seen in 1990. The 2000 Census found many households with total incomes less than \$20,000. In fact, a few Census Tracts on the inner west side of the City showed household incomes below \$20,000 for more than 50 percent of the total households. All of the City’s Census Tracts, expressed as a percentage share of the number of households having incomes below \$20,000, are presented in Diagram II.8, below.

As shown in the diagram, the concentration of lower-income households was highest in the central areas of the City, particularly the Southwest quadrant. The percentage of low-income households was much lower in the Northeast and, to a lesser extent, in the Southeast quadrant.

DIAGRAM II.8
Rockford, Percent Low-Income Concentration by Census Tract
Census 2000

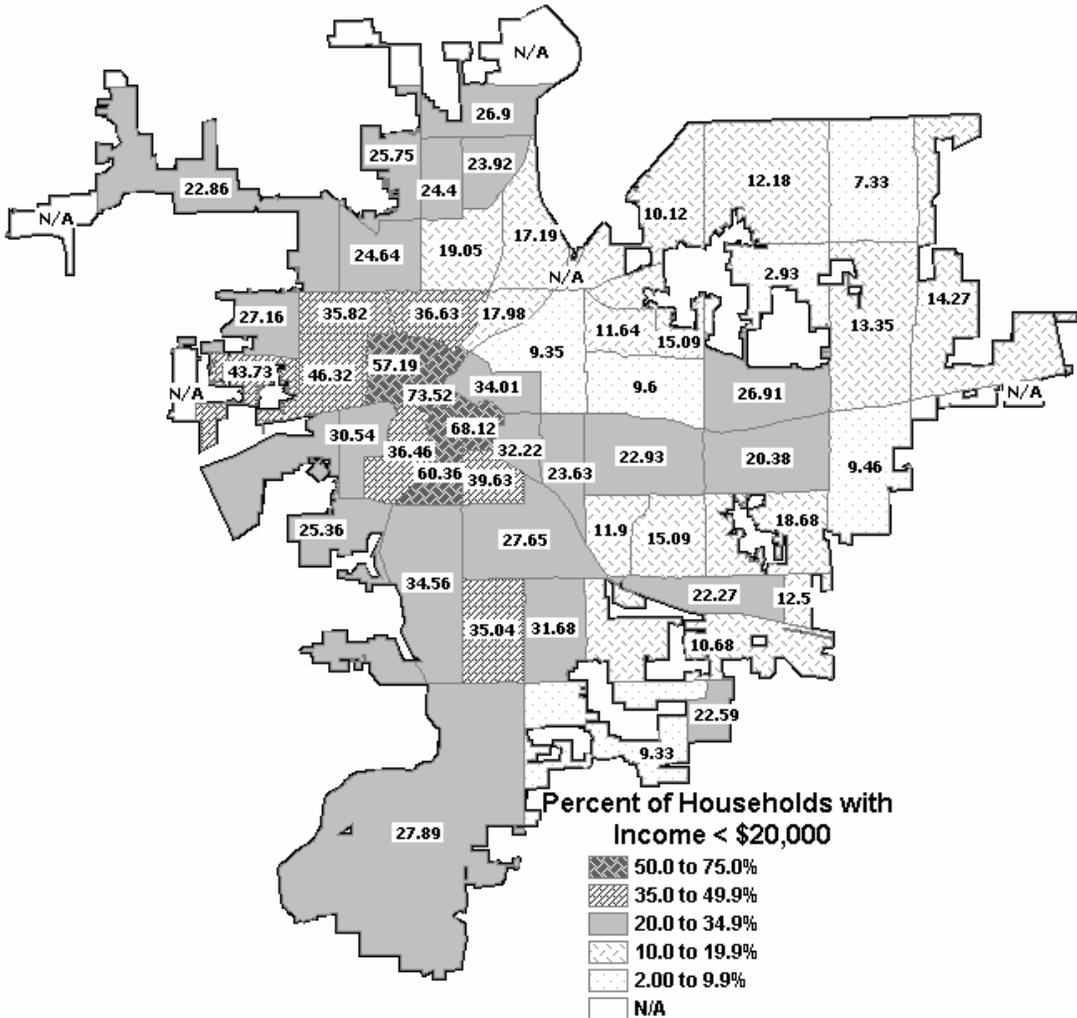
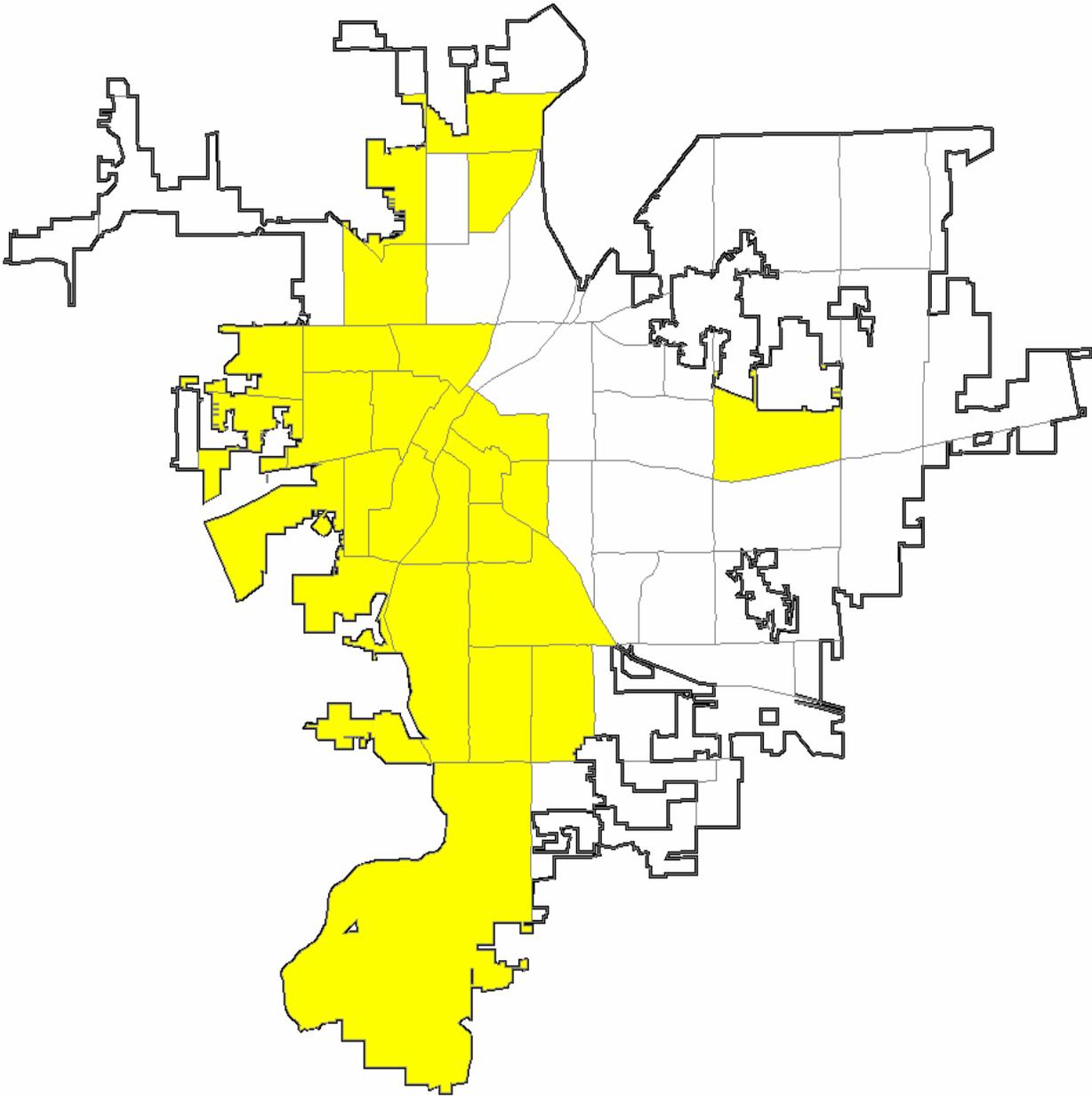


Diagram II.9, below, highlights Census Tracts in the City of Rockford with more than 50 percent of their tract population earning low- to moderate-incomes. These areas define the Community Development Block Grant qualifying areas traditionally used by the City’s CDBG Program.

DIAGRAM II.9
CDBG AREAS BY CENSUS TRACTS
SEPTEMBER 2003



Household Income

Household income in the City of Rockford grew significantly between 1990 and 2000. The number of households with income levels less than \$35,000 fell 18 percent overall and over 27 percent in the Northwest quadrant. Household income data are presented in Table II.17, at right.

Households with incomes between \$35,000 and \$75,000 expanded 21.7 percent over the decade, with the most substantial increase, 31.6 percent, in the Southeast quadrant. The Northeast and Southwest quadrants experienced more moderate increases, 11.0 and 18.5 percent, respectively.

The number of households with incomes in excess of \$75,000 increased by 168.7 percent. The Southwest quadrant experienced the sharpest increase, 615 percent, from just 69 households in 1990 to over 493 households in 2000. The Northeast quadrant, which had the most upper-income households in both 1990 and 2000, more than doubled its total by 2000, rising 116.7 percent and exceeding 5,000 households.

On the surface, this household income growth looks very good for the City of Rockford; however, these data were not adjusted for the effects of inflation and do not fully address the changes in the buying power of Rockford's households. Another way to view income data is by inspecting the distribution around a normalizing value. In 1991 and again in 2001, HUD requested that the Census Bureau prepare a set of special tabulations. HUD programs are designed to serve households based upon their income expressed as a percent of median family income (MFI).¹¹

HUD defines household income levels in relation to MFI as follows:

- Extremely low-income are those with incomes from 0 to 30 percent of MFI;
- Very low-income are those with income from 30 to 50 percent of MFI;
- Low-income are those with incomes from 50 to 80 percent of MFI; and
- Moderately low-income are those earning 80 to 95 percent of MFI.

¹¹ Median Family Income (MFI) represents that value at which one-half of all families have incomes above that value and one-half have incomes below that value. There were 37,348 families in the 2000 Census for Rockford and 59,158 households. Households include both family and non-family householders.

TABLE II.17
HOUSEHOLD INCOME
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
HOUSEHOLDS WITH INCOME LESS THAN \$35,000			
Northeast	5,354	4,871	-9.0%
Northwest	8,621	6,286	-27.1%
Southeast	14,035	11,854	-15.5%
Southwest	5,219	4,235	-18.9%
City of Rockford	33,229	27,246	-18.0%
HOUSEHOLDS WITH INCOME \$35,000 TO \$75,000			
Northeast	5,332	5,920	11.0%
Northwest	4,354	5,222	19.9%
Southeast	6,896	9,077	31.6%
Southwest	1,240	1,470	18.5%
City of Rockford	17,822	21,689	21.7%
HOUSEHOLDS WITH INCOME MORE THAN \$75,000			
Northeast	2,349	5,091	116.7%
Northwest	538	1,739	223.2%
Southeast	832	2,856	243.3%
Southwest	69	493	614.5%
City of Rockford	3,788	10,179	168.7%

Comparing the 1990 distribution to the 2000 distribution from these special tabulations reveals several interesting relationships. The City's total number of extremely low-income households rose by 812, an increase of 10.3 percent. Extremely low-income renter households rose by 770, or 13.6 percent, over the period.¹² Extremely low-income renter households increased their share of total renter households from 26.4 percent in 1990 to 28.3 percent in 2000. These data are presented in Table II.18, below.

TABLE II.18
DISTRIBUTION OF HOUSEHOLD INCOME
1990 AND 2000 CENSUS SPECIAL TABULATIONS

% of MFI	1990		2000	
	Households	% of Total	Households	% of Total
Owner Households				
<30	2,204	6.6%	2,246	6.2%
30.1-50	2,758	8.3%	3,166	8.8%
50.1-80	5,108	15.3%	6,773	18.8%
80.1-95	3,015	9.0%	3,423	9.5%
>95	20,302	60.8%	20,428	56.7%
Subtotal	33,387	100.0%	36,036	100.0%
Renter Households				
<30	5,674	26.4%	6,444	28.3%
30.1-50	3,941	18.4%	4,144	18.2%
50.1-80	4,643	21.6%	5,111	22.5%
80.1-95	1,742	8.1%	1,936	8.5%
>95	5,452	25.4%	5,097	22.4%
Subtotal	21,452	100.0%	22,732	100.0%
All Households				
<30	7,878	14.4%	8,690	14.8%
30.1-50	6,699	12.2%	7,310	12.4%
50.1-80	9,751	17.8%	11,884	20.2%
80.1-95	4,757	8.7%	5,359	9.1%
>95	25,754	47.0%	25,525	43.4%
Total	54,839	100.0%	58,768	100.0%

When compared over time, the City of Rockford tends to be gaining proportionally more lower-income households, particularly extremely low-income renters.¹³

¹² As per HUD special tabulations, the data will not add up to the Census SF3 data due to special tabulation rounding rules that were not used for the SF3 data. The rounding rules applied to each cell are as follows: 0 rounds to 0, 1-7 rounds to 4, all other values round to the nearest multiple of 5. As a result the totals may be slightly inflated or deflated when compared to the SF3 totals.

¹³ For a more detailed breakdown of this household income data by quadrant, see Appendix B, which also shows family income ranges by quadrant.

Employment

Total employment by place of residence in the City of Rockford edged up slightly between 1990 and 2000, increasing from 65,168 to 67,868, or 4.1 percent, over the period. These gains in employment were not spread evenly throughout the City. While those living on the east side gained employment, persons living on the west side were employed less frequently. Employment in the Northeast quadrant rose over 18 percent and the Southeast quadrant gained a more modest 6.5 percent. The Northwest and Southwest quadrants both lost significant levels of employment, falling 8.4 and 9.7 percent respectively, as seen in Table II.19, below. The implication of this data is that more underemployed and unemployed persons live on the west side than on the east side of the City.

TABLE II.19
EMPLOYMENT IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	16,714	19,758	18.2%
Northwest	16,520	15,127	-8.4%
Southeast	25,508	27,178	6.5%
Southwest	6,426	5,805	-9.7%
City of Rockford	65,168	67,868	4.1%

Between 1990 and 2000, the manufacturing sector suffered and appears to be in a long-term period of decline, falling 15.3 percent and shedding over 3,100 jobs between 1990 and 2000. Announcements of plant closures and permanent employment declines in the manufacturing sector over the last year contribute to a bleak outlook for this segment of Rockford's economy. Retail trade also declined 4 percent, or 300 jobs, between 1990 and 2000, as shown in Table II.20, below.

TABLE II.20
FIVE LARGEST EMPLOYMENT SECTORS
1990 and 2000 Decennial Census

Sector	1990	2000	% Change
Manufacturing	20,385	17,276	-15.3%
Education, health, and social services	11,102	13,666	23.1%
Retail Trade	7,679	7,374	-4.0%
Professional Services	4,142	5,216	25.9%
Arts, entertainment, other	4,581	5,061	10.5%

The City of Rockford is not without some economic success stories, including growth in several employment sectors. Education, health, and social services together grew 23.1 percent. Professional services, comprised of scientific, management, administrative, and waste management services, increased nearly 26 percent. Arts, entertainment, recreation, accommodation, and food services climbed 10.5 percent. Smaller employment sectors, including "transportation and warehousing, and utilities," were up 30 percent, and "other services" were up 41 percent.¹⁴

¹⁴ Additional details concerning past sector performance can be found in Appendix B.

This data indicates upbeat and positive signs for the City's future. There are certainly bright spots in Rockford's economic landscape, areas that will continue to provide opportunities for expansion and development. It behooves economic development planners to look toward the brighter segments of the local economy, facilitating further expansion and hence prosperity from sectors that are flourishing in Rockford.

Summary of Demographics and Economics

The preceding demographic and economic profile identifies a number of facts and trends that impact housing and community development in Rockford. These include the following:

- Rockford's population and employment is increasing substantially east of Rock River. Population in the Southwest quadrant declined the fastest between 1990 and 2000, 1.2 percent, and showed the greatest employment loss, by place of residence, at almost 10 percent. Over the decade, population in the Northeast quadrant grew most quickly, 15.8 percent, and its employment levels increased the most, over 18 percent.
- The City of Rockford experienced significant change in its racial and ethnic composition. The City's white population declined 3.4 percent from 1990 to 2000, with only the Northeast quadrant increasing its white population. Meanwhile, the minority population rose by 14,504 persons, with the Hispanic population jumping nearly 162 percent and forming 22.4 percent of the Southwest quadrant in 2000. Between 1990 and 2000, the City's black population increased nearly 25 percent and the Asian population rose almost 55 percent. Racial and ethnic diversity is a positive trend for Rockford, providing the community with new viewpoints and multicultural opportunities.
- The City of Rockford's extremely low-income population, heavily concentrated as renters, increased slightly, about 3.5 percent since 1990.
- While Census data shows the City suffered a loss of over 3,100 manufacturing jobs between 1990 and 2000, and more losses were suffered in recent months, selected non-traditional, non-manufacturing sectors show promise as future growth comes to Rockford. Employment in professional services, including scientific, management, administrative, and waste management services, increased almost 26 percent from 1990 to 2000. Education, health, and social services increased over 23 percent. Arts, entertainment, recreation, accommodation, and food services increased over 10 percent. Employment in the "transportation and warehousing, and utilities" sector rose 30 percent, and employment in "other services" increased 41 percent.
- Utilizing the existing labor pool and skills of Rockford's workforce presents additional opportunities for economic expansion and vitality.

Section III. Housing Market Analysis

Introduction

This section provides an evaluation of the current housing market in the City of Rockford. This includes assessing the total housing stock, dwelling types, vacancy rates, and age and affordability of the housing stock. The section concludes with a prediction of household formation through 2025.

Housing Stock

Total housing stock in the City rose by over 5,400 units, or 9.3 percent; however, growth occurred only on the east side, increasing 22.8 percent in the Northeast and 12.2 percent in the Southeast. Housing stock declined .6 percent in the Northwest and 4.8 percent in the Southwest, as seen in Table III.1, at right.

TABLE III.1
TOTAL HOUSING UNITS IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	13,417	16,476	22.8%
Northwest	14,286	14,198	-0.6%
Southeast	22,996	25,810	12.2%
Southwest	7,447	7,086	-4.8%
City of Rockford	58,146	63,570	9.3%

Rental housing grew more slowly than homeownership in Rockford, with occupied rental units rising 3.9 percent versus a 10.5 percent increase in owner-occupied homes. This translates into a citywide homeownership rate that rose from 59.6 percent to 61.1 percent over the last decade, as calculated from data contained in Table III.2, below.

TABLE III.2
OCCUPIED HOUSING UNITS IN ROCKFORD BY TENURE
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Renter Households			
Northeast	3,440	4,485	30.4%
Northwest	5,373	5,092	-5.2%
Southeast	9,602	9,926	3.4%
Southwest	3,726	3,511	-5.8%
City of Rockford	22,141	23,014	3.9%
Homeowner Households			
Northeast	9,582	11,365	18.6%
Northwest	8,170	8,131	-0.5%
Southeast	12,089	13,927	15.2%
Southwest	2,851	2,721	-4.6%
City of Rockford	32,698	36,144	10.5%

The number of both renter and homeowner households increased significantly over the decade, with an additional 1,000 additional renter households and an additional 1,783 homeowner households. The number of homeowner households in the Southeast quadrant increased 15.2 percent, but the quadrant had a much smaller, 3.4 percent, increase in renter households.

Both renter and homeowner households declined in the Southwest and Northwest quadrants over the last 10 years. Homeownership, or the percent of the population owning homes, increased in both areas, with the Northwest rising from 1.2 percent and the Southwest increasing by 0.4 percent. Although the increasing homeownership rate in these two areas is due more to a reduction in the rental stock—which fell by over 500 units—than people purchasing homes, the goal of increasing homeownership in these lower-income neighborhoods is being met.

The citywide growth rate in total housing units over the decade was higher than the growth in households and occupied housing. While total units increased 22.8 percent in the Northeast, occupied units rose only 21.7 percent. A similar event occurred in the Southeast, with total units increasing 12.2 percent and occupied units rising just 10 percent over the decade. Total units declined 0.6 percent in the Northwest quadrant, but occupied units fell more, 2.4 percent. Total dwelling units in the Southwest declined 4.8 percent, but occupied units fell more, by 5.3 percent, as seen in Table III.3, at right.¹⁵

The amount of each housing type varied throughout the four quadrants of the City. For example, the Northeast quadrant had just 13 mobile homes or trailers, as compared to 256 such units in the Southeast.

TABLE III.3
OCCUPIED HOUSING BY TYPE OF DWELLING
1990 AND 2000 DECENNIAL CENSUS

Housing Type	1990	2000	% Change
Northeast			
1 unit attached or detached	9,473	11,453	20.9%
Duplex or larger	3,469	4,432	27.8%
Mobile home or other	80	-35	-143.8%
Total	13,022	15,850	21.7%
Northwest			
1 unit attached or detached	8,973	9,088	1.3%
Duplex or larger	4,456	4,029	-9.6%
Mobile home or other	114	106	-7.0%
Total	13,543	13,223	-2.4%
Southeast			
1 unit attached or detached	12,189	14,555	19.4%
Duplex or larger	9,210	9,083	-1.4%
Mobile home or other	292	215	-26.4%
Total	21,691	23,853	10.0%
Southwest			
1 unit attached or detached	3,738	3,579	-4.3%
Duplex or larger	2,806	2,595	-7.5%
Mobile home or other	39	58	48.7%
Total	6,583	6,232	-5.3%
City of Rockford			
1 unit attached or detached	34,373	38,675	12.5%
Duplex or larger	19,941	20,139	1.0%
Mobile home or other	525	344	-34.5%
Total	54,839	59,158	7.9%

¹⁵ The category labeled "mobile home or other" includes the SF3 error term, which is why this category is negative in the Northeast in the year 2000. For further details about this data, refer to Table C.10 in Appendix C.

Most of the growth in occupied housing stock was related to single-family dwellings, which increased by 12.5 percent over the decade. The Northeast increased its single-family stock by 20.9 percent, and stock in the Southeast rose 19.4 percent. The Northwest quadrant increased just 1.3 percent for this type of dwelling unit, and the Southwest quadrant lost 4.3 percent of its single-family homes.

The number of duplex dwellings and all other apartment-style structures increased a modest 1.0 percent in the City over the last decade. Only the Northeast increased apartment-style structures, with nearly 1,000 additional units, or a 27.8 percent increase. All other quadrants of the City saw reductions in this type of dwelling unit, with the Northwest falling 9.6 percent, the Southeast dropping 1.4 percent, and the Southwest quadrant down 7.5 percent.

As implied by these data, the demand for rental housing in 2000 was soft in three of the City's quadrants, and occupied housing grew more slowly than the total housing stock. These statistics suggest housing vacancy rates should be rising.

Vacancy Rates

Homeowner vacancy rates did edge up over the decade, rising from 1.06 percent in 1990 to 1.69 percent in 2000, as seen in Table III.4, at right. This increase may not seem significant; however, these data enumerate *empty* housing that is for sale, not *occupied* units that are for sale.

TABLE III.4
HOMEOWNER VACANCY RATES IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	0.88	1.14	29.6%
Northwest	1.23	2.01	63.2%
Southeast	0.97	1.79	83.7%
Southwest	1.55	2.47	59.5%
City of Rockford	1.06	1.69	59.0%

Rental vacancy rates also increased over the last decade, with the City average exceeding 8.4 percent in 2000, a substantive rise over the 1990 Census, which indicated a rental vacancy rate of 6.31 percent. The Northwest, Southeast, and Southwest quadrants all had excess rental capacity, with vacancy rates in 2000 of 8.7, 9.5, and 8.6, respectively, as presented in Table III.5, below. Only the Northeast retained a fairly low vacancy rate, at 5.6 percent. This data shows an excess supply of rental stock remains in the Northwest, the Southwest, and the Southeast quadrants.

TABLE III.5
RENTAL VACANCY RATES IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	4.28	5.64	31.6%
Northwest	5.49	8.65	57.6%
Southeast	6.79	9.49	39.9%
Southwest	8.02	8.57	6.9%
City of Rockford	6.31	8.43	33.6%

The difference between the increase in the housing stock and the slower rise in occupied housing cannot be explained entirely by increases in the vacancy rate. The vacancy rate is defined as *vacant housing that is for sale or for rent* divided by *occupied housing plus vacant housing that is for sale or for rent*. Therefore, homes may be vacant and yet neither for sale nor for rent.

Disposition of Vacant Housing

Citywide, vacant housing increased significantly between 1990 and 2000, from 3,307 vacant units in 1990 to 4,412 vacant units in 2000, as seen in Table III.6, below. While a substantive number of these units are either for sale or for rent, many units were categorized as “other vacant” units. This category includes abandoned, boarded up, and other unsuitable, empty housing units. This category increased 18.4 percent over the decade and in 2000 comprised 27.5 percent of total vacant housing in the City of Rockford.

TABLE III.6
DISPOSITION OF VACANT HOUSING IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Disposition of Vacant Housing Units	1990	2000	% Change
For rent	1,490	2,120	42.3%
For sale only	351	621	76.9%
Rented or sold, not occupied	348	309	-11.2%
Seasonal/recreational or occasional use	89	149	67.4%
For migrant workers	5	1	-80.0%
Other vacant	1,024	1,212	18.4%
Total Vacant Housing in Rockford	3,307	4,412	33.4%

“Other vacant” housing was spread throughout the City, with the Southeast quadrant having the greatest amount. In the Southeast, other vacant housing stock rose 59.6 percent over the decade, from 317 to 506 units. Other vacant housing in the Northeast and Northwest increased 19.8 and 13.8 percent, respectively. This amounts to increases of 19 units in the Northeast and 30 units in the Northwest. Only the Southwest quadrant reduced vacant housing stock, falling from 393 units in 1990 to 343 units in 2000, but 4.8 percent of the 7,086 housing units in the Southwest quadrant were vacant and neither for sale nor for rent, as seen in Table III.7, below.

TABLE III.7
“OTHER VACANT” HOUSING IN ROCKFORD
1990 AND 2000 DECENNIAL CENSUS

Quadrant	1990	2000	% Change
Northeast	96	115	19.8%
Northwest	218	248	13.8%
Southeast	317	506	59.6%
Southwest	393	343	-12.7%
City of Rockford	1,024	1,212	18.4%

These statistics should concern City leaders because they suggest that while the housing stock expanded, vacant and potentially unsuitable housing rose at a faster rate. This increases the probability of neglect, deferred maintenance, and dilapidated housing. This, in turn, translates into the danger of expanding blight.

Age of Housing Stock

The City of Rockford's housing units are predominantly older, with over 52 percent of the homes constructed prior to 1960. Older homes, particularly those built prior to 1940, have a greater potential for structural problems related to inadequate foundations and floor supports, poor plumbing, outdated electrical wiring, and substandard roofing, as well as a greater likelihood of lead paint hazards.

Some 21 percent of Rockford homes were built prior to 1940. The decade with the strongest household production in the City of Rockford was the 1950s, in which over 11,000 homes were constructed, as seen in Table III.8, below.

TABLE III.8
AGE OF HOUSING STOCK BY TENURE
1990 AND 2000 CENSUS ROCKFORD, ILLINOIS

Year Structure Built	Owner		Renter		Total	
	1990	2000	1990	2000	1990	2000
Built 1999 to March 2000	.	200	.	169	.	369
Built 1995 to 1998	.	1485	.	1153	.	2,638
Built 1990 to 1994	.	1726	.	846	.	2,572
Built 1980 to 1989 ¹⁶	2223	2604	2239	2326	4,462	4,930
Built 1970 to 1979	3253	4108	3787	3606	7,040	7,714
Built 1960 to 1969	5725	5803	5218	4071	10,943	9,874
Built 1950 to 1959	8028	8015	2755	3191	10,783	11,206
Built 1940 to 1949	4776	4368	1954	2706	6,730	7,074
Built 1939 or earlier	8693	7995	6188	4829	14,881	12,824
Total Occupied Housing Units	32,698	36,144	22,141	23,014	54,839	59,158

The age of housing in the City of Rockford varies by quadrant, with newer housing more common in the Northeast and Southeast quadrants. Just 4.0 and 3.8 percent, respectively, of housing in the Northwest and Southwest quadrants was built between 1990 and March 2000. This compares to 17.1 percent in the Northeast and 8.8 percent in the Southeast quadrant.

Older housing was more common on the west side of the City. In the Northwest quadrant, 28.4 percent of the housing stock was built before 1940. In the Southwest, 27.7 percent of the homes were constructed before 1940. The Southeast quadrant also had a fairly high percentage of these older homes, at 22.5 percent, but just 12.4 percent of homes in the Northeast quadrant were built prior to 1940.¹⁷

¹⁶ The 1990 Census information includes structures built from 1980-1990.

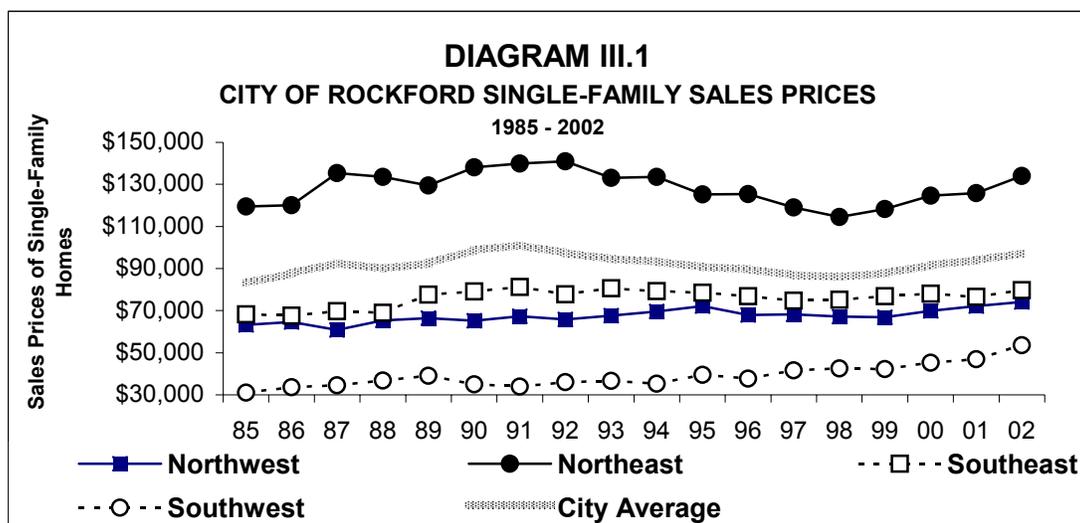
¹⁷ The age of housing stock by tenure for each of the City's four quadrants can be found in Appendix C.

Housing Prices

The Rockford Township Assessor prepared a data file containing descriptive characteristics of all residential properties within the City of Rockford and existing on the Rockford Township property tax rolls. This did not include all of the City's housing units, as some are located in neighboring townships. Others are excluded, as the Assessor considers some properties to be commercial property class; generally, these are larger apartment complexes and properties held for investment purposes. Consequently, the Rockford Township Assessor data do not include all residential dwelling units, only those considered to be in the residential property tax class. These statistics were segmented by quadrant, providing a slightly different, but nonetheless robust and informative, count from that provided by the Census Bureau.

For the tracking and evaluation of property for assessment, the Rockford Township Assessor maintained sales price data and the date of the property transaction. Because of this unique attribute of the database, a time series of single-family average sales prices, by quadrant, was created and is expressed in real 2002 dollars.¹⁸ In 1985, the citywide average sales price for a single-family housing unit was \$83,051. By 2002, this had risen to \$97,267. This represents price appreciation of just .9 percent per year.

Home prices were stronger in 1991, with the City average exceeding \$101,000. This average was driven primarily by the much higher prices commanded by housing units in the Northeast quadrant, which reached nearly \$141,000 in 1991, as seen below in Diagram III.1.



Only the Northwest and Southwest quadrants reached all-time price highs by 2002, with average prices reaching \$74,175 in the Northwest and \$53,543 in the Southwest. Overall, the Rockford housing market appears to be rather lackluster.¹⁹ Recent industrial employment curtailments likely will compound these problems.

¹⁸ *Real* refers to a series of dollar values with the effects of inflation taken out, thereby creating a series of data comparable by year.

¹⁹ Annual data, by quadrant, is tabulated in Appendix C.

The Rockford Township Assessor, for the purposes of assessment and taxation, estimates the market value of all properties. Table III.9, below, presents the Assessor's opinion of value, by type of dwelling unit and by quadrant of the City.

TABLE III.9
AVERAGE MARKET VALUE OF DWELLINGS
ROCKFORD TOWNSHIP ASSESSOR: JANUARY 2003

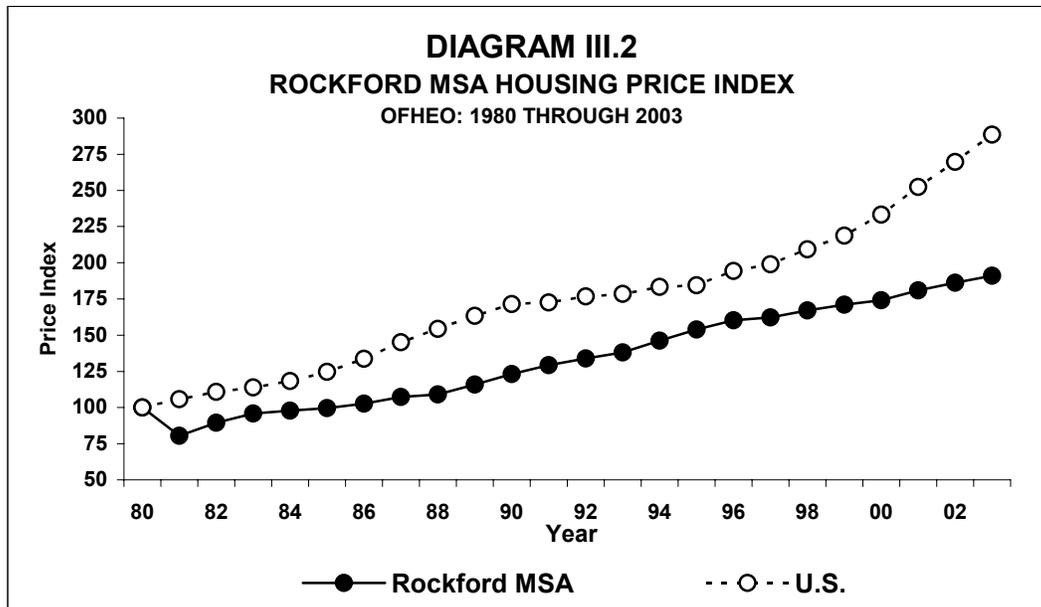
Dwelling Type	Northwest	Northeast	Southeast	Southwest
Single-family rural	128,932	143,797	91,820	46,460
Single-family	67,012	125,128	73,644	38,599
Duplex	57,062	136,838	64,246	40,902
Tri-plex	62,818	117,604	51,385	37,018
Four-plex	108,263	162,435	76,688	54,822
Five-plex	98,809	228,675	59,274	41,503
Six-plex	139,455	250,376	77,821	40,052
Condo unit	77,218	104,912	108,999	.

The average market value of single-family dwellings was low in the Southwest, with an average of just \$38,599 as of January 1, 2003. This was vastly different from the average market value in the Northeast quadrant, which was \$125,128. The long-term enhancement of the City is dependent upon taking steps to enhance the desirability, and therefore market prices, of properties in several areas of the City, particularly those areas with the lowest market values.

Another indicator of housing costs relates to the Office of Federal Housing Enterprise Oversight (OFHEO). The OFHEO, the regulatory agency for Fannie Mae and Freddie Mac, tracks average housing price changes for single-family homes and publishes a Housing Price Index (HPI) reflecting price movements on a quarterly basis. This index is a weighted repeat sales index, meaning it measures average price changes in repeat sales or refinancing on the same properties. This information was obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages were purchased or securitized by Fannie Mae or Freddie Mac since January 1975.²⁰ Nationwide, there were over 21.2 million repeat transactions in this database, which is computed monthly. All indexes, whether MSA or national, were set equal to 100 as of the first quarter of 1980.

Diagram III.2, on the following page, presents data from the first quarter of each year, from 1980 through 2003. As seen therein, the Rockford MSA index lost ground during the recession of 1981 through 1982. While prices increased in the MSA area, they rose considerably more slowly than prices nationally.

²⁰ Office of Federal Housing Enterprise Oversight, news release, June 2, 2003.



Housing Characteristics and Conditions

The four quadrants of the City experienced housing development at different times. In 2000, 2,724 units, or 48.8 percent, of all of Rockford's new housing units were located in the Northeast quadrant, as seen in Table III.10, below.

TABLE III.10
VINTAGE OF OCCUPIED HOUSING STOCK IN ROCKFORD
2000 DECENNIAL CENSUS

Housing Vintage	Northeast	Northwest	Southeast	Southwest	City of Rockford
Built 1990 to March 2000	2,724	525	2,096	234	5,579
Built 1980 to 1989	2,756	364	1,563	247	4,930
Built 1970 to 1979	2,646	1,133	2,995	940	7,714
Built 1960 to 1969	2,491	2,177	4,311	895	9,874
Built 1950 to 1959	2,454	3,333	4,254	1,165	11,206
Built 1940 to 1949	855	1,901	3,288	1,030	7,074
Built 1939 or earlier	1,972	3,737	5,387	1,728	12,824
Total Occupied Housing Units	15,850	13,170	23,894	6,232	59,158
Percent Housing Built Prior to 1940	12.4%	28.4%	22.5%	27.7%	21.7%
Percent Housing Built During 1990s	17.2%	4.0%	8.8%	3.8%	9.4%

Significantly fewer new housing units were developed either in the Southwest or Northwest quadrants. Housing development over the last decade in those two quadrants represented 4.2 and 9.4 percent of the newest housing stock, respectively. These two quadrants tend to have a significantly older housing stock, with 27.7 percent of stock in the Southwest and 28.4 percent of stock in the Northwest constructed prior to 1940.

These relatively large clusters of older housing units, when located in areas with low-income householders, tend to have a higher incidence of deferred maintenance. If these trends were to persist, they would represent a risk to the future health of this portion of the City's housing stock.

The Rockford Township Assessor data also contains information about the characteristics and condition of dwellings. The average size of a single-family urban home in the City of Rockford was 1,438 square feet. The Southwest quadrant typically had smaller units, in the 1,210 square foot range, with the Northeast having the largest, nearly 1,800 square feet, as seen in Table III.11, below.

TABLE III.11
AVERAGE SIZE OF HOUSING UNITS IN ROCKFORD
ROCKFORD TOWNSHIP ASSESSOR: SQUARE FEET ABOVE GROUND

Dwelling Type	Quadrant				Average
	Northwest	Northeast	Southeast	Southwest	
Single-family rural	2,043	2,063	1,576	856	1,790
Single-family	1,328	1,794	1,254	1,210	1,438
Duplex	997	1,184	1,011	928	1,011
Tri-plex	772	793	705	634	708
Four-plex	833	846	761	736	798
Five-plex	801	1,129	586	562	803
Six-plex	701	946	532	676	778
Condo unit	1,202	1,367	1,399	.	1,373

Part of the Assessor data describes the grade of the structure, which represents the quality of materials and workmanship used in the original construction of the unit. The grade is distinctly different from a physical condition rating, which will be discussed later. The grade of a structure is assigned during field inspections. For example, two buildings may be built from the same general floor plan, each offering exactly the same facilities and with the same specific features, but the value of one unit may be more than double the other simply due to its grade, the quality of its materials and workmanship.

The data provides four basic grades: excellent, good, average, and cheap, but the Rockford Township Assessor added two additional grades, one at each extreme. "Prestige" represents a grade 50 percent higher than excellent, while "low grade and inferior" involves the use of low grade materials and inferior workmanship and lacks sufficient, normal facilities.²¹

Citywide, 88 percent of all dwellings were constructed of average grade. The Northeast quadrant had all of the City's prestige homes and 97 percent of all the excellent grade homes. The Northeast also had the fewest homes built with a cheap grade. The Southeast had the greatest number of homes graded as cheap, 565 units. The Southwest quadrant had no homes built with good or better grade materials and workmanship, and had the largest share of cheap housing units, with 9.2 percent of its stock classified as cheap.

²¹ Rockford Township Assessor appraisal handbook, Page P2.

These statistics are presented in Table III.12, below. Homes using cheap materials and workmanship imply a significantly greater maintenance burden for the homeowner. When these homes are located in areas with lower incomes, deferred maintenance may occur.

TABLE III.12
QUALITY OF MATERIALS AND WORKMANSHIP
ROCKFORD TOWNSHIP ASSESSOR: NUMBER OF DWELLINGS

Grade	Total by Quadrant				Total
	Northwest	Northeast	Southeast	Southwest	
Prestige	0	266	0	0	266
Excellent	21	616	0	0	637
Good	204	2,352	561	0	3,117
Average	10,832	9,632	14,463	2,867	37,794
Cheap	221	15	565	292	1,093
Low grade and inferior	0	0	1	0	1
Total	11,278	12,881	15,590	3,159	42,908

The Assessor data includes a composite indicator related to the property’s physical condition, its desirability, and the overall usefulness of the structure, termed the CDU.²² The Assessor assigned the ratings in the following fashion:

- Excellent: Perfect condition; very attractive and highly desirable.
- Very good: Slight evidence of deterioration; still attractive and quite desirable.
- Good: Minor deterioration visible; slightly less attractive and desirable, but useful.
- Average: Normal wear and tear is apparent; average attractiveness and desirability.
- Fair: Marked deterioration, but quite usable; rather unattractive and undesirable.
- Poor: Definite deterioration is obvious; definitely undesirable and barely usable.
- Very poor: Approaches unsoundness; extremely undesirable and barely usable.
- Unsound: Unsound and practically unfit for use.

The Assessor extended the lower-end categories to better discriminate between them, adding “poor minus” and “very poor minus” as categories. Table III.13, on the following page, presents the CDU by quadrant and for the City as a whole. The Northeast quadrant had the greatest number of homes with an excellent or very good CDU. The Northwest had a few excellent and very good homes, but the Southeast had just seven very good units, and the Southwest had no units with a CDU of excellent, very good, or good.

The Assessor termed all West Side Alive homes, new dwellings the City produced, as having an “average” CDU. Citywide, 2,441 units were given a CDU of “poor minus,” meaning these structures likely were in a state of serious deterioration. Some 1,769 units were given a CDU of very poor, meaning they were barely fit for habitation. Another 89 structures were given a “very poor minus” rating, and 120 structures were found to be unsound and unfit for habitation.

²² Rockford Township Assessor appraisal handbook, page 27.

TABLE III.13
CONDITION, DESIRABILITY, AND USEFULNESS OF DWELLINGS
ROCKFORD TOWNSHIP ASSESSOR: NUMBER OF DWELLINGS

CDU	Total by Quadrant				Total
	Northwest	Northeast	Southeast	Southwest	
Excellent	109	496	0	0	605
Very Good	88	1,292	7	0	1,387
Good	1,772	5,069	2,404	0	9,245
Average	3,680	5,411	7,064	40	16,195
Fair	2,717	364	2,818	615	6,514
Poor	1,323	188	2,088	944	4,543
Poor minus	879	31	667	864	2,441
Very poor	655	27	464	623	1,769
Very poor minus	22	2	31	34	89
Unsound	33	1	47	39	120
Total	11,278	12,881	15,590	3,159	42,908

Aggregating CDU classes of very poor, very poor minus, and unsound, the data suggests blighted conditions exist for as many as 1,978 housing units. While rehabilitation is a possibility for these three lower grades, investments in improving these properties may significantly exceed market prices. This is especially true in the Southwest quadrant, where current home market values are only about \$38,600.

The Assessor data was segmented by type of dwelling unit. Table III.14, below, presents the CDU information for single-family units. The three lowest ratings comprise 1,192 single-family units, 81 percent of which are in the City's Southwest and Southeast quadrants. The difference between the three lowest ratings from Table III.13 and III.14, very poor through unsound, is about 786 units. This value represents apartment units, from duplex through six-plex structures. With weakness in the rental markets in all quadrants of the City except the Northeast, investments to improve the properties are problematic. Facilities such as Concord Commons are not included in this data.

TABLE III.14
CONDITION, DESIRABILITY, AND USEFULNESS OF DWELLINGS
ROCKFORD TOWNSHIP ASSESSOR: SINGLE-FAMILY DWELLINGS

CDU	Total by Quadrant				Total
	Northwest	Northeast	Southeast	Southwest	
Excellent	108	495	0	0	603
Very Good	87	1,290	0	0	1,377
Good	1,690	4,870	2,274	0	8,834
Average	3,464	3,988	5,968	36	13,456
Fair	2,354	279	2,307	583	5,523
Poor	1,109	186	1,303	829	3,427
Poor minus	738	30	320	655	1,743
Very poor	483	27	171	409	1,090
Very poor minus	12	2	8	20	42
Unsound	19	1	20	20	60
Total	10,064	11,168	12,371	2,552	36,155

The 2000 Census also reported data on housing conditions, although the information related only to whether the housing units lack complete plumbing or kitchen facilities. Table III.15, below, provides data concerning plumbing conditions. Data concerning the lack of kitchen facilities is also located in Table III.16, below.

TABLE III.15
PLUMBING FACILITIES
1990 AND 2000 CENSUS BY QUADRANT, ROCKFORD, ILLINOIS

QUADRANT	1990			2000		
	Complete Plumbing Facilities	Lacking Plumbing Facilities	Total	Complete Plumbing Facilities	Lacking Plumbing Facilities	Total
Northeast	13,397	19	13,416	16,488	15	16,503
Northwest	14,268	8	14,276	14,094	82	14,176
Southeast	22,876	79	22,955	25,618	212	25,830
Southwest	7,420	79	7,499	6,998	100	7,098
Total Housing Units SF	57,961	185	58,146	63,198	409	63,570

TABLE III.16
KITCHEN FACILITIES
1990 AND 2000 CENSUS BY QUADRANT, ROCKFORD, ILLINOIS

QUADRANT	1990			2000		
	Complete Kitchen Facilities	Lacking Kitchen Facilities	Total	Complete Kitchen Facilities	Lacking Kitchen Facilities	Total
Northeast	13,395	21	13,416	16,326	177	16,503
Northwest	14,195	81	14,276	14,051	125	14,176
Southeast	22,813	142	22,955	25,633	197	25,830
Southwest	7,396	103	7,499	7,024	74	7,098
Total Housing Units	57,799	347	58,146	63,034	573	63,570

Between 1990 and 2000, the number of housing units lacking complete plumbing facilities more than doubled, from 185 to 409 units, and the number of units lacking complete kitchen facilities increased 65.1 percent, from 347 to 573 units. The Northeast quadrant was the only one with fewer units lacking complete plumbing facilities in 2000, while the Southwest was the only quadrant with fewer units lacking complete kitchen facilities. In 2000, the Southeast quadrant had both the greatest number of units lacking complete plumbing facilities, with 212, and the greatest number lacking complete kitchen facilities, with 197. These statistics imply that an increasing number of housing units are not being sufficiently maintained.

Lead-Based Paint Hazards

Environmental issues play an important role in the quality of housing. Exposure to lead-based paint, which is more likely in older homes, is one of the most significant environmental threats posed to homeowners and renters.

Medical understanding of the harmful effects of lead poisoning on children and adults in both the short and long-term is increasing. Evidence shows lead dust is a more serious hazard than ingestion of paint chips. Dust from surfaces with intact lead-based paint is pervasive and

poisonous when inhaled or ingested. Making the situation more difficult is the fact that lead dust is so fine it is not collected by conventional vacuum cleaners.

Lead-based paint was banned from residential use in 1978 because of the health risk it posed, particularly to children. Homes built prior to 1980 have some chance of containing lead-based paint on interior or exterior surfaces. The chances increase with the age of the housing units. Housing units built before 1940, which make up some 21 percent of the housing units in the City of Rockford, are much more likely than are newer homes to contain lead-based paint.

HUD established estimates for determining the likelihood of housing units containing lead-based paint. These estimates are as follows:

- 90 percent of units built before 1940;
- 80 percent of units built between 1940 and 1959; and,
- 62 percent of units built between 1960 and 1979.

Units at Risk of Lead Hazards. Because most housing units in the City were built prior to 1980, lead-based paint hazards are a significant problem in the City. The HUD estimates noted above were applied to occupied units and are portrayed in Table III.17, below, to show the extent of the problem in Rockford. In 2000, the City had over 37,000 housing units at risk of lead-based paint hazards, or nearly 63 percent of the City's entire stock of housing.²³

TABLE III.17
UNITS AT RISK OF LEAD-BASED PAINT HAZARDS
CITY OF ROCKFORD, 2000 CENSUS

Year Structure Built	Owner- Occupied Units at Risk	% of 2000 Housing Stock	Renter- Occupied Units at Risk	% of 2000 Housing Stock	Total Occupied Units at Risk	% of 2000 Housing Stock
1939 or earlier	7,196	19.82	4,346	18.98	11,542	19.50
1940 to 1949	3,494	9.63	2,165	9.45	5,659	9.56
1950 to 1959	6,412	17.66	2,553	11.15	8,965	15.14
1960 to 1979	6,145	16.93	4,760	20.79	10,905	18.42
Total	23,247	64.03	13,823	60.37	37,070	62.62

Other factors besides the age of the housing unit help to determine the risk for lead-based paint problems. These factors include the condition of the housing, tenure (*i.e.*, renter or owner), and household income. Households with young children are also at greater risk because young children have more hand-to-mouth activity and absorb lead more readily than do adults. The two factors most correlated with the presence of lead-based paint hazards are low-income and rental status. Low-income residents are less likely to be able to afford proper maintenance of their homes, leading to issues such as chipped and peeling paint. Renters are not as likely to renovate their own homes, and rental property owners may not renovate their properties as often as homeowners renovate their own residences.

²³ For a breakdown of this data by quadrant see Appendix C.

These correlations are borne out by data for Rockford. When the number of units with lead-based paint risks were segmented by income and tenure, a higher concentration of the at-risk units were found to be rentals occupied by lower-income households. Of the 23,014 renter households in the City, 10,941, or 47.5 percent, were low- to moderate-income households facing potential lead-based paint hazards. This is significantly more than the 30 percent of low- to moderate-income homeowners who face the potential of lead-based paint hazards, as seen in Table III.18, below.

TABLE III.18
LOW- TO MODERATE-INCOME (LMI) HOUSEHOLDS
AT RISK OF LEAD BASED PAINT HAZARDS
CITY OF ROCKFORD, 2000 CENSUS

Unit Vintage	0-30% MFI	30-50% MFI	50-80% MFI	80-95% MFI	Total LMI Households
LMI Homeowners					
1939 or earlier	614	881	1,521	747	3,763
1940 to 1949	304	328	835	382	1,849
1950 to 1959	392	663	1,354	655	3,064
1960 to 1979	284	405	1,034	523	2,246
Total	1,594	2,278	4,743	2,306	10,921
LMI Renters					
1939 or earlier	1,292	890	1,043	339	3,564
1940 to 1949	666	367	521	226	1,780
1950 to 1959	561	596	583	246	1,986
1960 to 1979	1,437	762	1,024	388	3,611
Total	3,958	2,614	3,171	1,198	10,941
Total					
1939 or earlier	1,906	1,771	2,564	1,086	7,327
1940 to 1949	970	695	1,356	608	3,629
1950 to 1959	953	1,259	1,937	901	5,050
1960 to 1979	1,721	1,167	2,058	911	5,857
Total	5,552	4,892	7,914	3,504	21,862

Suitability Criteria

The City defined properties as standard condition or substandard condition properties. Substandard refers to the physical condition of the property, which must have obvious signs of deterioration, with some aspects of the structure approaching unsound or uninhabitable conditions. All other structures, while potentially having deferred maintenance and other problems, are considered to be of standard condition. The City adopted one definition to guide its investments in rehabilitation of residential property. The term “substandard condition but suitable for rehabilitation” is used to define a residential property, constructed with sufficient quality in workmanship and materials, that can experience rehabilitation investments such that the investment, plus any other outstanding debt on the property, will not exceed reasonable current market value of the property after the investment.

Housing Production

Statistics related to building permits, separated by quadrant, were not available for this research, but the City of Rockford Building Department was able to provide citywide building permits and demolitions for the period from 1981 through September 2003. Strong housing production was seen during the late 1980s in duplex construction. Multi-family units, comprising structures with five or more units, saw a peak construction period during 1995, when 445 units were added to the City's housing stock. The slowest year for permitting was the recession year of 1982, when just 83 units were permitted.

Over the entire period, new single-family permits were frequently issued. The peak period was reached in 1994, when 304 single-family units were permitted. The total value of new single-family construction was highest during 1991, when the value reached \$113,278. This data and level of price correspond with the highest sales price data seen in the Assessor's database. Today, the average value of new construction is considerably lower, just \$63,955.²⁴ These production statistics are presented in Table III.19, below.

TABLE III.19
CITY OF ROCKFORD PERMITTED NEW CONSTRUCTION
1981 THROUGH SEPTEMBER 2003

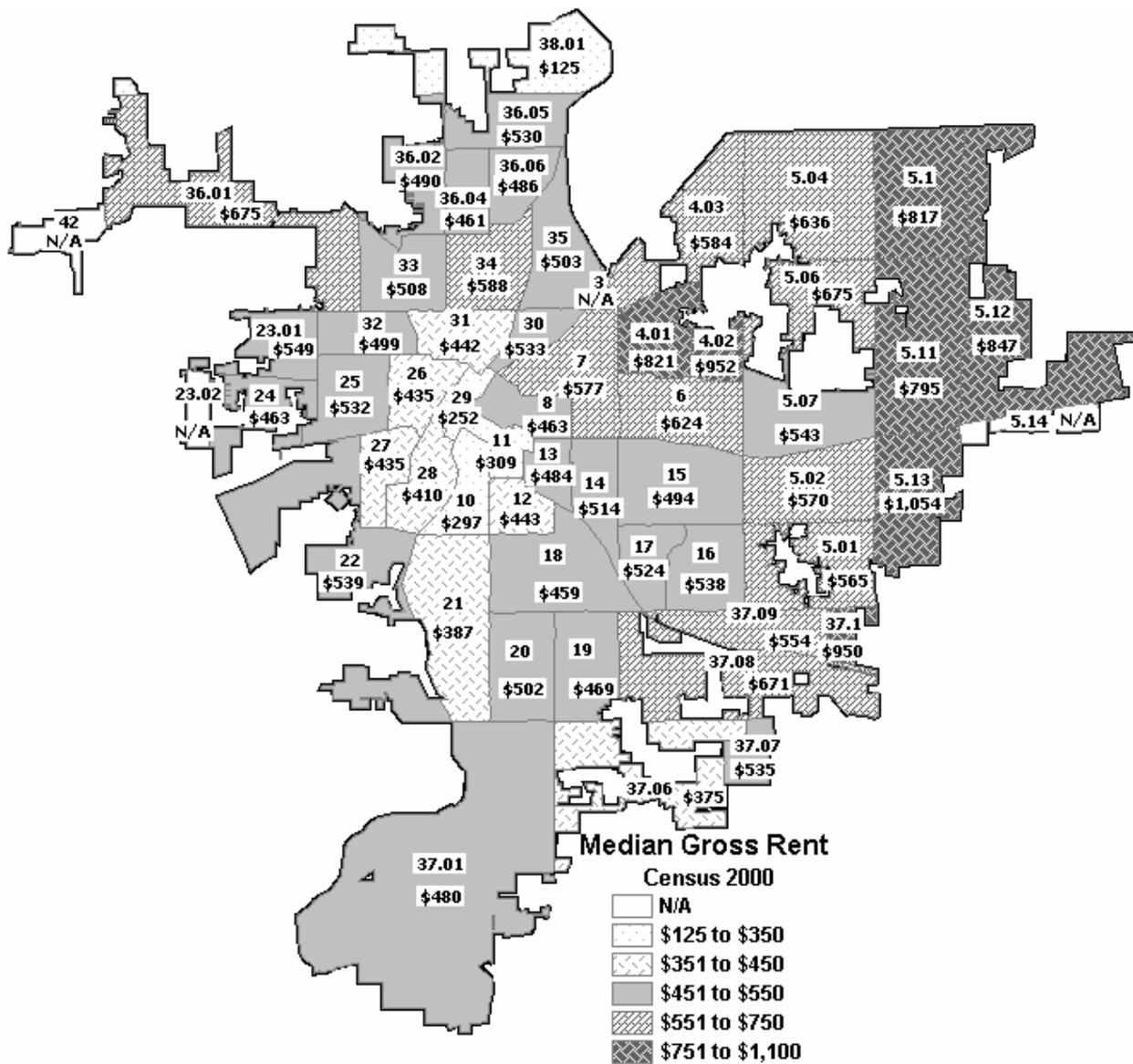
Year	Single-family units	Real Value of SF Construction Per unit, 2002 \$	Duplex Units	Tri and Four-Plex Units	Multi-family Units	Demolitions	Total Units
1981	100	82,141	20	24	58	69	202
1982	61	75,640	14	8	0	54	83
1983	74	70,700	34	36	72	44	216
1984	71	85,439	32	52	41	74	196
1985	133	96,350	40	36	47	60	256
1986	197	92,147	54	40	0	58	291
1987	214	102,328	168	96	36	74	514
1988	259	103,974	240	194	0	86	693
1989	252	103,230	208	118	0	108	578
1990	235	110,800	92	19	0	123	346
1991	277	113,278	86	12	8	84	383
1992	251	97,606	132	16	110	87	509
1993	251	88,102	94	36	8	89	389
1994	304	82,501	70	3	45	96	422
1995	289	71,305	102	0	445	88	836
1996	268	67,881	88	24	160	78	540
1997	222	64,767	28	20	168	74	438
1998	160	69,765	40	16	50	104	266
1999	205	75,504	40	0	75	102	320
2000	212	79,429	38	0	45	146	295
2001	225	80,592	30	108	110	169	473
2002	280	67,483	88	136	12	131	516
2003	178	63,955	90	39	0	50	307

²⁴ The 2003 value is expressed in nominal terms.

Housing Affordability

The affordability of housing in the City of Rockford is a function of the cost of housing in relation to the income levels of persons living in the City. Diagram III.3, below, shows the median gross rent in numbered Census Tracts for 2000. The highest rents were found in the Northeast quadrant of the City. The lowest rents were clustered primarily along the border between the Southeast and Southwest quadrants.

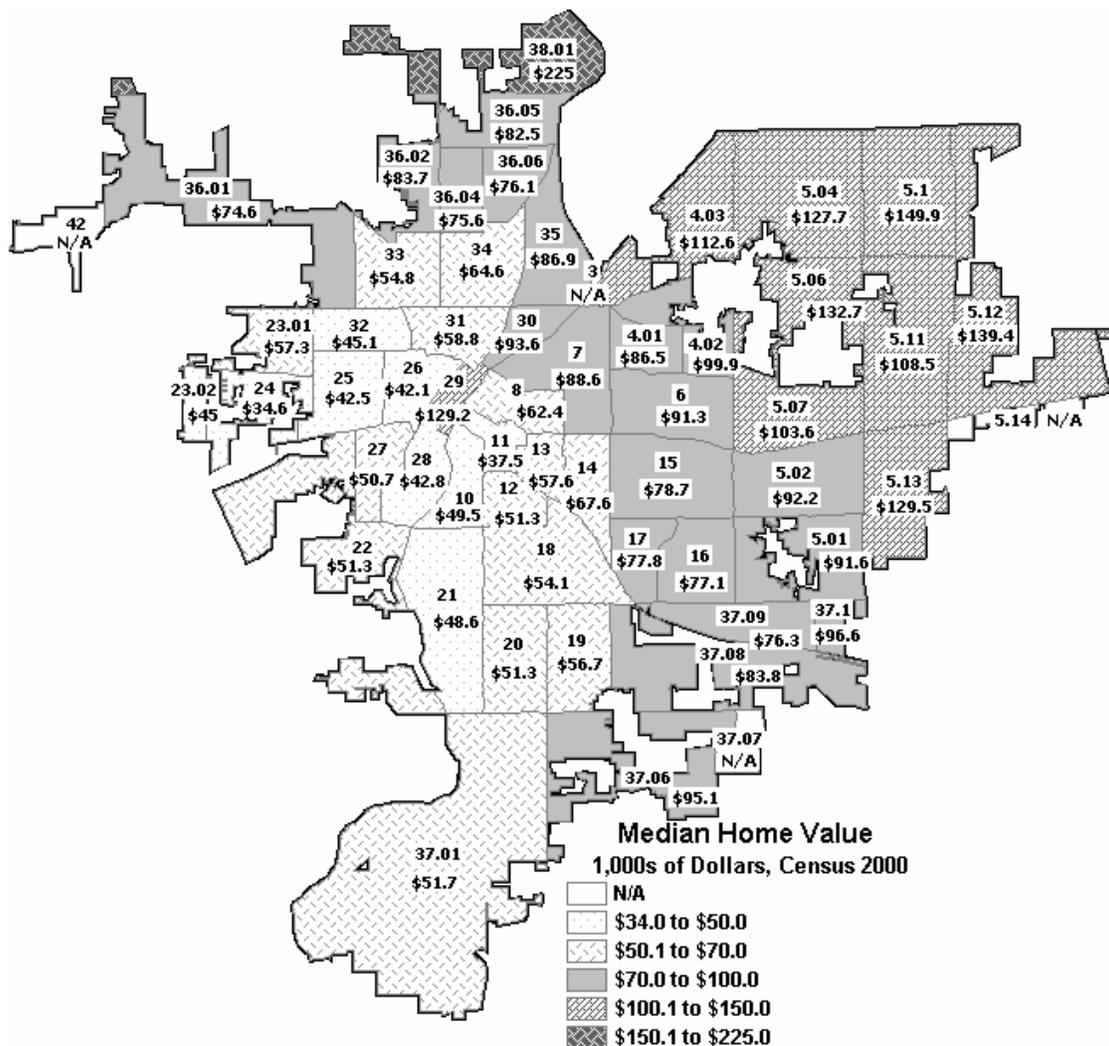
DIAGRAM III.3
Rockford, Median Gross Rent by Census Tract, Census 2000



In 2000, median home values in the City were clustered in a manner similar to the rent cost shown on the previous page. The highest home values were found in the Northeast quadrant, where median home values ranged as high as about \$150,000. The lowest costs were found primarily in the Southeast and Southwest quadrants, where the median home value was as low as \$37,500.

Interestingly, the Census Tract with the highest median home value in the City of Rockford was in the Northwest quadrant, at \$225,000. This implies that rehabilitation activity on residential dwellings may be more economically feasible and marketable when property values are this high. These statistics, as well as the remainder for all Census Tracts in the City of Rockford, are presented in Diagram III.4, below.

DIAGRAM III.4
Rockford, Median Home Value (1,000s of Dollars) by Census Tract, Census 2000



Public and Assisted Housing

The Rockford Housing Authority (RHA) currently has 2,010 low-income public housing units. The physical condition of the 2,010 units ranges from fair to good. The units are in need of standard, day-to-day maintenance and repairs, along with scheduled restorations (*e.g.*, roofs, gutters, exterior doors, furnaces, etc.).²⁵

The Section 504 needs assessment is currently set at 5 percent of the housing stock. To improve the management and operation of the public housing and to improve the living environment of low and moderate-income families residing in public housing, the RHA retained the services of an experienced public housing director. This person now manages the Housing Operations Department. The director oversees both day-to-day maintenance and management issues and is currently restructuring both departments to ensure efficiency and standardization of the process.

The public housing developments in the jurisdictions participating in an approved HUD Comprehensive Grant program include the following:

Family	High-Rise	Low-Rise
Blackhawk	Brewington Oaks	Buckbee
Fairgrounds	Olesen Plaza	Midvale
Jane Addams	North Main Manor	Summit Green
Orton Keyes		

A new parking lot and street is now located at the Orton Keyes Development. The City of Rockford funded \$50,000 for the project, while the Rockford Housing Authority provided the balance of payment with CFP 709 and 710 funds for those and adjoining work. The City of Rockford also has a 50-50 payment process for the replacement of public sidewalks. These are examples of coordinated or jointly funded activities funded with the public housing Comprehensive Grant program.

In an effort to revitalize a neighborhood surrounding a public housing project, the City of Rockford currently is seeking replacement of the Morgan Street Bridge, which will re-align just south of its current location. This replacement will help provide ready access to both sides of the City, enhancing economic opportunities for residents on the west side of the City and providing economic opportunities for both businesses and visitors to the City. The bridge replacement will go through the Jane Addams Family Development, which is a dual housing development with the twin towers of Brewington Oaks High Rise Development. The percent of housing demolition for the roadway is 7 percent.

The RHA is seeking to leverage its Capital Funding dollars to demolish the remaining portion of Jane Addams, which equates to 9 percent of the overall property. Those residents living in the Jane Addams portion of the property will be provided either with transfers into other public housing, with scattered site units, or with Section 8 vouchers.

²⁵ This data provided by Paul Hackerson, March 11, 2004.

The Winnebago County Health Department has an on-site clinic at Blackhawk Development and offers special health screening tests, providing dental care for children. Lifescape workers provide outreach services to residents in both high rises and low rises. Recreational opportunities and programs are provided in family developments by the Blackhawk Boys and Girls Club, Camaraderie Arts, and Faith Center.

There are two assisted housing aspects with the RHA. The Section 8 Voucher program is currently set without any indication of reduction at this time. Concord Commons Family Development on the west side of the City is a Section 8-funded development. The RHA is currently working with the Winnebago County Housing Authority (WCHA) which has a HOPE VI Demolition/Revitalization Grant. It is the hope of the RHA to partner with the WCHA either to revitalize or demolish Concord Commons.

Housing Needs Forecast

Population. The University of Illinois College of Medicine, Health Systems Research, prepared a forecast of population for Winnebago County, as well as the City of Rockford, in five-year increments.²⁶ Growth inside the City is assumed to expand at the same rate as the County for the next 25 years, through 2025. This citywide growth rate was applied uniformly to each of the quadrants.²⁷ While this growth does not correspond with recent trends for the Northwest and Southwest quadrants, forecasting a continuation of decline for these areas will not prove practical because the City intends to change this trend. Consequently, the population declines seen on the west side no longer occur in the forecast. Table III.20, below, presents the population forecast by quadrant and for the City in its entirety.

TABLE III.20
CITY OF ROCKFORD POPULATION FORECAST
BY QUADRANT 2000 THROUGH 2025

Year	NE	NW	SE	SW	TOTAL
2000	39,146	33,894	58,143	18,932	150,115
2005	39,816	34,474	59,139	19,256	152,686
2010	40,533	35,095	60,203	19,603	155,434
2015	41,344	35,797	61,407	19,995	158,543
2020	42,253	36,584	62,758	20,435	162,031
2025	43,267	37,463	64,265	20,925	165,920

The forecast predicts that by the year 2025, the City of Rockford will gain more than 15,000 residents, reaching nearly 166,000 persons. The Southeast quadrant will remain the largest, rising to 64,265 people. The Southwest quadrant will remain the least populated but will increase to 20,925 persons.

²⁶ Data for this forecast was received from Joel B. Cowen, Assistant Dean, College of Medicine at Rockford in 2003.

²⁷ This forecast does not include annexations over the forecast horizon.

Persons per household trends slightly down at first, but levels off citywide by the close of the forecast period. The quadrant with the largest declines in persons per household continues to be the Northeast quadrant, falling from 2.47 in 2000 to 2.35 by the year 2025. These data are presented in Table III.21, below.

TABLE III.21
CITY OF ROCKFORD PERSONS PER HOUSEHOLD FORECAST
2000 THROUGH 2025

Year	NE	NW	SE	SW	TOTAL
2000	2.47	2.56	2.44	3.04	2.54
2005	2.43	2.54	2.41	3.03	2.51
2010	2.40	2.52	2.39	3.03	2.49
2015	2.37	2.51	2.38	3.02	2.47
2020	2.36	2.50	2.37	3.02	2.46
2025	2.35	2.50	2.36	3.02	2.46

Household Formation. Because persons per household are expected to decline slightly over the course of the forecast, household formation increases more quickly than population growth. Citywide, total households are expected to increase to 67,513 by 2025. The Southeast will still have the most households, with 27,176, as seen in Table III.22, below.

TABLE III.22
CITY OF ROCKFORD HOUSEHOLD FORMATION FORECAST
2000 THROUGH 2025

Year	NE	NW	SE	SW	TOTAL
2000	15,850	13,223	23,853	6,232	59,158
2005	16,416	13,581	24,535	6,353	60,886
2010	16,922	13,919	25,171	6,477	62,489
2015	17,410	14,262	25,810	6,614	64,096
2020	17,899	14,622	26,473	6,764	65,758
2025	18,402	15,005	27,176	6,930	67,513

Homeownership. Because of recent trends and economic events, homeownership is anticipated to decline in all quadrants except the Southwest, which is expected to rise slightly, from 43.7 percent to 44 percent by 2025. This information is presented in Table III.23, below.

TABLE III.23
CITY OF ROCKFORD
HOMEOWNERSHIP RATES BY QUADRANT
2000 THROUGH 2025

Year	NE	NW	SE	SW	TOTAL
2000	71.7%	61.5%	58.4%	43.7%	61.1%
2005	71.5%	61.4%	58.3%	43.7%	61.0%
2010	71.3%	61.3%	58.3%	43.8%	61.0%
2015	71.1%	61.2%	58.2%	43.9%	60.9%
2020	70.9%	61.1%	58.2%	43.9%	60.8%
2025	70.7%	61.0%	58.1%	44.0%	60.7%

Even though declines in homeownership rates are expected, the total number of owner-occupied householders will increase in all City quadrants, reaching 40,992 by the year 2025. This represents an annual growth rate of just .5 percent per year, as presented in Table III.24, below.

TABLE III.24
CITY OF ROCKFORD HOMEOWNER FORECAST BY QUADRANT
2000 THROUGH 2025

Year	NE	NW	SE	SW	TOTAL
2000	11,365	8,131	13,927	2,721	36,144
2005	11,737	8,337	14,311	2,778	37,163
2010	12,063	8,530	14,667	2,837	38,097
2015	12,375	8,726	15,024	2,901	39,026
2020	12,686	8,931	15,395	2,971	39,983
2025	13,005	9,150	15,788	3,049	40,992

Renter households are expected to increase at .6 percent per year, reaching 26,521 households by the year 2025. In the forecast, the recent upswing in the demand for rental housing in the Northeast quadrant slows, reflecting slower population growth, as seen in Table III.25, below.

TABLE III.25
CITY OF ROCKFORD RENTER FORECAST BY QUADRANT
2000 THROUGH 2025

Year	NE	NW	SE	SW	Total
2000	4,485	5,092	9,926	3,511	23,014
2005	4,680	5,244	10,225	3,575	23,723
2010	4,859	5,389	10,504	3,640	24,392
2015	5,035	5,536	10,786	3,713	25,070
2020	5,213	5,691	11,078	3,793	25,775
2025	5,397	5,855	11,387	3,881	26,521

Income Distributions. The number of renter households in the lower-income categories is expected to continue to rise. Extremely low-income renter households, those with incomes from 0 to 30 percent of median family income (MFI), will increase from 6,524 in 2000 to nearly 7,500 by 2025. The forecast predicts 627 more very low-income households, those making from 30 to 50 percent of MFI. Renter households with incomes greater than 95 percent of MFI will expand the most, 16.1 percent over the 25-year forecast horizon, as seen in Table III.26, below.

TABLE III.26
RENTER FORECAST BY INCOME
CITY OF ROCKFORD 2000 THROUGH 2025

Year	0-30% MFI	30-50% MFI	50-80% MFI	80-95% MFI	95+% MFI	Total
2000	6,524	4,197	5,175	1,961	5,157	23,014
2005	6,713	4,323	5,337	2,023	5,327	23,723
2010	6,893	4,442	5,489	2,082	5,486	24,392
2015	7,076	4,563	5,643	2,140	5,647	25,070
2020	7,268	4,690	5,803	2,201	5,812	25,775
2025	7,473	4,824	5,972	2,266	5,987	26,521

These increasing numbers of lower-income households are expected to continue to place significant pressure on the City's housing resources. The number of extremely low-income homeowners will rise from 2,262 in 2000 to more than 2,500 by 2025. Households with incomes greater than 95 percent of MFI will expand by the greatest percent, however, 13.6 percent over the next 25 years, as seen in Table III.27, below.²⁸

TABLE III.27
CITY OF ROCKFORD HOMEOWNER FORECAST BY INCOME
2000 THROUGH 2025

Year	0-30% MFI	30-50% MFI	50-80% MFI	80-95% MFI	95+% MFI	Total
2000	2,262	3,182	6,801	3,436	20,464	36,144
2005	2,322	3,268	6,987	3,531	21,055	37,163
2010	2,378	3,348	7,159	3,619	21,593	38,097
2015	2,435	3,429	7,332	3,707	22,124	39,026
2020	2,494	3,512	7,511	3,797	22,669	39,983
2025	2,557	3,601	7,701	3,893	23,240	40,992

Summary of Housing Market Analysis

The preceding housing market analysis offers a number of facts, data, and trends affecting the character of Rockford's housing markets. The highlights include:

- Total housing stock in the City rose 9.3 percent over the decade; however, the housing stock increased nearly 23 percent in the Northeast quadrant. While the number of housing units in the Southeast quadrant rose 12.2 percent, the number of units in both the Northwest and Southwest quadrants declined between 1990 and 2000, falling 0.6 percent and 4.8 percent, respectively.
- Occupied housing units in the City rose more slowly than total housing production, thereby causing vacancy rates to increase. Occupied rental units rose over 30 percent in the Northeast, at the same time that vacancy rates fell in this quadrant. On the other hand, rental vacancy rates in the Northwest, Southeast, and Southwest quadrants are now relatively high, at 8.7, 9.5, and 8.6 percent, respectively.
- Over 82 percent of Rockford's occupied housing stock was constructed prior to 1980. Over 33 percent was built prior to 1950. Older housing increases the risk of lead-based paint hazards. There are likely to be over 37,000 units with such lead-based paint hazards in the City, with nearly 60 percent of these in low- to moderate-income households.
- Housing prices in the City are appreciating slowly. While housing prices have risen for the last several years and reached an average price of \$97,267 in 2002, analysis of the Rockford Township Assessor data indicates sales prices in real 2002 dollars were highest in 1991, when they reached an average of \$101,089. These statistics are substantiated further by construction data from the City's Building Department, which indicate the highest real value of construction also occurred in 1991, when the construction value was \$113,278. Recent economic events suggest housing prices may continue to be soft in Rockford.

²⁸ Data for both renters and homeowners are presented by quadrant and five-year increment in Appendix D.

- While vacancy rates have risen, vacant housing that is neither for sale nor for rent jumped 18.4 percent, rising to 1,212 units in 2000, about 2 percent of the City's housing stock. This is a faster rate than the overall expansion of the housing stock, and occurred during a time period in which the City demolished 925 housing units. Current vacant housing units are located primarily in the Southwest, the Northwest, and Southeast quadrants of the City, with the Southwest having 5 percent of its stock vacant and not for sale or for rent. Additionally, the Rockford Township Assessor classified 1,978 housing units as approaching unsound, undesirable, and barely useful status, of which 786 are units in buildings with two to six dwelling units.
- The population in the City of Rockford will continue to rise over the next 25 years, reaching 165,920 by 2025. This population will reside in 67,513 households, of which 40,992 will be homeowners and 26,521 will be renters.

Section IV. Housing and Homeless Needs Assessment

Housing Needs Survey

As part of the Consolidated Plan, a needs assessment telephone survey was conducted. This was a primary research function designed to qualitatively gauge the perception of housing needs throughout the City of Rockford. With the assistance of the Community Development Department, a sample of 138 prospective respondents was selected. The disposition of the sample, including 82 completed surveys, is noted in Table IV.1, at right.

TABLE IV.1
TELEPHONE SURVEY
DISPOSITION OF SAMPLE

Results	Sample size
Completed	82
Refused	2
No answer	41
Duplicate	5
Bad telephone number	8
Total	138

For several questions, the respondent was asked to indicate their degree of agreement with a particular statement, from “strongly disagree” to “strongly agree.” Responses were tabulated by quadrant and are shown in Table IV.2, on the following page.

Rental Housing. A preponderance of respondents expressed either moderate or strong agreement with the statement that rental housing is plentiful in the City. This notion is supported by the increase in rental units in the Northeast quadrant over the last decade and by the rental vacancy rates presented earlier in this document.

When considering the affordability of rental housing, a substantial number of respondents felt the Northeast is not particularly affordable. Respondents felt the other three quadrants are far more affordable, with the most frequent answer representing moderate agreement.

One of the questions asked respondents if they agreed with the statement that rental housing is accessible. Very few felt strong agreement with this notion. While several expressed no knowledge of this aspect of the market, patterns of response indicate the perception that the rental stock lacks sufficient accessibility, especially in the Southwest quadrant.

The Northeast is perceived to have the highest quality of rental stock and the Southwest the lowest quality of rental stock. Perceptions of the rental stock in the Northwest and Southeast appear to be more positive than other data, such as the Assessor information and the Decennial Census, have suggested.

For-Sale Housing. Respondents indicated they believed for-sale housing was plentiful in the Southeast, Northeast, and Northwest quadrants. Respondents were not as clear about the amount of for-sale housing in the Southwest quadrant. While 12 respondents considered themselves “neutral” to the statement that there is plentiful housing in the Southwest, 18 moderately agreed and 20 moderately disagreed. This implies that a widespread and shared understanding of the housing market in the Southwest quadrant is lacking.

**TABLE IV.2
CITY OF ROCKFORD HOUSING NEEDS SURVEY**

Quadrant	Don't Know	Strongly Disagree	Moderately Disagree	Neutral	Moderately Agree	Strongly Agree
RENTAL HOUSING IS PLENTIFUL						
SE	6	0	7	6	39	24
NE	3	3	11	10	27	28
SW	6	8	15	12	27	14
NW	4	5	10	11	38	14
RENTAL HOUSING IS AFFORDABLE						
SE	6	5	6	10	33	22
NE	3	18	17	11	18	15
SW	6	7	5	11	34	19
NW	5	5	8	13	31	19
RENTAL HOUSING IS VERY ACCESSIBLE						
SE	18	14	16	22	6	5
NE	17	13	12	22	10	7
SW	20	20	16	19	5	1
NW	19	12	18	21	9	2
RENTAL HOUSING IS IN VERY GOOD SHAPE						
SE	6	7	16	14	32	6
NE	2	0	1	3	39	36
SW	6	26	30	8	10	1
NW	5	7	23	11	30	4
FOR SALE OWNER-OCCUPIED HOUSING IS PLENTIFUL						
SE	10	3	5	10	31	22
NE	7	0	3	6	33	32
SW	12	8	20	12	18	11
NW	10	2	8	13	36	12
OWNER-OCCUPIED HOUSING IS AFFORDABLE						
SE	4	4	7	6	30	31
NE	2	9	19	4	27	21
SW	5	6	6	2	28	35
NW	3	4	6	5	35	28
HOUSING FOR SALE IS IN VERY GOOD SHAPE						
SE	6	6	12	9	36	11
NE	3	2	0	1	23	50
SW	6	21	32	7	11	2
NW	4	8	13	14	36	4
HOUSING FOR SALE IS VERY ACCESSIBLE						
SE	20	17	12	23	6	1
NE	18	14	7	24	13	2
SW	19	21	13	22	1	2
NW	19	13	17	22	5	2

In the survey, owner-occupied housing was generally considered affordable, with the Southwest perceived as most affordable. Opinions were split as to whether owner-occupied housing in the Northeast is affordable, with 19 respondents moderately in disagreement and 27 respondents in moderate agreement. In regard to whether for-sale housing is in good shape, most respondents felt housing conditions were less favorable in the Southwest. Very strong feelings were expressed about the Northeast, where 50 respondents strongly agreed that housing for sale is in very good shape. The general perception appears to be that housing quality in the Southeast and Northwest is better than indicated in the Assessor data.

Degree of Need. Another line of inquiry collected perceptions of the degree of need for certain types of housing activities by quadrant, as shown in Table IV.3, on the following page. These housing activities can be carried out by the City under the auspices of the Consolidated Plan. Ranking needs in this fashion provides input to the City on public preferences for resource allocation.

Respondents were asked the degree of need for each of the following considerations:

- Homeowner repair and maintenance;
- Emergency rental assistance;
- Development of affordable rental units;
- Rehabilitation of rental units;
- Construction of affordable new single-family units;
- Rehabilitation of single-family units;
- Assistance for developers of affordable housing;
- Down payment grants;
- Homebuyer education classes;
- Low-interest financing for home repair or remodel; and,
- Easier methods to condemn and demolish unsuitable housing units.

Within the context of all these prospective housing activities, two striking themes emerged. A significant perception exists that the Northeast quadrant has no need or at best just slight need for any of the housing activities listed. Moderate needs were said to exist in the Southeast and Northwest. In the Southwest quadrant, significant numbers of respondents indicated strong or extreme need for all the housing activities. The perception appears to be that the Southwest quadrant should have priority, with the Northwest and Southeast receiving less resource commitments and the Northeast none.

The degree of need expressed in response to each question also provides information about specific activities. Many respondents indicated an extreme need for establishing easier methods for condemning and demolishing unsuitable housing stock. Responses for this question were strong in all quadrants and especially strong for the Southwest.

The second most favored activity was aiding homeowners in the rehabilitation of their housing units. These two activities correspond with conclusions reached during evaluation of the condition of Rockford's housing stock.

**TABLE IV.3
CITY OF ROCKFORD HOUSING NEEDS SURVEY**

Quadrant	Don't Know	No Need	Slight Need	Moderate Need	Strong Need	Extreme Need
NEED FOR HOMEOWNER REPAIR AND MAINTENANCE						
SE	4	8	9	35	18	6
NE	3	42	23	8	3	1
SW	3	0	2	8	26	41
NW	2	1	8	32	27	10
EMERGENCY RENTAL ASSISTANCE						
SE	14	6	12	28	16	5
NE	14	35	16	9	6	1
SW	14	1	5	11	26	24
NW	13	3	8	28	20	9
DEVELOPMENT OF AFFORDABLE RENTAL UNITS						
SE	6	10	10	26	22	6
NE	5	21	9	14	16	15
SW	6	7	9	16	20	22
NW	5	5	12	32	17	9
REHABILITATION OF RENTAL UNITS						
SE	5	9	9	24	25	9
NE	4	36	30	9	2	0
SW	5	0	4	9	28	35
NW	4	0	11	23	29	14
CONSTRUCTION OF AFFORDABLE NEW SINGLE-FAMILY UNITS						
SE	3	14	15	23	15	11
NE	2	26	16	14	10	13
SW	2	8	8	16	17	29
NW	1	7	13	25	25	9
REHABILITATION OF SINGLE-FAMILY UNITS						
SE	7	10	7	24	22	11
NE	5	37	24	8	5	2
SW	5	0	3	11	27	34
NW	4	1	6	34	20	15
ASSISTANCE FOR DEVELOPERS OF AFFORDABLE HOUSING						
SE	5	12	13	21	20	9
NE	5	41	11	5	8	10
SW	5	4	7	10	23	31
NW	5	8	9	20	23	15
DOWN PAYMENT GRANTS						
SE	5	10	11	22	22	10
NE	5	32	17	7	8	11
SW	4	3	7	16	18	32
NW	4	5	10	23	24	14
HOMEBUYER EDUCATION CLASSES						
SE	2	5	7	19	24	23
NE	2	24	16	12	15	11
SW	2	1	2	8	23	44
NW	1	3	4	22	25	24
LOW INTEREST FINANCING FOR HOME REPAIR OR REMODEL						
SE	5	5	6	27	19	18
NE	5	31	18	15	5	6
SW	4	1	2	10	26	37
NW	4	3	6	21	26	20
EASIER METHODS TO CONDEMN AND DEMOLISH UNSUITABLE HOUSING						
SE	4	14	4	13	10	34
NE	4	30	10	9	4	22
SW	4	4	3	9	13	46
NW	4	6	6	17	14	31

Table IV.4, below, offers citywide degrees of need for housing for selected special populations. Survey respondents indicated the greatest need for housing among the homeless, where 37 of the 82 respondents indicated an extreme need. Victims of domestic violence, as well as the disabled, also were said to have strong to extreme need. Again, these questions were phrased in terms of current *unmet* need. Many respondents expressed frustration with the current economic climate in and around Rockford and said they feared homelessness might be on the rise because of the poor economy.

TABLE IV.4
DEGREE OF UNMET HOUSING NEED
CITY OF ROCKFORD HOUSING SURVEY

In-Need Population	Don't Know	No Need	Slight Need	Moderate Need	Strong Need	Extreme Need
Elderly	6	5	10	26	26	7
Disabled	5	1	5	20	25	25
Victims of Domestic Violence	6	2	6	17	28	22
Homeless	5	3	7	13	16	37
Persons with HIV/AIDS	9	5	10	26	14	17
Persons with Drug and Alcohol	8	4	16	17	17	18
42 Other Groups	1	0	0	9	17	15

Barriers to the Provision of Affordable Housing. The survey was used to gauge the public's perception of factors influencing the provision of affordable housing stock in Rockford. The survey asked respondents to list the three major factors that affect a person's ability to buy a home in Rockford. Of the 81 responses to this question, the most frequently cited issue related to having insufficient funds for down payments.²⁹ In addition, the current economic climate in and around Rockford, including low incomes and unemployment, were influential factors, as noted in Table IV.5, below.

TABLE IV.5
THREE MAJOR FACTORS AFFECTING ABILITY TO BUY A HOME
ROCKFORD HOUSING NEEDS SURVEY

Frequency of Factors Mentioned	Responses
Down payment, closing costs	35
Unemployment, employment, job, wages	32
Credit history	30
Income level, low-income	27
Affordability/Availability of low cost home/Price of home	24
Location/Quality of Neighborhoods/Quality of homes	20
Finance	13
Lack of education on housing programs	10
Education	8
High real estate taxes/High interest rates	7
Loans, rehabilitate loans	5
Schools, school district	5
Total	216

²⁹ One of the 82 survey respondents did not respond to several questions, resulting in a total of 81 respondents for these questions.

Another of the survey questions asked respondents whether the City's building regulations adversely affect the availability of housing in Rockford. A total of 81 people responded to this question, and only 10 indicated building regulations adversely affect the availability of housing in Rockford. Of these 10 respondents, a majority indicated that regulations drive up costs. These respondents also indicated that the regulations for existing buildings were restrictive and the process time consuming. A few respondents specifically mentioned that regulations on the rehabilitation of lead-based housing were expensive.

A similar question asked whether the City's zoning regulations adversely affect the availability of housing in Rockford. Just 13 of the 81 respondents indicated that zoning regulations adversely affected the availability of housing in Rockford. A few of the specific problems noted by respondents were that zoning regulations prevented building on small lots and that the City does not allow mobile home developments, which could be more affordable. Respondents said zoning regulations make subdivisions on the east side of the City unaffordable for low-income households, and regulations reduce the availability of land for multi-family housing.

Respondents to the survey were asked whether building regulations adversely affect the affordability of housing in Rockford. Of the 81 responses to this question, 22 indicated building regulations adversely affect the affordability of housing in Rockford. Most of the 22 respondents indicated that building regulations and codes drive up cost, making housing unaffordable. Participants were also asked whether zoning regulations adversely affect the affordability of housing in Rockford. Just 11 of the 81 respondents indicated that zoning regulations adversely affected the affordability of housing in Rockford.

Most of these questions, and the respective responses, do not indicate appreciable perceived difficulties in the affordable housing markets in Rockford. Responses differed, however, when respondents were asked about whether there are barriers to the *production* of affordable housing in Rockford. Of the 81 responses to this question, nearly 60 percent said there were barriers to the production of affordable housing in Rockford. About 20 percent of the responses indicated a perceived lack of home financing, both public and private, as indicated in Table IV.6, below.

**TABLE IV.6
ROCKFORD HOUSING NEEDS SURVEY**

Barriers to the production of affordable housing	Responses
Lack financing, low-cost loans	13
Infrastructure, appearance, good schools	10
No willingness/incentive to invest in certain areas	9
Community perception (NIMBY)	8
Lack of tax credits, assistance, grants	7
High taxes, impact fees, const/rehabilitate Costs	7
City involvement, education on housing program	7
Lack of land	4
Employment	3
Total	65

A similar question was asked regarding barriers to the rehabilitation of affordable housing in Rockford. Of the responses to this question, almost 75 percent, or 60 respondents, indicated that barriers existed to the rehabilitation of affordable housing in Rockford.

About one-third of the respondents indicated that zoning/building regulations were too stringent for rehabilitation. An additional 20 respondents indicated that high costs and fees for rehabilitation deter investments. The next largest group, 14 respondents, indicated that a lack of funding or loans for rehabilitation. Several of the respondents indicated that lead-based paint regulations drove up costs of rehabilitation. These data are presented in Table IV.7, below.

**TABLE IV.7
ROCKFORD HOUSING NEEDS SURVEY**

Barriers to the rehabilitation of affordable housing	Responses
Zoning/Building regulations	21
High costs, impact fees	20
Lack financing/funding/loans for rehabilitate	14
Community perception/No incentive to developers	7
City involvement	2
Lack of infrastructure, neighborhoods in disrepair	2
Employment	1
Total	67

Summary of Survey. The housing survey found that most respondents believe rental housing is plentiful in the City. A substantial number of respondents felt rental housing in the Northeast quadrant was not particularly affordable; the other three quadrants were generally viewed as more affordable. The supply of rental housing was not viewed as accessible by respondents, particularly in the Southwest quadrant.

The housing survey respondents felt for-sale housing was plentiful in the Northeast, Northwest, and Southeast quadrants. Respondents expressed a wide variety of opinions about for-sale housing in the Southwest, indicating a lack of a widespread understanding of the housing market in that quadrant. Respondents felt housing is generally affordable, with the Southwest considered the most affordable quadrant. The Southwest also was said to have the least favorable housing conditions.

Exit Survey. At the conclusion of each of the four public input meetings, another survey was distributed asking attendants their opinions on housing and community development needs and where and how resources should be expended by the City of Rockford. While greater details regarding this survey are presented in the non-housing community development needs discussion in the following section of this report, one detailed question related to housing and how housing resources should be expended by the City of Rockford is presented at this time.

Respondents to the survey were asked how they would use housing resources. A fairly broad cross-section of opinions was offered. However, as noted in Exhibit IV.1, below, home repair and home ownership were the most significant preferences for housing resources.

EXHIBIT IV.1
EXPRESSED USES FOR HOUSING PROGRAM FUNDS
CITY OF ROCKFORD: PUBLIC INPUT EXIT SURVYES

14.6 % Home repair grants
13.4 % Development to provide affordable home ownership opportunities
9.0 % Provide low-interest financing for remodel of purchase
8.7 % Provide assistance with down payments for first-time home buyers
7.2 % Rehabilitation of existing rental units to improve safety and quality of units
6.1 % Development to provide affordable rental units
4.9 % Conduct home buyer classes
4.7 % Other:
4.5 % Emergency rental assistance payments
4.5 % Development of assisted care facilities
3.8 % Long-term rental assistance payments
3.1 % Development of additional senior housing
2.7 % Vouchers for emergency shelter
2.7 % Promote additional shelter space for at-risk youth
2.5 % Promote additional homeless shelter space
2.4 % Devote additional funds to affirmatively furthering fair housing
1.5 % Promote additional domestic violence space
1.2 % Development of foster care facilities
1.0 % Promote additional shelter space for those with drug/alcohol problems
.8 % Promote additional housing for those suffering from HIV/AIDS
.7 % Development of congregate care facilities

Overcrowding

Overcrowding is a key factor to examine in evaluating the City's housing market. HUD defines overcrowded households as those with more than one person per room. As seen in Table IV.8, on the following page, 2,186 renter and owner-occupied units were overcrowded in 2000. Some 61.2 percent of the overcrowding occurred in rental housing, but overcrowding increased from 1990 to 2000 for both renters and owners. Over the decade, 802 more units became overcrowded, with severe overcrowding more than doubling over the decade.³⁰ As seen therein, the Southeast quadrant had the greatest number of units overcrowded, about 900 units or 3.8 percent, but the Southwest had the greatest share of its occupied housing stock overcrowded, with some 9.4 percent overcrowded.

TABLE IV.8
OVERCROWDING BY TENURE
1990 AND 2000 CENSUS

Persons Per Room	Owner		Renter		Total	
	1990	2000	1990	2000	1990	2000
Less than 1 person per room	32,242	35,455	21,213	21,560	53,455	57,015
1.01-1.5 persons per room	350	551	598	757	948	1,308
1.51+ persons per room	106	298	330	580	436	878
Total Occupied Housing Units	32,698	36,144	22,141	23,014	54,839	59,158

³⁰ For data concerning overcrowding by tenure in each of the City's four quadrants, refer to Appendix C.

Cost Burden

Cost burden refers to the percent of household income spent on housing. Renter households experiencing a cost burden spend more than 30 percent of their income on housing, usually including the monthly rent and energy utilities. For a homeowner, these costs include principal, interest, taxes, insurance, water and sewer costs, refuse collection, and all energy utilities.

Cost burdens for renters and homeowners diverged in the City of Rockford between 1990 and 2000. In 1990, the percent of renter households spending more than 30 percent of their income on housing was 36.5 percent. This had fallen to 34.4 percent by 2000, a positive trend and an accomplishment about which few other cities can boast.

Renter cost burden was most improved in the Southwest quadrant. In 1990, 48.8 percent of all renters in the Southwest were spending more than 30 percent of their income on housing. By 2000, this total had fallen to 38.8 percent. The Southeast and Northwest improved modestly too, decreasing to 33.0 and 36.3 percent, respectively. The Northeast quadrant is the only area where a larger percentage of renters were spending more than 30 percent of their income on housing in 2000, at 32 percent. These data are presented in Diagram IV.1, below.

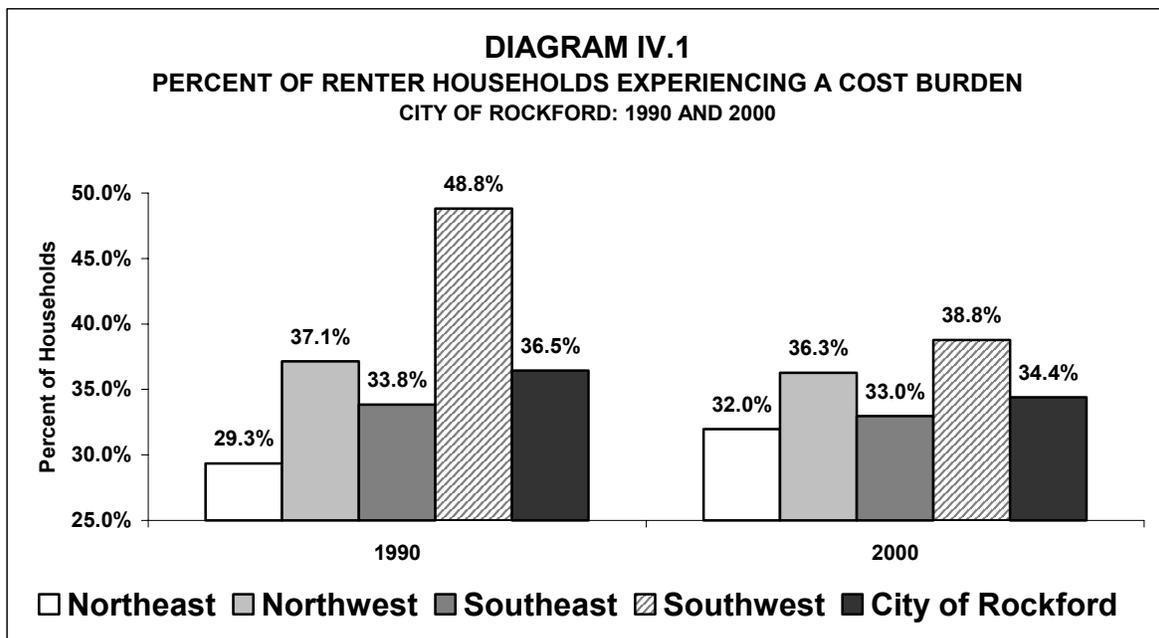
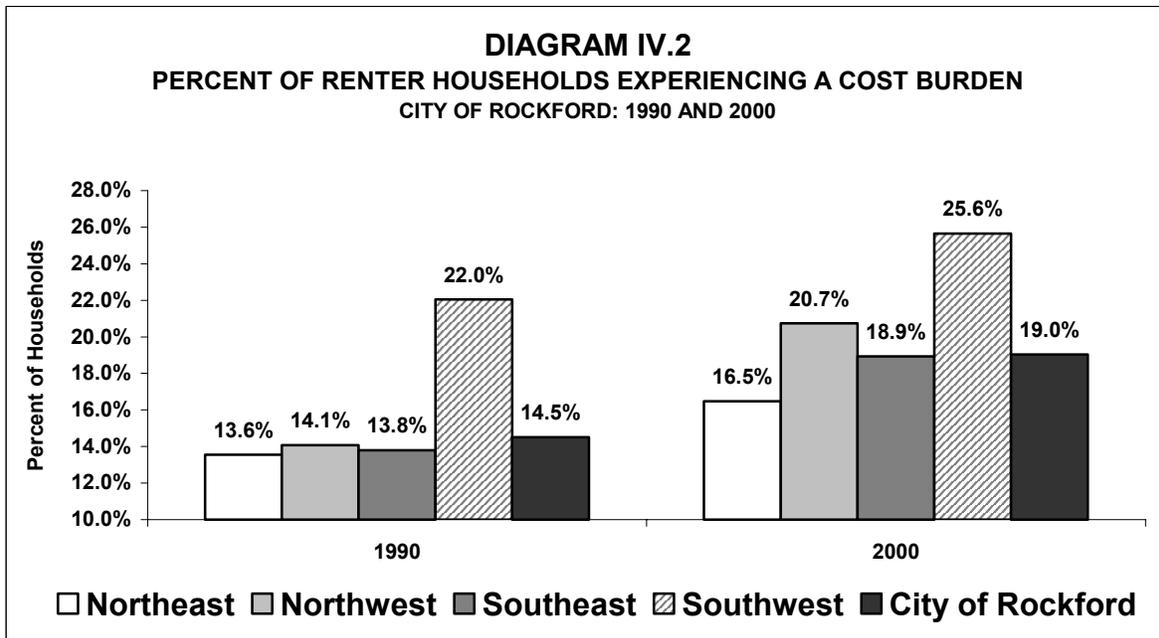


Diagram IV.2, below, displays cost burden data for homeowners. A larger portion of homeowners in the City of Rockford were experiencing a cost burden in 2000, with the citywide share jumping from 14.5 percent in 1990 to 19 percent in 2000, and increasing in all quadrants.

The Northwest had the most significant increase in homeowners with cost burdens, rising from 14.1 percent to 20.7 percent. The Northeast rose from 13.6 to 16.5 percent, and the Southeast jumped from 13.8 to 18.9 percent. The Southwest rose from 22 percent to 25.6 percent.



The 2000 Census data on cost burdens were separated into cost burden and severe cost burden, and are presented in Table IV.9, below. Cost burden represents expenditures absorbing 30 to 50 percent of household income, and severe cost burden represents expenditures above 50 percent of household income. In general, fewer households are expected to have severe cost burdens as compared to cost burdens. This is shown not to be the case for renters in the Northwest and Southwest quadrants and for homeowners in the Southwest quadrant.

TABLE IV.9
PERCENT OF HOUSEHOLDS WITH COST BURDENS
2000 CENSUS SPECIAL TABULATIONS

<u>Quadrant</u>	<u>Cost Burdened Renters</u>	<u>Severely Cost Burdened Renters</u>	<u>Cost Burdened Homeowners</u>	<u>Severely Cost Burdened Homeowners</u>
Northeast	17.6%	14.4%	11.2%	5.3%
Northwest	17.3%	19.0%	13.7%	7.1%
Southeast	18.1%	14.9%	13.2%	5.7%
Southwest	17.5%	21.3%	12.1%	13.5%
City of Rockford	17.7%	16.7%	12.6%	6.4%

The Southwest quadrant had a large percentage of severely cost burdened renter and homeowner households. The percentage of severely cost burdened renters also was unusually high in the Northwest quadrant. This indicates that a number of households on the west side of the City face serious housing problems.

For renters, any particular economic setback could cause the householder to fall behind in rental payments, thereby becoming at risk for eviction and homelessness. For homeowners, this data suggests these householders are at higher risk for foreclosure, and they lack sufficient resources to conduct routine and periodic maintenance on their homes. By deferring maintenance, these

dwelling units increasingly become at risk of falling into a state of disrepair, becoming dilapidated, and contributing to urban blight.

Disproportionate Need by Race and Ethnicity

Soon after the 2000 Census, HUD requested a set of data from the Decennial Census. Known as the 2000 HUD Special Tabulations, this data was designed to assist jurisdictions with the development of their Consolidated Plan and planning process. Using this data allowed for a determination of the number of households in the City of Rockford with a housing problem. A housing problem is defined as a householder experiencing a cost burden or severe cost burden; a householder living in a unit that lacks complete plumbing or kitchen facilities; or a householder in an overcrowded or severely overcrowded unit. HUD's Special Tabulations offered this data by tenure, race, and income, as presented in Table IV.10, below.³¹

TABLE IV.10
HOUSEHOLDS WITH A HOUSING PROBLEM BY INCOME, RACE,³² AND TENURE
ROCKFORD, 2000 HUD SPECIAL TABULATIONS

INCOME RANGE	White	Black	American Indian/ Alaskan Native	Asian	Pacific Islander	Some other Race	Two or More Races	Hispanic/ Latino of any Race	Total
Homeowners									
0-30% MFI	1,205	365	4	20	.	4	25	175	1,798
31-50% MFI	1,230	240	.	4	.	.	10	200	1,684
51-80% MFI	1,660	240	10	40	.	.	15	155	2,120
81-95% MFI	525	30	10	25	.	.	.	45	635
96% + MFI	975	125	.	75	.	.	30	215	1,420
Total	5,595	1,000	24	164	.	4	80	790	7,657
Renters									
0-30% MFI	2,550	1,310	15	45	.	15	75	415	4,425
31-50% MFI	1,470	675	15	45	.	.	15	210	2,430
51-80% MFI	780	175	.	10	.	.	15	110	1,090
81-95% MFI	145	20	.	10	.	.	4	10	189
96% + MFI	155	75	.	30	15	.	.	140	415
Total	5,100	2,255	30	140	15	15	109	885	8,549
Total									
0-30% MFI	3,755	1,675	19	65	.	19	100	590	6,223
31-50% MFI	2,700	915	15	49	.	.	25	410	4,114
51-80% MFI	2,440	415	10	50	.	.	30	265	3,210
81-95% MFI	670	50	10	35	.	.	4	55	824
96% + MFI	1,130	200	.	105	15	.	30	355	1,835
Total	10,695	3,255	54	304	15	19	189	1,675	16,206

In 2000, the majority of householders, 52.8 percent, experiencing housing problems were renters. The majority of all renter households having housing problems, 51.5 percent, were extremely low-income households.

While whites comprised about 72.8 percent of the City's population in 2000, just 66 percent of those households with housing problems were white. Blacks comprised 17.4 percent of the City's population but comprised 20.1 percent of the households with housing problems. Of all

³¹ These data are presented by quadrant in Appendix C.

³² The HUD category Hispanic/Latino of any race tabulates people of this ethnicity separately. They are not included with the other race categories. All other racial categories are of non-Hispanic/Latino ethnicities.

the extremely low-income households with housing problems, nearly 30 percent were black, a disproportionately high share.³³

The Hispanic population, which comprises 10.2 percent of the City of Rockford's total population, had 10.3 percent of the households experiencing housing problems. Again, extremely low-income minority households had a disproportionate share of the housing problems, with the extremely low-income representing 46.9 percent of all Hispanic renter households with housing problems.

Fair Housing

The City adopted a Fair Housing Ordinance more than 30 years ago. The ordinance provides protection for various classes of citizens known as "protected classes." The ordinance also creates a nine-member board to assist in carrying out activities that promote fair housing in the City of Rockford.

As it had in previous years, in 2002 the City examined fair housing in the community. City staff and the City of Rockford Fair Housing Board revisited the 1996 "Analysis of Impediments to Fair Housing in Rockford, Illinois." The initial analysis was conducted with assistance from the City of Rockford Fair Housing Board, the Rockford Area Affordable Housing Coalition, the Rockford Public Housing Authority, and numerous members of the lending and real estate communities. The data used in the study were based primarily on an analysis of the 1990 Census, information from the above referenced organizations, and an assessment of the governmental practices of the City.

The re-evaluation of the analysis revealed that the three primary impediments to fair housing choice in Rockford determined from the original analysis continue to be impediments. The first impediment was then and remains the lack of diversity in the real estate community, including finance, sales, and management of rental properties. The City of Rockford continues to be underserved by diversity, particularly in the real estate and banking communities.

The second impediment was less tangible than the first. Economic indicators and other rational factors cannot explain why several Census tracts have disproportionately low percentages of minorities living in them. It remains unclear whether "steering" or "redlining" exists within the real estate and/or financial communities.

The third impediment relates to the City of Rockford's lack of home rule status with state government. This translates into a lack of authority to adopt a local fair housing ordinance which is "substantially equivalent" to the federal statute. Such an ordinance would enable the City to hold administrative hearings and to levy fines on individuals who violate its fair housing ordinance. A substantially equivalent ordinance would also increase the possibility of the City qualifying for federal dollars for specific fair housing efforts.

In previous years, efforts were made to address the first and second impediments, while it was believed that addressing the third impediment could only be realized through a vote by the

³³ HUD defines disproportionate share as any share exceeding 10 percentage points of the particular group average.

citizens of Rockford or a change in legislation. The City believes that passage of enabling legislation is a distinct possibility. State Representatives agreed to work with the City legal department to accomplish this. Also, in recent years both the real estate and financial communities became more diverse, as a result of more minorities entering these professions and increased sensitivity and diversity training for non-minorities working within those fields.

The improvements in addressing the first impediment are largely due to the responsiveness of the Rockford Area Affordable Housing Coalition and the Rockford Area Association of Realtors. Each of these entities worked to increase minority recruitment as well as encouraging diversity training. The improvements in addressing the first impediment may have led to success in addressing the second impediment. While firm data to substantiate this do not yet exist, it is believed that certain Census Tracts that were disproportionate in regards to minorities living in them may now be closer to proportionality. Results of the 2000 Census substantiated this to a certain degree. Diversity in both the real estate and lending communities is believed to have led to improved fair housing choice in this area.

The Rockford Area Association of Realtors has worked with the local bar association to eliminate restrictive language in the covenants of some condominium associations in recent years, and these efforts will continue.

HOMELESS NEEDS ASSESSMENT

Background

In 1987, bipartisan support in the U.S. Congress led to passage of the Urgent Relief for the Homeless Act. After the death of one of its chief sponsors, Representative Stewart B. McKinney of Connecticut, the act was renamed the McKinney-Vento Homeless Assistance Act and signed into law in 1987. The Act was amended four times in the next eight years, expanding the scope and strength of the original legislation.

The goal of eliminating homelessness was announced in 2000, when the National Alliance to End Homelessness stated the goal in its 10-year plan. Mel Martinez, then secretary of the Department of Housing and Urban Development (HUD), accepted the goal of ending homelessness in his keynote speech at the National Alliance's conference in 2001. President George W. Bush made ending chronic homelessness within a decade one of the goals of his 2003 budget.

The challenge of ending chronic homelessness and, by extension, all homelessness, is immense, in part because of the difficulty of assessing the problem, both at the local and national level. Defining, locating, and counting the homeless, as well as understanding the wide variety of needs both in the general homeless population and specific subpopulations, is a necessary step in meeting the challenge.

HUD initiated what is called the Continuum of Care (CoC) process in 1994 to encourage a coordinated, strategic approach to planning assistance for the homeless. The CoC approach re-organized the mechanism by which McKinney-Vento homeless assistance funds were awarded, consolidating several HUD grant programs into a single competitive grant process. Applying for

these funds requires submission of a CoC plan that demonstrates broad participation of community stakeholders and that identifies the resources and gaps in the community's approach to providing homeless services.

HUD's definition of homelessness, which is used in applications for assistance from HUD-sponsored programs, is slightly more comprehensive than the definition provided in the McKinney-Vento Act. HUD defines the homeless as persons who:

- 1) are sleeping in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- 2) are sleeping in emergency shelters;
- 3) are living in transitional or supportive housing for homeless persons but who originally came from streets or emergency shelters;
- 4) ordinarily sleep in transitional or supportive housing for homeless persons but are spending a short time (30 consecutive days or less) in a hospital or other institution;
- 5) are being evicted within the week from private dwelling units and no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing; or,
- 6) are being discharged within the week from institutions in which they have been residents for more than 30 consecutive days and no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing.

Continuum of Care

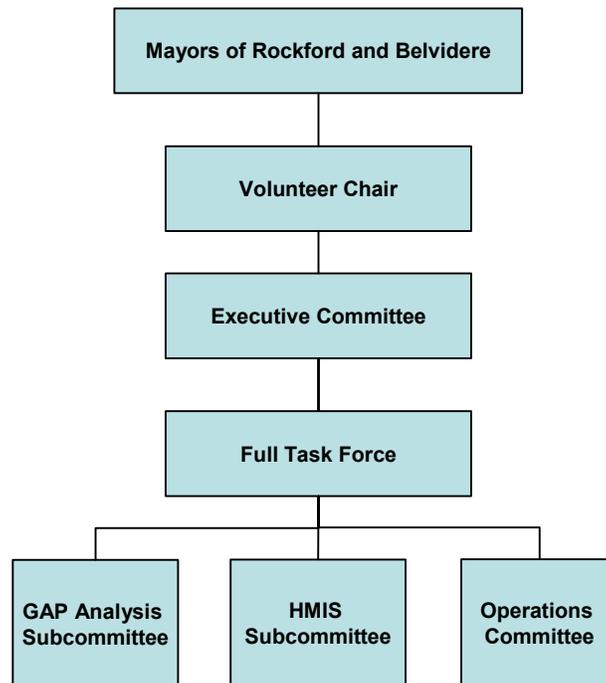
In 1987, a public hearing concerning homelessness in the City was conducted in Rockford. The outcome of the hearing was a request for then-mayor John McNamara, along with social service agencies in the community, to address the issue of homelessness. As a result, a task force was formed that included more than 30 community agencies.

Now called The Mayor's Task Force on the Homeless, the Task Force has become more sophisticated in both goals and mission. The original members remain, a testament to their longstanding commitment, but the Task Force expanded to over 70 members, including government representatives, shelter and service providers, housing developers, school district and church representatives, and representatives from subpopulations such as homeless veterans.

The Task Force is recognized as the main forum for discussion of homelessness issues within the City's Continuum of Care (CoC). In 2001, the City of Belvidere and Boone County joined the CoC, with the City of Belvidere a partner to the City of Rockford. The structure of the CoC is shown in Diagram IV.3, on the following page.

The goal of the Task Force and, by extension, the CoC, is to plan, implement, and maintain a system of services to respond to the needs of the homeless in the Rockford area. By 2002, the City had succeeded in its first priority, which was to establish shelters for all categories of homeless people.

**DIAGRAM IV.3
WINNEBAGO AND BOONE COUNTY CONTINUUM OF CARE**



Other priorities, such as developing additional transitional and permanent housing opportunities and helping homeless persons become fully employed, are continuing challenges the CoC is addressing.

Population

The most recent gaps analysis, completed on May 21, 2004, identified 1,441 homeless persons, approximately twice the total seen in the 2003 count. This may be due to one or more factors. It may be true that more homeless persons are in the regions served by the CoC. It may also be true that the newly implemented Homeless Management Information System (HMIS), which is now utilized by many of the region's homeless providers, helped to provide a more accurate count of the homeless, identifying persons missed in prior counts.

It is possible that more than 1,441 homeless persons live in the CoC region. They may, for instance, live in encampments or may not seek services. Also, HUD does not allow "doubled up" persons to be counted. It is likely that a number of sometimes-homeless persons were not counted on May 21 because they were temporarily housed with friends, relatives, or others. The CoC estimates a need for 368 additional beds for individual homeless persons, and an additional 614 beds for homeless persons in families with children. The greatest unmet need for individual homeless persons is for permanent housing. Transitional housing is also a strong need, while there is no unmet need for emergency shelter. Persons in families with children have a similar stratification of needs, with the greatest unmet need, 434 beds, in permanent housing, followed by needs in transitional, followed by emergency housing.

The unmet need or “gaps” for serving the homeless were estimated on the same day as the point-in-time count. Agencies filled out surveys on that day, indicating available housing, under-development housing, and increases or decreases in housing. Similar information was obtained from other agencies through the HMIS. Once housing capacity was determined, the information was contrasted with the number of homeless persons on that point-in-time count night. Any gaps were noted, as seen in Table 1A, below.

**HUD TABLE 1A
CITY OF ROCKFORD CONTINUUM OF CARE**

		Estimated Need	Current Inventory	Unmet Need / Gap	Relative Priority
Individuals					
Beds / Units	Emergency Shelter	123	123	0	
	Transitional Housing	257	110	147	
	Permanent Housing	357	136	221	
	Total	737	369	368	
Estimated Supportive Services Slots	Job Training				
	Case Management				
	Substance Abuse Treatment				
	Mental Health Care				
	Housing Placement				
	Life Skills Training				
	Other				
Estimated Sub-populations³⁴	Chronic Substance Abusers		192		
	Seriously Mentally Ill		160		
	Dually—Diagnosed		-		
	Veterans		37		
	Persons with HIV/AIDS		33		
	Victims of Domestic Violence		134		
	Youth		42		
	Other—Chronically Homeless		570		
Persons in Families with Children					
Beds / Units	Emergency Shelter	188	132	56	
	Transitional Housing	330	94	236	
	Permanent Housing	450	16	434	
	Total	856	242	614	
Estimated Supportive Services Slots	Job Training				
	Case Management				
	Substance Abuse Treatment				
	Mental Health Care				
	Housing Placement				
	Life Skills Training				
	Other				
Estimated Sub-populations	Chronic Substance Abusers				
	Seriously Mentally Ill				
	Dually – Diagnosed				
	Veterans				
	Persons with HIV/AIDS				
	Victims of Domestic Violence				
	Youth				
	Other				

³⁴ The CoC did not differentiate estimated sub-populations of persons in families with children from sub-populations of homeless individuals. The total sub-population numbers provided therefore were summed and listed only in the Individual section of the table.

Using HUD's definitions of homelessness and chronic homelessness, the CoC counted subpopulations and chronically homeless persons during its May point-in-time count. As shown in Table 1A, on the following page, the CoC found 570 chronically homeless persons, of which 230 were sheltered and 340 were unsheltered. The CoC counted 134 victims of domestic violence, 192 persons with chronic substance abuse, 160 seriously mentally ill persons, 37 veterans, 33 persons with HIV/AIDS, and 42 youths.

Racial and ethnic breakdowns of the homeless are available from the 2003 CoC report to HUD. At that time, 44 percent of the homeless were black, 44 percent were white, 5 percent were Hispanic, 4 percent gave no response, 2 percent were listed as "other," and 1 percent identified as Asian or Native American. The relatively low percent of Hispanics may be due to doubling up with family or friends.

The CoC prioritized funding for programs designed to serve several homeless subpopulations. The Janet Wattles Center's Shelter-Plus Care projects address the mentally ill homeless population. As of 2003, those projects, along with the Grand Apartments, were the only sources of permanent supportive housing in Winnebago and Boone County. The Shelter-Plus Care projects are therefore a top funding priority for the CoC.

Promised Land Employment Services is a high priority of the CoC because it provides job training to the homeless through R.E.A.L. Jobs. The CoC repeatedly found that providing access to sustainable employment plays a key role in reducing homelessness. The R.E.A.L. Jobs program established strong ties to employers in the City and has a solid placement rate for homeless persons.

Another priority is Rosecrance, Inc., which is a comprehensive substance abuse treatment center providing treatment to adults with substance abuse problems. The CoC found that chronic homelessness, a problem for at least 530 homeless persons in the CoC region, is often related to substance abuse problems.

Homeless youths in Winnebago and Boone counties are served by Youth Services Network, which coordinates assistance to homeless youth and their families in the two counties. Youth Services Network member agencies provide a continuum of services to youth, including counseling, substance abuse prevention and treatment, education, job training, crisis intervention, mental health care, medical services, support groups, and services for subpopulations such as pregnant or parenting teens and the developmentally disabled.

The Veteran's Administration has been an intense focus of the CoC, including several meetings with staff of the local Veteran's Administration in which methods were developed to ensure that homeless veterans have access to homeless services and veterans' services. In addition, staff from the Veteran's Administration formed a subcommittee of the CoC to address the obstacles specifically identified for homeless Veterans. A representative from the Veteran's Administration attends the CoC's monthly Operating Committee.

Obstacles

Obstacles remain for the CoC in dealing with other subpopulations, including veterans and the chronically homeless. Despite the efforts by the CoC and the Veteran's Administration to improve veterans' services through increased cooperation, there continues to be a gap in accessing veterans' services for homeless individuals. Much of this gap is due to the long waiting list for emergency financial assistance for veterans and the distance between the Rockford community and the nearest veterans' hospital.

As with veterans' services, the largest issue facing the CoC in addressing the needs of the chronically homeless remains the capacity of local agencies to meet this need. While the Rockford community substantially addressed the permanent supportive housing issue for the mentally ill, the City has limited capacity to provide long-term housing solutions for those with other disabling conditions. The capacity of support service providers to address the social support needs of this population continues to dwindle as funding decreases from all sources.

Within the CoC's capacity, the remaining obstacles in serving the homeless include the capacity to engage with the non-compliant chronically homeless; the need to increase capacity in mental health and substance abuse services for the chronically homeless; and the means to do so.

Services

A number of agencies provide support and a variety of services to the homeless population. These providers are described below in greater detail:

- Rosecrance on Harrison and PHASE, Inc. provide chronically homeless persons with chronic substance abuse treatment. Male chronic substance abusers rely on emergency housing as the housing component for this service. However, an application was submitted that would identify specific beds in Rosecrance for this population. Rosecrance and PHASE, Inc. also provide transitional programs for substance abusers who are actively engaged in treatment.
- The Janet Wattles Center provides primary services for chronically homeless individuals with serious mental illness. PATH case management is provided to approximately 100 chronically homeless individuals annually. In addition, housing supports are provided to over 100 homeless individuals with serious mental illness and individuals dually diagnosed with serious mental illness and substance abuse disorders.
- Shelter Care Ministries provides drop-in support services through the Jubilee Day Center. Chronically homeless individuals with mental illness are linked with long-term case management and a variety of housing options through the Janet Wattles Center, Stepping Stones, and the Rockford Housing Authority.
- Homeless veterans fit across many other subpopulations. Through the work of the CoC and the Veterans Administration, these individuals are receiving improved direction and support.
- The Northern Illinois AIDS Resource Center and Shelter Care Ministries/Winnebago County Health Department continue to provide housing and support for persons with HIV/AIDS.
- Janet Wattles and other primary service agencies provide employment services for the chronic and non-chronic homeless. Individuals with mental illness receive pre-vocational and vocational services. Agreements exist between providers and the Illinois Office of

Rehabilitation Services to provide rehabilitation services. Any homeless person, with an emphasis on veterans, can receive assistance from Promised Land Employment Services R.E.A.L. Jobs Program, which has a positive outcome history of employment training, placement, and job retention for the homeless.

- Several faith-based providers offer non-licensed substance abuse treatment in conjunction with emergency and transitional housing. These include the Salvation Army, the Rockford Rescue Mission and several smaller providers.

SPECIAL POPULATIONS NON-HOMELESS NEEDS ASSESSMENT

Introduction

This section discusses the priority housing and supportive service needs of persons who are not homeless but who require supportive housing. These persons include the elderly, those with severe mental illness, the physically challenged, persons with alcohol or other drug addiction, victims of domestic violence, and persons with HIV/AIDS and their families. Each of these populations will be discussed in regards to their population, the services currently provided to them, and their current unmet housing and other needs.

The Elderly

The Northwestern Illinois Area Agency on Aging (NIAAA) is a nonprofit organization serving nine counties, including Winnebago County. The NIAAA is one of 13 such agencies in Illinois that share the mission of the federal Older Americans Act. That mission is to foster maximum independence and improve the lives of all older Americans by providing a wide array of social and community services while targeting those older persons in the greatest economic and social need, including low-income minorities. The information provided below comes from the NIAAA's May 18, 2004, summary of "The Proposed Area Plan on Aging" for fiscal years 2005 through 2007. The NIAAA used Census and other demographic data to compile its report.

Population. In Rockford, 21,109 persons were aged 65 or older in 2000, 14.1 percent of the City's total population. The majority of the elderly, 61.3 percent, were female. The greatest number of elderly, 7,839, lived in the Southeast quadrant, while the greatest percentage of elderly persons were found in the Northeast quadrant, where 17.4 percent of the population was aged 65 or older.³⁵

According to 2000 HUD Special Tabulations, the City of Rockford had 14,475 elderly households, 24.4 percent of the total households in the City. The large majority of elderly households, 72.5 percent, were owned as opposed to rented. A total of 2,510, or 17.3 percent, of elderly households in the City were extremely low-income. Another 2,799, or 19.3 percent, of elderly households were low-income.

According to the Rockford Health Council's 2003 Healthy Community Study, there are 30 geriatric nursing homes in the Rockford metropolitan area, including 21 in Winnebago County. In 2000, 1,875 persons lived in nursing homes in the City of Rockford, and 2,355 persons lived in nursing homes in the entirety of Winnebago County. The City's Northeast and Northwest

³⁵ These data are broken down by quadrant in Appendix A.

quadrants each had over 700 persons living in nursing homes, while the Southeast had 419 and the Southwest quadrant had no people living in nursing homes.

Data concerning the entirety of Winnebago County is also available. These data, collected by the NIAAA, often use age 60 and over, rather than age 65 and over, to define the elderly or senior population. According to the 2000 Census, Winnebago County had 46,164 adults over the age of 60, comprising 17 percent of the county's population. Surrounding counties had elderly population percentages as low as 13 percent (DeKalb County) and as high as 24 percent (Carroll and Jo Daviess County).

According to the NIAAA, Winnebago's elderly population grew by 7 percent from 1990 to 2000 and is projected to grow another 6 percent by 2010. In 2000, females comprised 57 percent of the 60-and-over population in Winnebago County. The county's elderly population included 17,113 persons aged 75 and older, and 4,322 persons aged 85 or older. Some 12,061, or 26 percent, of Winnebago County's elderly population lived alone in 2000.

According to the Census, Winnebago County's elderly population included 3,901 minorities, or 8.4 percent of the total elderly population. Most of the minority elderly, 2,568, were black, and another 714 were Hispanic. Of those aged 65 and older, 12,497, or 27 percent, had disabilities.

The percentage of adults aged 60 or older who live in poverty in Winnebago County was 6.7 percent, a percentage placing the county in the middle of the nine-county region covered by the NIAAA. Of Winnebago County's 3,115 seniors in poverty, 2,266 were 65 years of age or older.

In Illinois, the number of children raised by grandparents increased by 30 percent from 1990 to 2000. Winnebago County has the highest percentage of grandparents caring for children in the nine-county region, at 5.4 percent. Across the nine-county area, it was more common for black (12.1 percent) and Hispanic children (5.8) to be raised by grandparents.

Unmet need. The elderly face many housing issues, including substandard housing, a lack of affordable housing, and a need for housing modifications due to disabilities. HUD's 2000 Special Tabulations provide the number of 65-and-over households in the City of Rockford with housing problems. A housing problem is defined as a householder experiencing a cost burden or severe cost burden; a householder who lives in a unit that lacks complete plumbing or kitchen facilities; or, a householder who lives in an overcrowded or severely overcrowded unit.

In the City, 3,775 elderly households had housing problems, 26.1 percent of the total number of elderly households. Most of the households with housing problems were extremely low (41.0 percent) or low-income (31.3 percent).³⁶

The NIAAA collected, reviewed, and analyzed a variety of information to identify the needs of older adults and caregivers in the nine-county area that includes Winnebago County. Needs assessment information was collected from published reports obtained from local, State, and national sources. The analysis included surveys, roundtable discussions, state and national data and reports, information from Senior Summits, as well as NIAAA and provider service data.

³⁶ This data is provided in Appendix C.

Based on this needs assessment, the NIAAA proposed two initiatives. The first was a statewide initiative to increase public awareness, information, and education, as well as access to the aging network and available service options for all older persons and their caregivers. The NIAAA's proposed strategies to meet this need during the 2005 through 2007 fiscal years are as follows:

- Assess current service options; identify gaps and increase available service options, including affordable housing, mental health, and coordinated transportation;
- Implement single or coordinated points of entry, including Case Coordination Units, caregiver resource centers, Senior Health Insurance Programs, and Senior Health Assistance Programs; take an active role in the exploration, development, and implementation of the 2-1-1, a community information and referral service dialing code;
- Increase public education and advocacy, including development of a seasonal marketing plan to raise awareness of aging services and growing need; also, launch updated NIAAA website, linking to local aging services providers as well as state and national resources;
- Improve mechanisms for reaching targeted groups, including minorities, caregivers, and grandparents;
- Customize, increase, and improve training of staff and funded providers; and,
- Evaluate NIAAA and provider performance.

The NIAAA also proposed a second, local initiative, which aims to build on the successes of caregiver support services and expand and improve network response to the unique needs of family caregivers. The proposed strategies for fiscal years 2005 through 2007 for meeting this initiative are as follows:

- Assist providers in developing a pro-active rather than a reactive stance to caregiver needs by developing methods to target caregivers in need of support services;
- Repackage I and A to develop "products" caregivers need and want, such as consumer checklists, local lists of services, and tips for dealing with problems and concerns;
- Re-examine service requirements from the unique perspective of caregivers, such as developing caregiver self-completing gap/respite application for service;
- Train network staff to empower family caregivers;
- Expand use of assistive devices and emerging technology, and assist caregivers to find and pay for devices to keep family members independent;
- Expand consumer, including caregiver, input in services; analyze and reshape services to meet consumer needs;
- Provide more consumer choices based on caregiver input;
- Develop new programs in response to consumer demand;
- Reward agencies for coordination by using carryover money for joint applications;
- Help caregivers cope and maintain their own health status;
- Provide services for caregivers in non-traditional family settings;

- Customize services for caregivers whose primary language is other than English;
- Work with programs such as Legacy Corp and Love Inc. volunteers to provide volunteer services to family caregivers;
- Train network staff to help caregivers address end-of-life decisions; and,
- Coordinate with DHS-ORS registry of workers.

Persons with Severe Mental Illness

Population. Winnebago County had 395 mentally ill persons in State facilities in fiscal year 1998. The average age of the resident was 36 years, and the average length of stay was 77 days. In fiscal year 1989, the average age was 39 years, and the average length of stay was 1,402 days.

Services. A wide range of services are available for mentally ill persons of low income, yet some important gaps in services still exist, and insufficient capacity to serve all persons in need is probably the most critical problem facing the delivery system.

The agencies that provide the bulk of the mental health services to the low-income disabled are Singer Mental Health Center, a State mental health inpatient facility; Janet Wattles Center; and Stepping-Stones.

Unmet need. Needs for persons with severe mental illness revolve around funding to maintain the current level of programming and for the addition and expansion of services. For example, if HUD funding were dismantled, alternative housing for persons with serious mental illness would be in jeopardy. Low-interest money sources have reportedly dried up, while safe, clean, affordable housing continues to be a need.

Long waiting lists for housing programs are common, and local housing authorities are not always seen as cooperative with mental health providers or with families in developing housing options. Vocational programming is lacking and difficult to provide given the nature and severity of problems faced by the severely mentally ill population.

More rehabilitation needs to be developed to assist individuals with serious mental illness in developing necessary work skills that would allow them to function with Office of Rehabilitation programs. Some individuals may need greater assistance to gain skills or return to work, including interpersonal skills, work ethics and expectations, and placement assistance. More job coaches and mentors are needed, as well as additional positions and activities.

The lack of affordable housing is an issue. Some persons from outlying counties may migrate to the Rockford area because of services available in the area, and these people often rely on affordable housing.

Case management caseloads are typically too high, with negative clinical effects. Without effective case management, the community system cannot function properly, rendering communities dysfunctional in their care of people suffering from severe mental illness.

The Physically Challenged

Population. In the 1990s, an assessment of the developmentally disabled conducted by the Rockford Park District found that nearly 2,500 persons in Winnebago County were developmentally disabled. This included those who are physically disabled, or sight and/or hearing impaired. More than 80 percent were living in the family home or in independent living arrangements. It is assumed that about 500 persons, the remaining 20 percent, were in need of independent living arrangements with support services.

Services. Regional Accessibility Mobility Project continues to be a leader in providing services to persons with disabilities. The Illinois Department of Rehabilitation Services also provides cost-effective in-home care for persons with disabilities through its Home Services Program.

Unmet needs. A centrally located drop-in center is needed. The center could provide needed support services, including budgeting, paying bills, transportation, employment, accessible affordable housing, education, and recreation. The priority needs level for persons with physical disabilities is high, particularly as more persons in the population seek to live more independently. The major obstacle to creating additional independent living opportunities is the lack of support services for the population. The dollars needed to address this need will increase as more of the population begins to believe they can live independently. This is particularly true in smaller communities, as centers for independent living branch into these communities.

Persons with Alcohol and Other Drug Addictions

Population. The Rockford Healthy Community Study 2003 contains several statistics about alcohol and drug addictions in Winnebago County. During 1997, the report states that 229 Winnebago County residents aged 18 to 64 were hospitalized for alcohol or drug dependence, with an average charge of \$8,747 each. Among Winnebago County adults, the Epidemiologic Catchment Area Study estimated that 25,752 persons have a lifetime dependence on alcohol. About 1 percent of Winnebago County mothers who gave birth during 1997 admitted to drinking during their pregnancy. According to the 1997 IDPH Behavioral Risk Factor Survey, alcohol use patterns among Winnebago County adults are far higher than in other urban counties and the State.

Services. The primary service providers receiving public funding are PHASE, Rosecrance on Harrison (adult services), and Rosecrance on Alpine (adolescent services). During fiscal year 1997, these three agencies served 4,617 persons, 88 percent of whom came from Winnebago County.

Self-help groups also exist in Winnebago County. These include Alcoholics Anonymous, Narcotics Anonymous, Families Anonymous, and Al-Anon. Inpatient hospital treatment is provided by Rockford Memorial Hospital.

Unmet needs. The 1990s brought decreases in the availability of hospital-based programs in Winnebago County, partly due to the involvement of managed care, along with decreases in coverage for mental health care by traditional insurance plans.

Insufficient capacity to serve persons in need is demonstrated by the waiting lists at publicly funded agencies. Inability to reach or serve certain populations also can be seen by their absence in

client profile statistics, as is the case with the low number of Hispanics receiving services. Another problem is that few mechanisms for local, non-governmental funding exist except for private fundraising and the United Way. This lack of funding prevents timely delivery of services, proper intensity or frequency of services, and the development of specialized services for target subgroups. Resultant waiting times to get into treatment programs creates a deterrent to receiving treatment for some persons. Limited funding also results in limited access for low-income clients.

Beds are needed for certain groups, such as halfway house beds with employment or school components. Some transitional housing needs to be longer term for persons who cannot return to their normal environments without a longer period of sobriety. Some other settings should be established for those who are already fully employed to help those persons maintain employment. Not enough adolescent treatment beds for low-income youth are presently available in the community. Some adolescents need long-term treatment strategies, as well as more intensive aftercare to prevent relapse. Youth also need to be identified earlier, perhaps through substance abuse identification mechanisms that could be put into place at schools, churches, and other organizations.

Some family members and children of alcoholics and drug users require services not currently available enough, including counseling and family services. Another issue is that employees in the substance abuse treatment field typically burn out quickly and become frustrated by low wages for emotionally draining work.

Rockford-area programs need to do a better job of addressing the cultural needs of ethnic and minority groups and of reaching out to these groups to encourage involvement in treatment. Culture-specific treatment services are a weakness. Another weakness is that only one detoxification service is available in a non-hospital setting, and no provision exists for detoxification of indigent persons with medical problems. Treatment capacity for all settings in the publicly funded programs seems insufficient to fulfill the needs of county residents.

Results from the 1995 community survey for the United Way, as reported in the Health Communities study, revealed 59 percent of respondents rated drug abuse as a very serious community problem. According to key informants, including human service professionals, community leaders, and government representatives, treatment alternatives are extremely limited, especially those appropriate for women with children and ex-offenders. A shortage of inpatient substance abuse treatment services is also said to exist, according to the report, and Winnebago County has an inadequate number of publicly funded treatment programs, based on waiting lists of six months.

Victims of Domestic Violence

Population. According to the Healthy Community Study 2003, Working Against a Violent Environment (WAVE), a domestic violence agency serving the Rockford area, served 5,786 clients between 2000 and 2002. Ninety percent of clients were female, and all but 31 of the male clients were children. Most clients, 62.7 percent, were white, 26.8 percent were black, and 6.2 percent were Hispanic. Most clients used the walk-in service, but 1,621 used the shelter service.

According to Heather Beaufiles, Program Director for WAVE, the agency served 2,052 adults in 2003.³⁷ This total includes only “non-duplicated” adults, meaning repeat clients were not counted twice. The emergency shelter provided 16,000 bed nights, and WAVE assisted with 1,574 orders of protection in 2003.

The Rockford Police Department responded to over 8,500 domestic disturbance-related calls during 2002, including 2,136 domestic battery reports, as reported in the Healthy Community Study 2003. The number of domestic battery reports increased by 269 between 2001 and 2002. Winnebago County had the State’s highest overall crime rate in 2001. Sexual assault was one of five offenses in the county that were more common than in the State.

Services. Working Against a Violent Environment (WAVE) is a domestic and family violence program for women, men, and their dependent children in the Rockford area. The agency, which is incorporated under Personal Health/Abuse Services and Education (PHASE), Inc., offers assistance to those in violent or abusive relationships, with counseling that covers such areas such as stress management, anger management, communication skills, parenting, and decision making. WAVE provides multiple services including emergency shelter, a 24-hour crisis counseling line, legal advocacy (including in-court advocacy), children’s programs, and transitional housing. WAVE has 50 beds available to victims of domestic violence and their families.

HOPE of Rochelle provides a 24-hour crisis line, shelter, legal assistance, individual counseling, support group counseling, public education, medical advocacy, Hispanic advocacy, and referral services for victims of domestic violence in Ogle County. The Domestic Violence Offender Program, part of the FAIR Treatment Center, provides intensive outpatient services for family violence offenders, including individual and group sessions and workshops.

Unmet Need. The Housing Needs Survey described earlier found that most of the 82 respondents believed domestic violence victims had unmet housing needs. Seventeen respondents said victims’ unmet housing need was moderate, 28 said the need was strong, and 22 described the unmet housing needs as extreme.

Heather Beaufiles, Program Director for WAVE, said housing is one of several strong and immediate needs for domestic violence victims in the Rockford area.³⁸ Funding cuts in 2003 resulted in the loss of two full-time staff members at WAVE, meaning other employees must now combine responsibilities.

Additional safe and affordable emergency and particularly transitional housing is greatly needed, according to Beaufiles. Although the Rockford Housing Authority, Salvation Army, Shelter Care Ministries, and Winnebago County Housing Authority, along with WAVE, provide housing to victims, the wait for transitional housing is sometimes long. Finding transitional housing that is safe for women with children also is a challenge, according to Beaufiles. Although WAVE does not turn any victim away, victims who are in the midst of fleeing their abuser are given priority

³⁷ Information provided in telephone conversation on July 23, 2004.

³⁸ *Ibid.*

for emergency shelter. Those whose needs are less extreme may receive no more than 24 hours in the shelter, depending on the shelter's occupancy rate at the time.

Beaufils listed several other unmet needs for domestic violence victims in the Rockford area. Reduced cost medical care is available at Crusader Clinic, but the wait sometimes is long, some services are not provided by the clinic, and other reduced-fee health clinics are not available. Transportation is a concern, particularly in Boone County where public transportation is not available but also in the Rockford area, where the available public transportation does not reach all areas of the City where victims find work.

Affordable and available legal assistance is another strong need, according to Beaufils. Prairie State Legal Services and Zeke Giorgi Legal Clinic are the only reduced-fee or free legal services available to victims of domestic violence. Beaufils said the two providers are sometimes unavailable to victims because they are too busy or not taking a particular kind of case, and long delays sometimes occur for the services that are available. Beaufils said it is not unusual for victims to represent themselves in court, in part because of the lack of adequate low-cost or free legal services.

Additional unmet needs listed by Beaufils include safe and affordable day care, particularly day care with evening availability; increased economic assistance; additional long-term employment opportunities; and additional help for the immigrant population, including language education.

Persons with HIV/AIDS and Their Families

Population. In 1997, the Winnebago County Department of Public Health (WCDPH) reported the total number of AIDS cases in the county to be 327. A continual increase in the number of county residents diagnosed with HIV/AIDS was expected, and indeed from July 1999 through December 2002, the Healthy Community Study stated that 93 new cases of persons HIV positive were diagnosed in Winnebago County.

AIDS cases and HIV infection reports in Illinois by county in 1997 revealed that Winnebago County had the third-highest count, behind Cook and Lake Counties. The 1997 statistics show that the age group with the most HIV/AIDS cases is 30 to 39 years. Most, 67 percent, are male, and 48 percent of the persons are black, with another 48 percent white. Most of the cases, 58 percent, were attributed to injection drug use. In general, about two-thirds of persons with AIDS can be considered low-income.

Services. The Crusader Clinic is the primary resource for persons with HIV/AIDS. The Northern Illinois AIDS Resource Center is another resource in the area.

Unmet Needs. The WCDPH and the Northern Illinois AIDS Resource Center identified needs including a program for prescription drugs and health insurance benefits for those unable to pay. They also suggest childcare, as well as decent, safe, and affordable housing, primarily for family renters. There is also a need for substance abuse services, as well as legal, transportation, and mental health services.

One problem is a large percentage of persons with HIV have some criminal record and many were provided housing through the RHA. Due to the “One Strike and You’re Out” policy, these persons cannot access public housing.

The priority needs level for persons with HIV/AIDS or related diseases is medium. While the reported cases are increasing, the need for support services as well as housing seems to be declining. This may be attributed to increased awareness concerning AIDS and HIV. As awareness is increasing, friends and families are more likely to provide housing and support HIV and AIDS victims require.

Homeless and Special Needs Facilities and Services

A wide variety of organizations provide housing and supportive services to homeless and non-homeless individuals and families in the Rockford area. A number of these organizations were listed above under specific populations. A more complete list of organizations follows:

- American Red Cross, which provides emergency shelter through the Nancy J. Smith Red Cross Homeless Shelter.
- Carpenter’s Place, a day room help center for the homeless, addicted, mentally ill or otherwise severely distressed street population.
- Crusader Clinic provides primary health care services for families, as well as serving substance abusers and those with HIV/AIDS.
- Family Counseling Services of Northern Illinois provides support and counseling to families facing a variety of life situations.
- Grand Hotel was converted into 45 affordable permanent apartments that include supportive services for residents. The hotel was converted by Zion Development.
- Janet Wattles Mental Health Center provides comprehensive mental health services and pre-vocational and vocational services for those with mental illness. The center provides services for the seriously mentally ill, including emergency beds, as well as long-term case management for chronically homeless individuals with mental illness.
- Lydia Home of Rockford is an emergency youth shelter that provides a safe, secure environment for runaway or homeless boys. Services include emergency overnight care, temporary care for up to 21 days, and psychological services. Follow-up support, counseling, and referrals are also offered.
- Northern Illinois AIDS Resource Center provides housing and support for persons with HIV/AIDS.
- Promised Land Employment Services is a coordinated program designed to empower the economically disadvantaged, particularly veterans of military service, by assisting them in the procurement of meaningful careers.
- PHASE/WAVE, a domestic violence shelter, provides shelter and other services for victims of domestic violence and their dependent children. PHASE provides chronically homeless persons treatment for chronic substance abuse. A 24-hour crisis line is offered, along with counseling and legal assistance.

- Portage House offers transitional housing for women and children coming out of the WAVE shelter.
- Rosecrance Health Network is a regional substance abuse treatment facility for adolescents. Programs provided include education and training, outpatient and inpatient treatment, partial hospitalization, continuing care, student assistance programs, prevention and family recovery programs, and a speakers' bureau.
- Salvation Army offers a variety of social welfare programs, youth programs, and a men's rehabilitation center.
- Serenity House provides emergency shelter for women and their children.
- Shelter Care Ministries provides emergency housing and drop-in support services through the Jubilee Day Center. Shelter Care Ministries also provides housing and support for persons with HIV/AIDS.
- Stepping Stones of Rockford provides support and information about recovery for those with mental illness.
- United Way makes community referrals and service links for individuals and families.
- Youth Services Network develops, encourages, and coordinates services and activities that improve the physical, psychological, and social well-being of youth. The network runs MELD at Trinity House, providing services to pregnant and parenting teens, ages 14-21.

Summary of Housing and Homeless Needs Assessment

Several key points were uncovered regarding the needs for rental and homeowner housing and assisting the homeless populations in the City of Rockford. These are summarized as follows:

- The Rockford Housing Needs Assessment, conducted via a telephone survey, found the City's rental housing was plentiful. However, survey respondents felt housing conditions needed to be improved, with the west side having housing stock in greater need for improvement. Survey respondents indicated an extreme need for homeowner repair and maintenance on the west side.
- The survey findings noted the degree to which some of the special populations had an outstanding need for adequate and suitable housing. The homeless population was said to have the greatest need, along with the disabled and victims of domestic violence.
- Respondents to the survey indicated that an inability to assemble the down payment costs posed the greatest barrier to homeownership in Rockford. Respondents also acknowledged the problems posed by recent layoffs and the decline of the City's manufacturing base.
- Over the last decade, overcrowding in the City's dwellings increased in absolute terms, with nearly 1,200 units overcrowded in 2000, and the greatest overcrowding occurring in renter households. On the other hand, the percentage of renter households experiencing a cost burden actually declined over the last 10 years. The Southwest quadrant had the greatest decline in cost burdened renters, falling from nearly half of all renter households to just less than 40 percent. The share of homeowner households experiencing a cost burden rose over the decade, increasing from 14.5 percent in 1990 to 19 percent in 2000.

- The 52.8 percent of households with housing problems—defined as those with incomplete plumbing or kitchen facilities, overcrowding, or a cost burden—are disproportionately renters. Furthermore, racial and ethnic minorities constitute a disproportionate share of the households with housing problems.
- Respondents to the survey stated that the homeless face a worsening problem with housing. In the last available count of homelessness, some 1,441 persons were counted. Many of these persons had disabling conditions, such as mental illness, chronic substance abuse, or physical health issues. The greatest need for the homeless in Rockford appears to be permanent housing, and the primary barrier to serving the homeless continues to be chronic and non-compliant homeless.
- The elderly face many housing issues, including substandard housing, a lack of affordable housing, and a need for housing modifications due to disabilities. In Rockford, 26.1 percent of elderly households had housing problems, and most of these households were low-income or extremely low-income. Greater public awareness, increased access and availability to the aging network, and expansion and improvement of network response to the needs of family caregivers is needed.
- To serve those with severe mental illness, greater funding is needed to continue current programming and expand services. Safe, clean, and affordable housing continues to be a need, in addition to vocational programming and help for those providing case management.
- The physically challenged need a drop-in center that is centrally located and can provide support services. The lack of adequate support services is the greatest challenge currently facing this community.
- Persons with alcohol or other drug dependencies need additional funding to support services. Long waiting lists for services and the lack of targeted services to minority groups and others are a problem. Additional transitional housing, including additional housing for adolescents, is needed, and support of family members needs to be extended.
- Victims of domestic violence need additional safe and affordable emergency and especially transitional housing and greater access to affordable legal services. Victims also need affordable child care, long-term employment opportunities, and specific aid for the immigrant population.
- Those with HIV/AIDS do not seem to be lacking housing services, but a program for prescription drugs and health insurance benefits for those unable to pay is needed, along with additional childcare and substance abuse services.

Section V. Strategic Plan

Overview

The purpose of the five-year strategic plan is to connect the needs identified in the preceding evaluation of primary and secondary research with long-range objectives for improving housing, providing an improved community, and furthering the economic development opportunities of households in Rockford with low to moderate income.

The development process for this Strategic Plan was guided by a series of strategy sessions with staff members from the City of Rockford. The sessions sought to sort community needs with the help of the primary and secondary research and the public input process, and to prepare longer term strategies designed to overcome those needs.

Primary Housing, Homeless, and Community Development Needs

Development of the Strategic Plan is based upon the needs identified during discussions with the public as well as through quantitative and qualitative research. These needs can be summarized as follows:

- The City of Rockford's economy underwent significant structural change over the last decade, with higher paying jobs leaving the community. A strong need exists to expand employment and increase the wage rates and income of the City's residents.
- With the restructuring of the City's industrial base, population growth occurred in an unbalanced fashion within the City boundaries, with population on the east side gaining and declining on the west side. Vacant buildings are proportionally more common on the west side; meanwhile, residential, commercial, and industrial development largely occurred on the eastern fringe of the City. The need to stabilize this imbalance is important for the long-term health of the entire community.
- The west side of the City of Rockford has fewer economic and housing advantages. The number of persons employed and living on the west side declined over the decade, and the comparatively high incidence of lower-priced and potentially dilapidated housing is problematic.
- Affordable housing for the City's population is available, except in the Northeast quadrant; however, an unsatisfactory portion of the City's housing is vacant, in need of rehabilitation, or unsuitable. Even though the City eliminated in excess of 100 dilapidated housing units per year for the last decade, both the quantitative and qualitative data, as well as the expressed opinions generated through the public involvement process acknowledge the condition of many residential sites, particularly on the west side, needs improvement or elimination.
- The City's population will become increasingly diverse as it continues its slow but steady overall increase. This growth in the population will require additional housing units. Whether the units are new construction or rehabilitation of currently vacant units, many of these units will be needed for low- to moderate-income households. Cost-effective enhancements must be sought

Principles Guiding the Strategic Plan

The City recognizes that to be successful in the implementation of housing and community development activities, efforts must be efficient and fruitful. Unfortunately, Rockford does not have sufficient resources either in its CDBG or HOME programs to properly address all of the specific needs of the City. The City therefore is utilizing several guiding principles for its five-year strategic plan. These principles are as follows:

- Concentrate efforts on a limited number of areas and activities, so expended resources will have the greatest lasting and noticeable effect;
- Support activities that build upon existing infrastructure, such as in-fill development or use of the current labor pool;
- Implement strategies with sustainable long-term impacts, such as cost-effective rehabilitation and new construction that complements surrounding properties;
- Seek opportunities to form partnerships with other agencies within the City, as well as outside of the City, generating beneficial activities for the larger economic region;
- Explore opportunities to leverage resources with other private, nonprofit, and government agencies so the City's limited resources have the greatest possible net effect.

Five-Year Objectives and Strategies

The three objectives the City will pursue over the next five years, based on the research and analysis covered in earlier sections of this report, are as follows:

1. Reduce housing blight and blighting influences in neighborhoods;
2. Increase the provision of affordable housing;
3. Create, expand, and retain employment in Rockford; and,
4. Reduce chronic homelessness by providing support to the Rockford/Winnebago/Boone County Continuum of Care.

Each of the objectives identified above, as well as the strategies consistent with each objective, are discussed in greater detail below.

Objective One: Reduce Housing Blight and Blighting Influences in Neighborhoods

Strategies:

1. Rehabilitate Suitable Homeowner Properties

Rehabilitation of existing homeowner properties is an important part of the overall improvement of Rockford's neighborhoods. Rehabilitation will enhance property values and reduce the number of unsuitable or dilapidated homes. The rehabilitation will follow the following steps:

- a) The City will establish standards, or criteria, that define housing that is economically feasible and suitable for rehabilitation and housing that is not suitable for rehabilitation. This will help ensure that the City of Rockford can more effectively utilize its housing resources and make incremental improvements focusing on the exterior and significant health and safety deficiencies in the interior of properties. Examples of these standards or criteria include:
 - i. Housing that is suitable for rehabilitation was constructed with higher quality materials and workmanship, and have architectural, historic, or aesthetic value;
 - ii. Housing that is not suitable for rehabilitation was constructed with inferior or lower quality materials and workmanship and has no architectural, historic, or aesthetic value.
- b) The City will target rehabilitation efforts in selected areas of the City, so that neighborhood improvements can be more readily reflected in the area's surrounding homes and neighborhoods.

2. Reduce Blighted Housing

A blighted area is defined as one in which conditions place serious physical or economic burdens on a community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone. Blighted areas may be detrimental to the public health, safety, or welfare of the community, and they may be detrimental to the effective redevelopment of the area. A combination of many factors seems to have left the City of Rockford with a burdensome amount of blighted and dilapidated housing. By reducing blight through the following actions, the City will revitalize deteriorated neighborhoods and reduce low-income concentrations:

- a) The City will seek to identify housing that is unsuitable for rehabilitation and initiate efforts to acquire and eliminate such housing, whether through acquisition, condemnation, or other means; and,
- b) Once the housing is eliminated, the City will identify private residential owners interested in acquiring the land, expanding selected lot sizes in the City or using the lots for in-fill housing.

3. Promote New Construction for Infill Replacement of Housing

Although the City of Rockford's population is expanding slowly and some unsuitable housing must be eliminated, there remains a need to provide affordable new construction for homeownership. The new construction needs to be handled in a thoughtful manner that takes into consideration the issues of the entire community. Given these considerations, infill opportunities, including redevelopment activities, should be targeted, as follows:

- a) The City intends to identify possible infill projects; and,
- b) The City intends to review and, budget permitting, fund appropriate infill projects.

Objective Two: Increase the Provision of Affordable Housing

Strategy:

1. Increase Transitions From Low-Income Rentals to Homeownership

Homeownership is an important step in transitioning out of poverty. By helping persons in low-income rental situations access homeownership, the City will provide greater opportunity for low-income persons to accumulate equity and wealth.

- a) Increase minority homeownership in Rockford by using American Dream Downpayment Initiative funds and other available resources for first-time homebuyers; and,
- b) Enhance understanding and operation of the credit markets, particularly through homebuyer education classes.

Objective Three: Create, Expand, and Retain Employment

The City of Rockford has an abundant, capable workforce that unfortunately experienced significant job losses in recent years, particularly in the manufacturing sector. These recent problems can be overcome by focusing on the strengths of the workforce, attracting new business to the City, educating and retraining workers, and supporting and expanding current business in the City.

Strategies:

- 1. Expand and Retain Employment at Existing Businesses.** The City will take action by providing working capital, technical assistance, assistance with locating local employees, and/or aiding with special skills training.
- 2. Recruit New Businesses to the City.** The City will seek new business by targeting employers with needs matching the abilities of the City's workforce.

Objective Four: Reduce Chronic Homelessness

One of the nation's goals is to end chronic homelessness by 2012. The City, through its participation in the Rockford/Winnebago/Boone County Continuum of Care, is addressing the problem of chronic homelessness. A chronically homeless person is defined by HUD as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years.³⁹

Strategies:

1. Develop and Implement a 10-Year Plan to End Chronic Homelessness

Within the Continuum of Care (CoC) region 570 chronic homeless persons were identified in a 2003 point-in-time count, which provides a conservative estimate of the total population. Helping these persons, receive the assistance they need to make a successful transition into permanent housing is a priority that, once achieved, will likely result in greater resources and

³⁹ Notice of Funding Availability for the Collaborative Initiative to Help End Chronic Homelessness/Federal Register, Vol. 68, No. 17.

services for other homeless persons in need of assistance. The following actions will be taken by the CoC to end chronic homelessness:

- g) Identify all homeless resources and needs in the CoC;
- h) Determine the changes necessary to the current system to allow for rapid re-housing and appropriate services and intervention for those at risk of homelessness;
- i) Determine the appropriate approach to plan implementation;
- j) Engage CoC agencies in adopting the plan;
- k) Develop an outcomes instrument; and,
- l) Report results to the CoC and the community.

2. Encourage Collaboration and Cooperation Among Continuum of Care Agencies

The CoC's approach to ending homelessness depends upon collaboration and cooperation among many agencies. To assist the homeless in the transition to permanent housing, the CoC recognizes that collaboration between agencies is crucial, as no one agency has all of the necessary resources. Strategies for improving collaboration and cooperation among CoC agencies include the following:

- a) Strengthen the network of service providers who provide mental health, substance abuse, and physical health services to the chronically homeless;
- b) Continue to recruit new members into the CoC Task Force, including members of the homeless and formerly homeless community;
- c) Expand the Homeless Management Information System (HMIS). An HMIS was implemented in the CoC during 2003, and 11 agencies currently utilize the service. The HMIS improves the gathering of data concerning the homeless, providing more accurate and timely information. The HMIS also enables the CoC to identify services that result in positive outcomes for the homeless, and the system is expected to enhance inter-agency communication and consistency. With initial implementation completed, the emphasis now is on the following steps toward complete implementation of the HMIS across the CoC:
 - Identify the remaining agencies that should be included in the HMIS;
 - Enhance collaboration between agencies and the HMIS;
 - Deploy the HMIS at identified additional agencies; and,
 - Identify additional HMIS funding sources, and apply for funding as a unified, collaborative entity.
- d) Inform and educate collateral systems such as the judicial system about the chronically homeless population, and link their work with that of the CoC; and,
- e) Educate the public about the issue of ending homelessness.

Affordable Housing

HUD Table 2A, below, presents goals and the overall priority needs associated with renter, owner, and special needs households in the City. The number of households with unmet housing needs was determined with the use of 2000 HUD Special Tabulations. The total households shown in each category reflect the number of households with housing problems. A household with a housing problem is one where the household is experiencing one or more of the following conditions: overcrowding, a cost burden, or incomplete plumbing or kitchen facilities.

HUD Table 2A Priority Housing Needs					
PRIORITY HOUSING NEEDS (households)		Priority Need Level High, Medium, Low		Unmet Need	Goals
Renter	Small Related	0-30%	High	1,635	
		31-50%	Medium	989	
		51-80%	Medium	304	
	Large Related	0-30%	High	454	
		31-50%	Medium	290	
		51-80%	Medium	205	
	Elderly	0-30%	High	841	
		31-50%	Medium	480	
		51-80%	Medium	297	
	All Other	0-30%	High	1,488	
		31-50%	Medium	658	
		51-80%	Medium	288	
Owner	0-30%	High	1,796		
	31-50%	High	1,686		
	51-80%	High	2,113		
Special Needs		0-80%	High	28,460	
Total Goals					

The priority needs level for renters and owners with median incomes at 30 percent or less of the City median—in other words, those who are termed extremely low-income—is considered high. This is because extremely low-income households are most likely to be severely cost burdened and at greatest risk of eviction, homelessness, and related problems.

Homeowner households earning less than 80 percent of the City's median income are all considered a high priority for funding. This is because it is essential to the City's growth and prosperity that homeownership be maintained and strengthened. Those who own their homes but

are at risk because of their low incomes need to be a high priority so they can build their wealth and equity in the years to come.

The unmet need for special populations shown in the table is an aggregate of the needs identified for each population discussed in Section IV. The total provided is an estimate based on City and Winnebago County counts of the low- and extremely low-income elderly, persons with severe mental illness, the physically challenged, persons with alcohol or drug addictions, victims of domestic violence, and persons with HIV/AIDS and their families. Some overlap likely exists between the unmet needs for special needs populations and the needs listed for other populations.

Homeless Strategy

As discussed in Section IV, the most recent point-in-time count of the homeless found 1,441 homeless persons in the Continuum of Care (CoC), which includes Winnebago and Boone counties. Section IV also provides a list of facilities and services that assist homeless persons, homeless persons in families with children, and a variety of subpopulations.

Addressing the homelessness problem has been a goal in the City of Rockford for many years. The City's efforts were formalized in 1987, after a public hearing led to formation of the Mayor's Homeless Task Force. The current CoC system continues to address homelessness and related issues, with frequent success.

The 2004 CoC Application Summary provides more detailed discussion of the CoC's recent performance and activities aimed at ending homelessness.

Goals for Ending Homelessness. The CoC set specific goals for ending chronic homelessness, goals which will help to combat all forms of homelessness. The goals for 2004 are listed below:

1. Develop and implement the 10-Year Plan to End Chronic Homelessness;
2. Develop plans for assessing, treating, rehabilitating, and housing the chronically homeless;
3. Engage service providers to implement plans for serving the chronically homeless;
4. Establish outcome instrument to monitor progress;
5. Report on outcome results;
6. Expand HMIS; and,
7. Streamline resources.

Non-Housing Community Development

As noted in the previous section of this report, during the four public input meetings, an exit survey was distributed to gather additional data regarding how the public preferred the City's HOME and CDBG funding should be utilized. The survey instrument focused on five basic program activities: housing, economic development, infrastructure, public facilities, and human and public services, as each can be construed to be a qualifying activity.

Respondents were asked to indicate their most pressing needs in the City. Respondents were told that they had a new block of revenues and were asked how they might best use the funds. Responses associated with housing were presented earlier in this report. The following narrative presents the outcome of the other four, non-housing community development avenues. While it may not be practical to exactly follow this public input, as program guidelines define how funds are to be used, there is some flexibility in use of the funds and the exercise helps the City of Rockford receive guidance from stakeholders in the process.

The following is a review of how respondents to the exit survey felt about the importance of each program activity. Housing was to receive 29.35 percent of the resources, economic development 28.86 percent, human and public services another 17.97 percent, infrastructure 12.86 percent, public facilities some 8.08 percent, and 2.86 percent expressed for other purposes (chiefly education). Furthermore, respondents wanted 38.92 percent of the resources directed to the Southwest quadrant, 27.91 percent to the Northwest, 21.49 percent to the Southeast, and 11.69 percent to the Northeast.

Economic development was the second most important activity expressed by the respondents to the exit survey. As seen in Exhibit V.1, below, attracting, retaining, and expanding business commands more than fifty percent of the desired activities.

EXHIBIT V.1
EXPRESSED USES FOR ECONOMIC DEVELOPMENT FUNDS
CITY OF ROCKFORD: PUBLIC INPUT EXIT SURVEYS

20.9 %	Attract new businesses
20.3 %	Retain existing businesses
11.3 %	Expand existing businesses
9.9 %	Provide job training
9.5 %	Promote the City of Rockford
5.7 %	Provide job re-training
4.3 %	Enhance business infrastructure
4.2 %	Provide working capital for businesses
3.1 %	Provide businesses with technical assistance
2.7 %	Invest as equity partners
2.3 %	Provide venture capital
2.2 %	Develop business incubators
1.9 %	Develop business parks
1.4 %	Other:
.3 %	Build spec buildings

Respondents indicated that human and public services were next most important to receive attention from the City. Overall, the respondents indicated that expanding services for the youth was most important, with senior services and additional transportation issues next in importance. The allocation of resources from analysis of these surveys is presented in Exhibit V.2, on the following page.

EXHIBIT V.2
EXPRESSED USES FOR HUMAN AND
PUBLIC SERVICES FUNDS
CITY OF ROCKFORD: PUBLIC INPUT EXIT SURVEYS

21.4%	Expand services for youth
13.0%	Expand senior services
12.0%	Increase transportation services
11.1%	Health care services
10.7%	Childcare services
8.7 %	Services for those with substance abuse problems
8.2 %	Increase services for severely disabled
6.7 %	Fair housing counseling
6.5 %	Tenant/landlord counseling
1.7 %	Other:

The next most important activity for the allocation of funds was for the City's infrastructure. Here, improving local streets and roads was by far the most important activity for respondents to the survey. Other far less important issues were water and waste water systems, as seen in Exhibit V.3, below.

EXHIBIT V.3
EXPRESSED USES FOR INFRASTRUCTURE FUNDS
CITY OF ROCKFORD: PUBLIC INPUT EXIT SURVEYS

45.9%	Improve local streets and roads
13.2%	Improve local water systems
11.5%	Improve bridges
8.9%	Improve local solid waste facilities
7.6%	Improve local storm sewer systems
6.5%	Improve local wastewater systems
6.4%	Other:

Respondents to the survey also indicated preferences for public facilities for the City of Rockford. Exhibit V.4, below, presents the expressed uses of funds. Developing more youth and community centers comprised over 30 percent of the desired uses of funds.

EXHIBIT V.4
EXPRESSED USES FOR PUBLIC FACILITY FUNDS
CITY OF ROCKFORD: PUBLIC INPUT EXIT SURVEYS

17.2%	Develop more youth centers
16.1%	Develop more community centers
11.3%	Develop additional childcare facilities
10.9%	Develop more park and recreational centers
10.7%	Develop more senior centers
7.3 %	Develop more health facilities
6.1 %	Improve local police stations/ centers
5.4 %	Other:
5.0 %	Improve local fire stations
4.8 %	Improve public buildings for accessibility
2.9 %	Improve or expand jail space
2.3 %	Develop more residential treatment centers

Based upon the input received from the public input sessions, staff strategy sessions, and a set of strategic objectives and actions the City will undertake over the upcoming five-year period, HUD Table 2B, below, presents the City's priorities for promoting the City of Rockford as a viable urban community.

**HUD TABLE 2B
COMMUNITY DEVELOPMENT NEEDS**

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level (High, Medium, Low, No Such Need)	Dollars to Address Unmet Priority Need
Economic Development Activities		
Attract new businesses	H	
Retain existing businesses	H	
Expand existing businesses	H	
Provide job training	H	
Promote the City of Rockford	H	
Provide job re-training	M	
Enhance business infrastructure	M	
Provide working capital for businesses	M	
Provide businesses with technical assistance	M	
Invest as equity partners	L	
Provide venture capital	L	
Develop business incubators	L	
Develop business parks	L	
Build spec buildings	L	
Human and Public Services		
Expand Services for youth	H	
Expand senior services	H	
Increase transportation services	H	
Health care services	H	
Child care services	H	
Services for those with substance abuse problems	M	
Increase services for severely disabled	M	
Fair housing counseling	M	
Tenant/landlord counseling	M	
Infrastructure		
Improve local streets and roads	H	
Improve local water systems	L	
Improve bridges	L	
Improve local solid waste facilities	L	
Improve local storm sewer systems	L	
Improve local wastewater systems	L	
Public Facilities		
Youth Centers	H	
Community Centers	H	
Childcare facilities	M	
Park and recreational centers	M	
Senior centers	M	
Health facilities	M	
Fire stations	L	
Improve accessibility of public buildings	L	
Expand jail space	L	
Residential treatment centers	L	
Planning		
System planning for City of Rockford	H	
TOTAL ESTIMATED DOLLARS NEEDED:		

Obstacles to Meeting Underserved Needs

Four primary obstacles exist to meeting underserved needs in the City of Rockford. These obstacles, discussed in detail below, are viable employment and job training, childcare, health care, and transportation.

Viable employment and job training. Traditionally, the Rockford area employment base exceeded the national average in manufacturing and industrial jobs. Jobs in this sector are unionized and provide higher than average wages and benefits. Manufacturing jobs declined in recent years, as major corporations merged and consolidated their workforces outside the United States and elsewhere in the country. Many of these jobs were replaced with service sector jobs. The quality of jobs in terms of wages and benefits declined, while the number of jobs paying living wages steadily decreased. This trend is expected to continue.

Policy changes in the Workforce Investment Act are expected to increase the amount of money available for job training. The large number of displaced industrial workers means budgeted funds are still not enough to provide adequate job training programs. The Rockford Public School System and Rock Valley Community College worked with local employers to create specialized training programs to increase the number of job-ready high school graduates. Illiteracy continues to be a major issue, as well as the high dropout rate among public school students.

Lack of affordable secondary education, a public four-year institution, and a vocational school limits the scope of education that can be obtained within the community. As a result, the ability of underemployed persons to obtain job skills and training is limited.

Childcare. Childcare with extended hours is needed for those working late and/or early shifts, especially single parents and those without family or alternative daycare support, or those with gaps in child support and/or childcare. There is a lack of affordable, quality childcare that enables employment to be maintained or obtained.

Health care. Many lower-income persons, especially single parents and Public Aid recipients, are failing to receive health care. Many persons have not had recent physicals, preventative shots and immunizations, or a usual care source. They have low or no levels of household insurance coverage. Financial reasons and the cost of care dominate the reasons for failure to receive care, as well as jobs without health care benefits and lack of Medicaid/Medicare. Even with insurance, certain medical payments and prescriptions still impact lower-income persons financially.

Transportation. Much of Rockford's growth and employment opportunities are along East State Street, East Riverside Boulevard, and North Perryville Road in Rockford's Northeast quadrant. The concentrations of lower-income households are primarily in the Southwest quadrant. Low and moderate-income persons who rely on the mass transit system have a difficult time accessing jobs, especially for those on late night or early morning shifts. Access to services, including health care and childcare, is also an issue.

Lead-Based Paint Hazards

Those at highest risk of the effects of lead-based paint poisoning are children, pregnant women and people working with lead in their jobs. The types of housing units more likely to have lead-based paint hazards include older units (lead-based paint used prior to 1950 is likely to contain higher concentrations), units in poor condition, units renovated or maintained not using safe work practices, and units with exterior lead-contaminated soil.

In Rockford, housing with lead-based paint hazards can be found in several ways. These include:

- Children are screened for high lead-blood levels as a part of school enrollment. If a high level of lead is shown, both a State of Illinois Public Health official and a nurse do an inspection of the premises. A common scenario is that younger siblings of a school-age child have higher blood-lead levels than the school-age child. After an inspection of the premises, action is taken to ensure compliance with health code regulations. The owner of the property is then responsible for either abatement or mitigation practices to eliminate or reduce the possibility of future lead poisoning from that unit.
- The City of Rockford, in its administration of its rehabilitation and homeownership programs, ensures that occupants, homeowners, and homebuyers are notified of the hazards of lead-based paint and that defective paint is identified and treated. If a child with an elevated blood level (EBL) is identified, additional steps are taken to inspect for lead-based hazards and stabilize, control, or abate.
- Federal law requires sellers and landlords to make a disclosure of possible lead-based paint hazards in units. Anytime a contractor does repair that creates an opening more than two feet in diameter, the contractor must inform the residents of possible lead-based paint hazard.

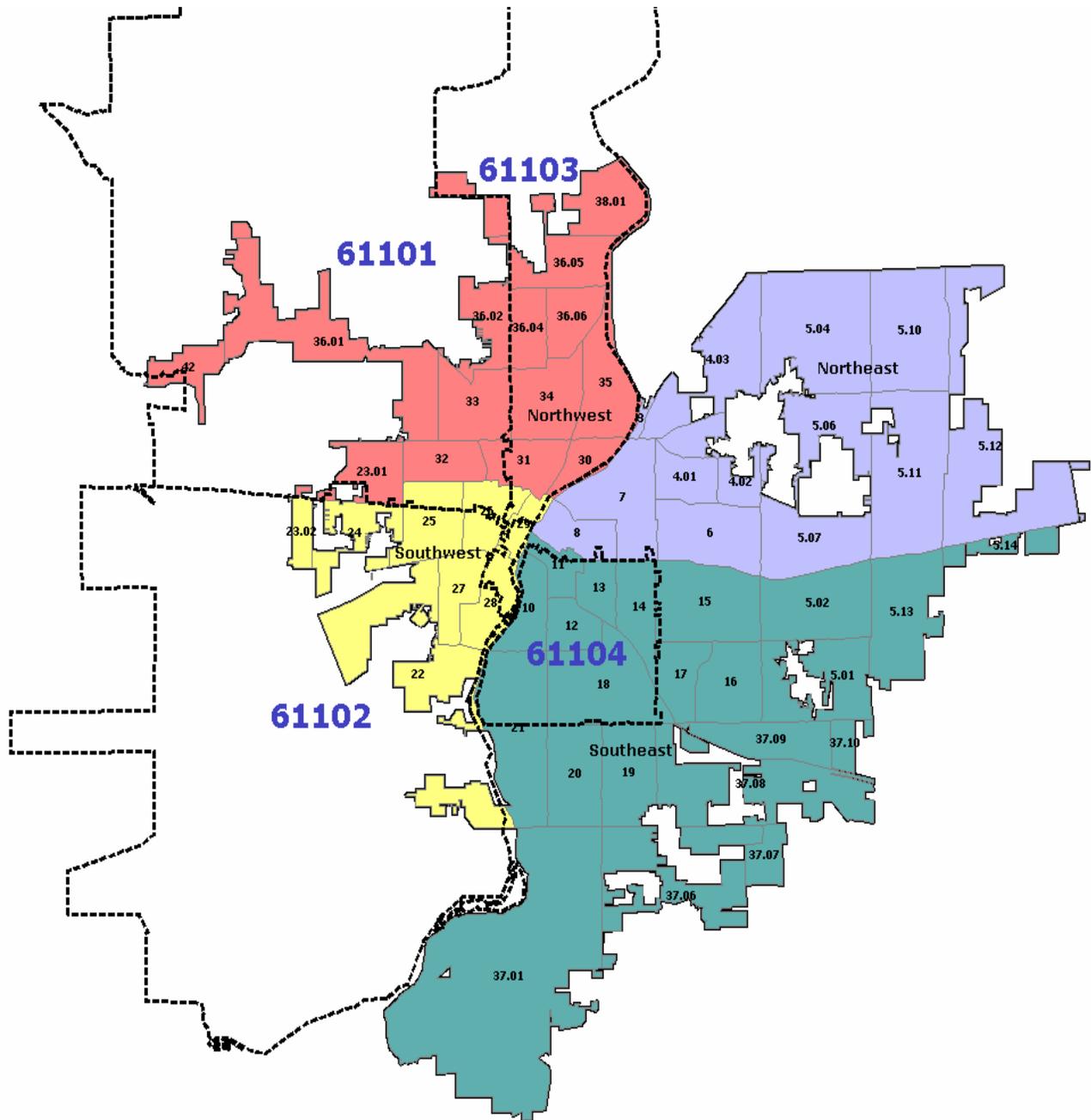
Lead Poisoning and Prevention Act. The State of Illinois has long recognized risks associated with lead-based paint. In fact, the Lead Poisoning and Prevention Act was passed into legislation in 1976, two years prior to elimination of lead compounds in the national paint stocks. The Act was last amended in August of 2000.

This Act calls for action once an incidence of elevated blood lead levels is reported, which usually occurs through blood lead level testing in children. For Rockford, the Winnebago Lead Inspector visits suspected sites and conducts inspections. The individual primarily looks for areas with friction, such as double-hung windows, or impact, such as doors or weather-sensitive areas on the exterior of the building. If a lead hazard is identified, the owner is cited and must take measures to mitigate or eliminate the hazard within 30 days. The typical abatement costs for a two-story rental house, comprising jamb liners and window wells, easily runs \$5,000.⁴⁰

The inspector also may elect to test homes in areas that the Illinois Department of Health determined to be likely areas of high risk. These are specified by zip code, and there are four zip codes pertinent to Rockford: 61101, 61102, 61103, and 61104. In general, these represent all of the west side of the City of Rockford and a portion of inner Southeast. Diagram V.1, on the following page, portrays these zip codes in relation to the City's quadrants and Census Tracts.

⁴⁰ Mr. James Hilliger, Winnebago County Lead Inspector, verbal conversation, May, 2004.

Diagram V.1
City of Rockford
Zip Code Areas with High Lead Risks in Housing Units



Title X. On Sept. 15, 1999, HUD published a regulation entitled, “Requirements for Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally-Owned Residential Property and Housing Receiving Federal Assistance.” The purpose of this regulation is to protect young children from lead-based paint hazards in housing that is either receiving assistance from the federal government or is being sold by the government. The regulation

established procedures for evaluating whether a hazard may be present, controlling or eliminating the hazard, and notifying occupants of what was found and what was done in such housing. The City's housing rehabilitation programs became compliant with the regulation on Dec. 15, 2000.

Title X strengthens requirements for evaluation and reduction of lead-based paint hazards for all projects and activities receiving more than \$5,000 in federal funds. Acceptable lead levels in both structures and in children are lowered by 24 CFR 35. The following exemptions apply to the Rockford program: exclusive elderly housing; absence of lead-based paint; housing to be demolished; nonresidential property; rehabilitation disturbing little or no painted surfaces; emergency repairs and natural disasters; and emergency rental and foreclosure assistance. The new rule also provides levels of acceptable testing and abatement based on project costs.

HUD used four approaches in structuring the requirements in the regulation. The four approaches are as follows:

1. Do Not Harm is intended to allow low-cost repairs and other work to proceed without costly lead-based paint requirements, while at the same time preventing lead-based paint hazards from being created while work is being done. The process does not determine if a whole unit or property is "lead-safe" because clearance is conducted only for the work site.
2. Identify and Stabilize Deteriorated Paint provides assurance that lead-based paint has been stabilized and the unit is "lead safe" because clearance is conducted for the whole unit. It does not prevent the re-appearance of lead-based paint hazards.
3. Identify and Control Lead-Based Paint Hazards provides assurance that lead-based paint hazards have been eliminated. Clearance is conducted for the whole unit.
4. Identify and Abate Lead-Based Paint Hazards is used when federal funds are used to make a substantial investment in a property. Long-term hazard-control measures are implemented to help ensure that the unit remains lead-safe. This approach will primarily be used by the City of Rockford when substantial rehabilitation is necessary.

Strategies to Address Lead-Based Paint Hazards. The City will mitigate lead in 25 units per year over the next four years due to the award of a Get the Lead Out Grant.

Anti-Poverty Strategy

A number of barriers prevent very low-income households from overcoming poverty. These include health care costs, severe housing cost burdens, household problems, lack of employment or meaningful employment, lack of subsidized daycare, utility costs, prescription drug costs, transportation problems, the lack of formal education, lack of job training, and lack of specific skills training.

The City, in conjunction with other organizations, will undertake the following initiatives to reduce the number of households with incomes below the poverty level over the next five years:

- The Rockford Housing Authority (RHA), in conjunction with the City of Rockford and 20 support agencies, developed a three-phased program called the Family Self-Sufficiency

Program. The program helps public housing residents build self-esteem, improve relationships with their families, explore education and career opportunities and become potential homeowners.

- The Rock River Private Industry Council acts as the clearinghouse for all employers who would like to hire high school students and young adults. The Private Industry Council is highly experienced at running a vocational exploration program with classroom training for youths aged 14-17. Older participants, aged 18-21, work for nonprofit agencies. Additional funding will increase the number of opportunities available to these disadvantaged youth.
- Health care costs continue to be a national crisis, as well as within the Rockford community. The burden of costs associated with health care prohibit use by very low-income persons or cause very low-income persons to be financially strapped as a result of a family crisis or something as common as the birth of a child. The MOMS program has been successful in making subsidized health care more readily available to pregnant and parenting low-income mothers and their children. With the help of the mass transit district, accessible locations have been established to the program's target population. This project, along with the Kidcare program, should ensure that mothers and children have access to the basic checkups and immunizations necessary to ensure the child's physical health and development.
- The following were recurring issues identified by more than 200 human service professionals, community leaders, and representatives of various groups in the Health Communities Study. Activities/projects are expected to be identified that respond to these issues:
 1. Caring for our Children;
 2. Family Dysfunction;
 3. Healthy Well being;
 4. Housing;
 5. Neighborhoods;
 6. Racism Human Services Systems Issues: Staffing, System Effectiveness, Technology;
 7. Transportation; and,
 8. Welfare Reform.
- Crusader Clinic and Janet Wattles Center also provide subsidized health care services to lower-income persons. Services are provided at their main facility and at a number of satellite locations throughout the community.
- As previously discussed, the City's annual allocation of federal Emergency Shelter Grant funds are distributed to local homeless providers. The Emergency Food and Shelter Program now requires the second provision listed below, and that at least one homeless or formerly homeless person be a member of the local FEMA board. As a result of the Housing and Community Development Act of 1992, the agencies awarded funds through the Emergency Shelter Grant must ensure the following:
 1. The homeless will be given assistance in obtaining supportive services available in the community, such as those previously mentioned.

2. To the maximum extent practical, homeless individuals and families will be involved in constructing, renovating, and maintaining and operating facilities assisted under the program.
- Several of the housing nonprofits also provide work opportunities at housing construction sites either on their own initiative or through programs such as YouthBuild. Mentoring and employment opportunities are also provided by these nonprofits.
 - Many people of very low incomes have housing problems and try to make repairs with the little money they have or are forced to let the property deteriorate. The City has a program available to very low-income persons in which no repayment is necessary. Once a home is rehabilitated, utility and maintenance costs will decrease, resulting in a decreased cost burden and a greater residual income for the necessities in life. Although this program does not result in reducing the number of households with income below the poverty line, it does give people hope for a better future.
 - The integration of childcare into new rental and transitional housing developments has been considered and supported on several housing rehabilitation projects funded by the City and through the Community Assistance Program. Affordable and stable childcare gives parents the opportunity to find and keep employment.
 - The City's various economic development programs, both federally and locally funded, also seek to reduce or prevent poverty. The creation of jobs for low and moderate-income persons, especially those with the potential of advancement and/or those in basic industries, is a priority. In order to create jobs for those most in need, it will be necessary to create new businesses, expand existing businesses, and attract businesses seeking additional facilities. The City intends to assist such businesses by utilizing federal funds, local funds, state enterprise zone incentives, tax incentives, industrial revenue bond financing, and other resources deemed appropriate.
 - The City intends to preserve its existing housing stock when feasible. Although the City increased its level of demolition of substandard properties, it continues to focus primarily on the rehabilitation of properties. Inspections are conducted by qualified staff in making the final determination. To preserve the existing housing stock in Rockford, we also contact housing nonprofits and investor-owners to see if they have an interest in the property when properties are suitable for rehab but rehab is not feasible by the City for City purposes. To preserve the existing housing stock in Rockford, the City contacts housing nonprofits and investor-owners to identify interest in owning and rehabilitating the property. Often they have the capability to rehabilitate at lower cost because of donated labor and/or materials and sweat equity. The City also directs them to potential funding sources for the acquisition and/or rehabilitation of the property.
 - The Head Start Program teaches income eligible pre-school children educational skills and social classroom skills. Head Start gets children on the right track educationally as well as emotionally. While they're learning, their parents are provided access to employment and social services. Head Start serves over 500 children and families at three Rockford locations.
 - Through the Community Services Block Grant Program, there are several programs designed to assist people in moving out of poverty. The Small Business Loan Program provides loans to businesses that agree to create jobs for low-income persons. For every \$15,000.00 loaned, a job must be created that is filled by a low-income person. The CSBG Scholarship Program

provides scholarships to income eligible persons who are attending a formal education program or occupational training at an accredited Illinois institution.

- CDBG assists persons who are homeless or are in danger of becoming homeless through FEMA Emergency Food and Shelter funds and Rockford Township Condemnation funds. These funds assist low-income persons with one month's rent.
- The Illinois State Board of Education provides funding for the Summer Lunch program that the Community Services Division administers. This program provides free, nutritious lunches to eligible children aged 3-18 at various City locations.
- Community Services also provides linkage and advocacy to income-eligible households. This service increases awareness of community resources for low-income households as well as assisting the households in accessing these services.
- In addition, Community Services provides intensive, long-term case management services to families and seniors. The goal of the Family and Community Development Program is to assist families in increasing their skills, improving their income and strengthening family connections.
- The Low-Income Heating Energy Assistance Program (LIHEAP) assists income eligible households in paying their heating bills. This program affects low-income households, seniors, and disabled by making a one-time payment toward their heating bills. In addition, the LIHEAP Emergency Furnace Program assists income-eligible persons with the repair/replacement of furnaces. The Energy Division also offers the Weatherization Program, which assists households in making their homes more energy efficient in an effort to reduce heating costs.

Institutional Structure

Assessment of Strengths and Weaknesses. The primary strengths of the institutional structures are the relationships among the institutions already in existence, and the fact that these efforts are supported at the highest levels of institutions involved, both public and private.

The weaknesses, or gaps, in the institutional structure continue to exist in the following areas:

- Insufficient resources to meet needs at all levels, including housing, social services, and mental and physical care;
- A need to build upon the willingness of the local real estate and financial community to participate in programs that assist the very low end of the price range.

It is not perceived that these gaps could cause an individual or family to become homeless; however, gaps may become contributing factors in such an occurrence.

Strategy to Overcome Gaps. The City will continue to promote coordination in the identification of resources and implementation of programs to meet needs. This would provide a more efficient means of providing services and would reduce any overlap that may exist.

The City will continue its efforts to strengthen the existing nonprofits by providing technical resources and access to resources, while fostering the development of new resources to serve

specific areas and populations. The City will continue to promote coordination between local realtors and lenders to increase the effectiveness of service to low-income potential homeowners.

Reduction of Barriers. Overall barriers to affordable housing and homeownership will be addressed by the City through the continuation of programs such as the American Dream Downpayment Initiative, Homestead Partnership Program, the West Side Alive Program, the HELP Program, and the Assist Bond program.

Coordination

The City of Rockford, as a jurisdiction, will continue to promote intergovernmental and institutional structure cooperation in the delivery of housing services and programs throughout all sections (public, private, and nonprofit) and at all levels (City, state, and federal). The Community Development Department and the RHA will continue to be the key players in the coordination of housing service delivery.

With funding cuts to public housing authorities, intensified collaboration with the City is even more necessary. Staff members from the RHA and the Community Development Department will continue to communicate regularly regarding more effective ways of providing service. This coordination also exists with local governments of neighboring municipalities, as well as with state and federal agencies in association with or in management of various housing resources.

The overall coordination of housing-related activities is further strengthened by the development of key relationships among various organizations. One example is the Rockford Area Affordable Housing Coalition. This organization is primarily comprised of housing nonprofits and was formed to allow organizations associated with housing the opportunity to come together to coordinate the planning and development of strategies to improve Rockford's neighborhoods and to increase the availability of affordable, decent housing for lower-income people.

The Mayor's Community Task Force on the Homeless, comprised of local service agencies, mental health agencies, and housing officials, will continue to identify needs for emergency, transitional, and special needs permanent housing, seeking funding and operating programs to meet those needs.

All homeownership programs are assisted by the Rockford Homestead Board, staffed by the Community Development Department, and made up of volunteers with specific knowledge and expertise in some aspect of housing development. The Rockford Area Association of Realtors, through its Affordable Housing Committee, provides insight on how to better provide homeownership opportunities for lower-income people. The effort is further exemplified by the partnership between the National Association of Realtors and the U.S. Conference of Mayors.

Public Housing Resident Initiatives

The Family Self-Sufficiency Program helps motivated residents build self-sufficiency skills. Participants are urged to further their education in order to increase their earning potential and career options. A focus on homeownership motivates participants to become independent and begin planning to move to private sector housing. To prepare future homeowners, RHA, in

collaboration with the University of Illinois Extension, offers homeownership classes, while the Rockford Area Affordable Housing Coalition provides credit counseling. A new homeownership initiative, the Section 8 Choice Voucher Homeownership Program, allows Section 8 voucher holders to continue receiving a subsidy while purchasing a home.

RHA also works cooperatively with agencies and educational institutions to offer on-site services, educational opportunities, health services, recreational opportunities, and employment training for residents. Education and training are important steps toward self-sufficiency. Both Head Start and District 205 offer early childhood education programs and District 205 also provides tutoring for students in K-3. RHA's Universal Success Program, funded through Rock River Training, offers tutoring and mentoring for at-risk teens. In collaboration with Rock Valley College, a GED Program is offered at Blackhawk Family Development, with transportation provided by RHA.

Section VI. Annual Action Plan

Overview

The City of Rockford's Community Development Department proposes to continue concentrating its use of Community Development Block Grant funds in existing neighborhood strategy areas, creating one new focus/neighborhood revitalization strategy area, including an expansion which is within a current neighborhood strategy area. The Neighborhood and Economic Development Strategy areas are:

- The South Main neighborhood strategy area bounded on the south by Marchesano, on the north by the railroad tracks just past Kent Creek (as expanded), on the east by Rock River, and on the west by West Street now including Morgan, Kent, Blake, Cunningham and Houghton Streets to Corbin as well as to include the South Rockford TIF and the River Oaks proposed TIF;
- The Mulberry Forest neighborhood strategy area bounded by Kent Creek, Royal Avenue, School Street, with Chestnut Street as the southerly boundary;
- The St. Paul's Place neighborhood strategy area bounded by West State Street on the south, Church Street on the east, Kilburn Avenue on the west and Garfield/Ashland Avenues on the north;
- The Seventh Street TIF area bounded by Kishwaukee Street to the west, 11th Street to the east, East State Street to the north, and Ninth Avenue to the south;
- The Mid Town North neighborhood which includes much of the Seventh Street TIF area noted above but extends south to Woodruff Avenue and east to 13th Street;
- The SouthEast Affordable Housing TIF area, located southwest of the intersection of Harrison Avenue and Twentieth Street;
- The area just north of the recently created Lincolnwood Estates TIF area, located on the southeast corner of S. Pierpont Avenue and Green Street in Rockford's WestEnd;
- The WestEnd, which generally consists of the W. State Street corridor and the area around the intersection of W. State and Central Avenue and W. State Street and Springfield Avenue, including the Springfield Corners TIF area;
- The HOPE VI strategy areas consisting of the areas at or around Champion Park/Concord Development, Fairgrounds Development, Brewington Oaks, and Jane Addams Developments, and;
- The Northwest area, which includes the area at and surrounding the former Garrison School to include Napoleon Street to the south, North Court Street to the west, Summer/Reynolds Street to the north, with North Church and North Main being the easterly boundaries. The North West area also includes the ADDI program target area bounded by Whitman Street to the south, Rock River to the east, Riverside to the north, and Central to the west, and the Main and Auburn Business District which includes the commercial area around N. Main/Eddy Avenue, and the N. Main/West Riverside District.

- The Global Industrial Park Tax Increment District Number 1 incorporates approximately 2,700 acres in and around the Northwest Chicagoland Regional Airport at Rockford.
- ADDI program boundaries including a northerly boundary of Riverside, easterly boundary of the Rock River, Southerly boundary of Whitman/School Streets, and westerly boundary of Central Avenue.

These areas have sustained high unemployment rates, high concentrations of rental units, poverty, structure and infrastructure deterioration, a high incidence of vacant and boarded properties, as well as ill-maintained vacant lots. The area's residents lack needed goods and services to address their needs. They also lie along major entryways to the City and encompass schools.

While the City has been successful in encouraging some owners and investor-owners to utilize the programs available, our neighborhoods do not appear to be improving. Housing alone is not the answer. A Focus Area Action Plan process was put into place in 2003 to address this issue, which resulted in a significant change in the geographic distribution of funds from previous year plans.

A Focus Area Plan is an important neighborhood revitalization strategy that concentrates resources in small areas. This strategy is being developed to achieve significant results in three to five years, encourage private investment and increase confidence in the areas designated.

To become a Focus Area, a neighborhood must:

- Be located in a low to moderate income area,
- Show signs of decline, such as deterioration of housing or public facilities,
- Have a neighborhood association that wants to have a focus area and is committed to working with the City to make improvements,
- Be a visible area near busy streets, public institutions (such as schools) or commercial areas, and,
- Be identified as an area of concern by other City departments.

2005 Goals, Objectives, and Performance Measurements

Mission Statement: Provide leadership, foster partnerships, and promote balanced growth to enhance the quality of life in all neighborhoods.

Goal #1: To reduce the blight and blighting influences in neighborhoods.

Inputs: Community Development Block Grant, HOME Investment Partnership Program, Illinois Housing Development Authority, Federal Home Loan Bank, Tax Increment Finance Districts, and other private and public resources.

Activity: Continue implementation of the Mid Town North plan, develop and implement the South Main plan, develop and implement at least one additional plan while monitoring change in all other neighborhoods within the community. (See Mid Town North A Plan for 2003-2005 as an attachment.)

Outputs:

1. A rehabilitation program for owner occupants will continue.
2. A rehabilitation program for investor owners will continue.
3. Homebuyer assistance programs will continue.
4. An employee assisted housing program will be developed and implemented.
5. The WSA Program—Phase VI will be completed and an additional grant application will be submitted.
6. Substandard nuisance properties will be acquired (8) and demolished (33).
7. Public improvements will be made with regards to sidewalks. Other public improvements will be orchestrated by the Public Works Department and will be coordinated with the focus/NRS area plan.
8. The Homesteading program will be revived after a two-year hiatus and two substandard properties will be acquired and rehabilitated through this program.
9. Neighborhood Standards inspectors will be trained to inspect for safety or health hazards with and increase in the number of violations addressed in 2005 of 10 percent.
10. Criteria to develop “indicators” for the selection of future focus/NRS areas will be determined.
11. The South Main focus/NRS area plan will be developed.
12. Nine agencies will be provided assistance via the Community Assistance Program.

Outcome Number	Outcomes	Indicators
1-1	Neighborhoods will be stabilized.	Property values will increase by 3 percent in the focus/NRS areas with data provided by the Township Assessor's office. The number of vacant and boarded properties will decrease by 15 percent in focus/NRS areas as demonstrated by the Conditions Survey.
1-2	The quality of the housing stock will be improved.	The number of homeowners vs. tenants will increase by 1 percent as determined by data provided by GIS. The Conditions Survey will show 6 percent increase in the number of homes denoted as "good."
1-3	Residents are connected to their community.	Homes will be constructed in lower-income neighborhoods (primarily in focus areas or other strategy areas) and newly constructed homes will meet the Model Energy Code and will meet specifications depicting quality construction.
1-4	Increase the communities' capacity to respond to the special needs of lower income, homeless and persons with special needs.	The South Main focus area will have one neighborhood organization initiated and discussing their first neighborhood project supported by people living and working within the community. There will be less crime, more volunteerism, less vacancies, and more program participation in the focus/NSR areas.

Goal #2: To provide decent affordable housing to lower-income persons and reduce chronic homelessness.

Inputs: Community Development Block Grant, HOME Investment Partnerships Program, Illinois Housing Development Authority, American Dream Downpayment Assistance Program, Federal Home Loan Bank, Assist Bond Program, Emergency Shelter Grants, Supportive Housing, Shelter-Plus Care, match and leverage provided by local agencies, and partnerships with CHDOs, for-profit developers and local lenders.

Activity: Increase the availability of permanent housing that is decent and affordable without discrimination by through the provision of affordable housing programs.

Outputs:

1. Through the American Dream Downpayment Assistance program, 20 households will be provided assistance.
2. Through IHDA's HELP program, 30 households will be provided down payment and/or closing cost assistance.
3. Through an owner-occupied rehabilitation program, 24 units will be rehabilitated.
4. Through a program for investor-owners, 16 rental units will be rehabilitated.
5. 51 newly constructed homes will be built through the West Side Alive!, Emerson Estates, and the Lincolnwood II projects. Additionally, homes will be built through other "special projects" that are presented and approved.
6. Two Homebuyers will be assisted through the Homesteading program.
7. The Get the Lead Out program will assist 25 renters and homeowners.
8. Fifteen ramps for the disabled will be constructed.
9. No additional transitional housing units will be created.
10. Seven new and five renewal competitive homeless grants will be awarded.
11. Three additional agencies will be included as participating providers in our Homeless management Information System (HMIS).
12. Our 10-Year Plan to end chronic homelessness will be adopted by the Mayor's Homeless Task Force and we will seek a signature of support by the Mayor.
13. Continue to work with the Fair Housing Board in advocating the law through education.
14. Continue to staff the Rockford Homestead Board who provides technical assistance and post-purchase counseling to West Side Alive and Homestead homebuyers.
15. The Emergency Shelter Grants Program will provide prevention, services, rehabilitation and operating funds to five or six agencies and will provide services to the homeless and operating support.

Outcome Number	Outcomes	Indicators
2-1	Increase the availability of decent affordable housing for lower income without discrimination. Minority homeownership will increase.	Programs offering down payment assistance and closing costs are accessed and funding amount meets the need. The number of unit years of affordability in rental projects based on the investment of CDBG and HOME will increase by 2 percent. Minority participation in homeownership will continue to increase.
2-2	Retain our decent and affordable housing stock	100 percent of housing units assisted will have at least one significant health/safety deficiency and blighting condition eliminated as a result of housing rehab, as defined by local code.
2-3	Increase housing that includes structural features and services to enable person with special needs to live in dignity.	The RAMP program continues to be accessed serving both renters and homeowners.
2-4	People at risk of becoming homeless retain stable housing	At risk persons are able to access programs assisted through programs resulting from Federal grant funds.
2-5	Homeless people's shelter and service needs are met.	75 percent of homeless adults seeking assistance will be referred to appropriate programs through HMIS. 90 percent of homeless persons will have access to housing or shelter
2-6	People transitioning out of homelessness secure permanent housing.	30 percent of the homeless in shelters will move on to transitional, permanent supportive housing or other permanent housing within 30 days. Homeless families will move through the CoC system, secure stable income, develop financial skills, and secure permanent housing.

Goal #3: To create, expand and retain employment in Rockford.

Inputs: CDBG, Section 108 Loan(s), U.S. Environmental Protection Agency, Brown Field Redevelopment Program, Economic Development Agency, Tax Increment Financing, Illinois Environmental Protection Agency, and other leveraged private and public resources.

Activity: Create, expand, and maintain jobs accessible to lower income person through the implementation of economic development programs offered to businesses within certain focus/NRS areas, declining areas, high poverty areas, high unemployment areas, and areas occupied or serving high levels of low/moderate income individuals and families throughout the City.

Outputs:

1. Develop and implement the North Main business district plan to address blight and neighborhood decline.
2. Continue to implement the Mid Town and River District Plans to address blight and neighborhood decline in and around the downtown area.
3. Assemble property in the West State Street Corridor to create commercial nodes to retain needed service businesses and retail serving area residents.
4. Approve at least one project, which will create or retain 25 jobs as a result of an improved economic climate along the West State corridor.
5. Approve 4 projects, which will create 40 jobs providing goods and services to residents of the Enterprise Zone.
6. Create 10 jobs for lower income individuals as a result of the support of private investment in the South Main Street Business Development District.
7. Two blighted and obsolete buildings in strategic areas will be acquired and demolished to provide redevelopment opportunities, creating 10 jobs.
8. Seventy-five jobs for lower income persons will be leveraged with existing businesses through the use of economic development programs.
9. Forty jobs will be retained for resident of lower income areas as a result of economic development programs for existing businesses.
10. Two buildings will be rehabilitated to assist existing businesses in the NRS areas.
11. One new facility will be built for existing businesses in the Enterprise Zone.
12. Eight existing businesses will be provided assistance to obtain financing for equipment and working capital needs.
13. Four new businesses will be attracted to lower-income areas.
14. Three micro-enterprises will be assisted with their formation.
15. Ten business ownership opportunities will be created in lower income areas.
16. Fifty lower income people will be provided entrepreneurial training.
17. Four for-profit businesses or nonprofit organizations will be attracted to provide affordable goods and services in NRS areas.

Outcome Number	Outcomes	Indicators
3-1	People obtain employment	The current gap of overall unemployment rate between the City of Rockford and Illinois/National levels are reduced by one 2/10ths of 1 percent.
3-2	Jobs are retained	The number of jobs created exceeds the number of jobs eliminated.
3-3	Homeless/Low-income people obtain and sustain employment	Participants build a positive work history with living wage jobs.
3-4	Business Districts will be revitalized.	2 percent of the current vacant and obsolete buildings in the focus/NRS business areas will be re-utilized or demolished.

2. SPREADSHEET—PROPOSED 2005 BUDGET

FEDERAL BUDGET ESTIMATE—2005 PROPOSED APPLICATION—DRAFT FORM																	
PROJECTS	New 2005 CDBG Funds	Projected 2005 CDBG Income	Estimated 2004 CDBG Carryover	Total 2004 CDBG Carryover	Revised 2005 CDBG Budget	New 2005 HOME Funds	Projected 2005 HOME Program Income	Estimated 2004 HOME Carryover	Total 2004 HOME Carryover	Total 2005 Reprgrammed	Total 2005 Revised HOME Budget	New 2005 ESG Funds	Carry-Over ADDI	New ADDI Funds	Total ADDI	Total Units or Projects	
Program Admin. & Planning																	
Program Administration	365,520	20,000	30,240	30,240	415,760	42,142				0	42,142						
*Unprogrammed Funds					0					0	0						
*Section 108 – Stand-By Debt Service (2 of 3)	20,000				20,000					0	0						
Total Administration and Services	385,520	20,000	30,240	30,240	435,760	42,142	0	0	0	0	42,142	0	0	0	0	0	0
Neighborhood Development																	
Rehabilitation Services	764,798	27,793	35,167	35,167	827,758	63,175					63,175						
Homeowner (Existing & New)	100,000		60,600	60,600	160,600	222,962		200,000	200,000		422,962						26
*Rehab MPS, Hmstd., Focus Area - Mid Town North & S. Main & IHDA's Help Program																	
*North Main and Auburn Improvements			100,000	100,000	100,000												1
*New Construction					0						0						
-WSA Phase VII (Completion of 11 units)					0	330,058	21,104	52,000	52,000	52,000	403,162						11
-Champion Park HOPE VI Homeownership								300,000	300,000	300,000	300,000						20
Tenant Occupied/Investor-owned Rehabilitation	100,000		30,000	30,000	130,000						0						16
Homebuyer Assistance											0						
*American Dream Downpayment Asst.					0						0						
*Emerson Subdivision (20 Total)					0			14,999	14,999	14,999	14,999			20,000	63,319	83,319	20
@ School & Springfield - 3 of 3 Complete																	1
CHDO – Operating					0	52,646					52,646						6
CHDO – Afford. Housing Projects			100,000	100,000	0	157,938		428,000	428,000	428,000	585,938						23
-Rental & Homeownership (New, rehab, & H B Assistance)					0												

Section VI. Annual Action Plan

PROJECTS	New 2005 CDBG Funds	Projected 2005 CDBG Income	Estimated 2004 CDBG Carryover	Total 2004 CDBG Carryover	Total 2005 Revised CDBG Budget	New 2005 HOME Funds	Projected 2005 HOME Program Income	Estimated 2004 HOME Carryover	Total 2004 HOME Carryover	Total 2005 Revised HOME Budget	New 2005 ESG Funds	Carry-Over ADDI	New ADDI Funds	Total ADDI	Total Units or Projects
*Youthbuild						184,000				184,000					3
*Pilgrim Village Daycare - See Footnote.	0				0					0					
Get the Lead Out! Match (1 of 4 years)	25,000				25,000					0					25
Community Assistance Program & Projects	140,000				140,000					0					9
*RAMP	30,000				30,000					0					30
*RAAHC Pre & Post Purchase Counseling	20,000				20,000					0					2
*Fair Housing	1,500				1,500					0					1
*Infoline	7,000				7,000					0					1
Officers Firefighters & Teachers	0				0					0					
Acquisition, Relocation, & Disposition	145,000			5,000	150,000					0					10
Demolition & Site Improvements (Residential and 1 large)	238,116	71,784		100,000	409,900					0					33
River Oaks Demolition			250,000												
Barber-Colman Demolition				250,000	250,000										1
Homeless Activities:					0					0					6
*Essential Services (30% Limitation)					0					0	19,978				
*Operating					0					0	52,401				
*Prevention (30% Limitation)					0					0	9,738				
*Administration (5% Limitation)					0					0	4,600				
*Operating Salaries (\$10% Limitation)					0					0	7,000				
Total Neighborhood Development	1,571,414	99,577	575,767	580,767	2,251,758	1,010,77	21,104	994,999	994,999	2,026,882	93,717	20,000	63,319	83,319	245
Economic Development					0					0					
Financial Assistance to For-Profit Businesses					0					0					
*Small Business Loan Prog	30,000				30,000					0					2
*West State Commercial Shopsteading	10,000		15,000	15,000	25,000					0					3
*Flexible Networks	50,000				50,000					0					1
Job Creation for Lower Income Persons										0					
*Camco (3 of 6 yrs)	125,000				125,000					0					1
*Future Projects			125,000	120,000	120,000					0					2

Section VI. Annual Action Plan

PROJECTS	New 2005 CDBG Funds	Projected 2005 CDBG Income	Estimated 2004 CDBG Carryover	Total 2004 CDBG Carryover	Total 2005 Revised CDBG Budget	New 2005 HOME Funds	Projected 2005 HOME Program Income	Estimated 2004 HOME Carryover	Total 2004 HOME Carryover	Total 2005 Revised HOME Budget	New 2005 ESG Funds	Carry-Over ADDI	New ADDI Funds	Total ADDI	Total Units or Projects
Microenterprise Assistance															
*Microenterprise Investment Match	30,000				30,000					0					3
*Self-Employment Training Program	30,000				30,000					0					80
Economic Development Services	314,066		19,334	19,334	333,400					0					
Total Economic Development	589,066	0	159,334	154,334	724,066	0	0	0	0	0	0	0	0	0	92
Total Admin.	385,520	20,000	30,240	30,240	405,520	42,142	0	0	0	42,142	0	0	0	0	0
Total Economic Dev.	589,066	0	159,334	154,334	724,066	0	0	0	0	0	0	0	0	0	92
Total Neighborhood Dev.	1,571,414	99,577	575,767	580,767	2,251,758	1,010,779	21,104	994,999	994,999	2,026,882	93,717	20,000	63,319	83,319	245
TOTAL BUDGET ESTIMATE	2,546,000	119,577	765,341	765,341	3,430,918	1,052,921	21,104	994,999	994,999	2,069,024	93,717	20,000	63,319	83,319	337

Budget Notes

1. If the stand-by for debt service funds are not needed for the SM grocery store, the funds will be used for target area demolition.
2. Any increase in CDBG funds will be applied to Administration for Planning, Economic Development activity and other shortfalls in funding.
3. Decreases in CDBG funds will be applied to slow moving projects.
4. Any increases or decreases in HOME funds will be applied to projects in need or slow moving, respectively.
5. Emergency Shelter funds are distributed on a competitive basis. Substantial changes will be approved by City Council.
6. Substantial Changes constitute changes totaling more than 20 percent of our annual budget with carryover. Substantial changes will invoke the citizen participation process. Any programs or projects, not falling under programs shown above or specifically listed above will require City Council approval.
7. A float loan to the Mill is being considered. Funds would be used from slow moving projects.

Proposed Projects/Activities

- 1) **Administration: \$365,520 FY 2005 CDBG, \$20,000 FY 2005 CDBG Program Income, \$30,240 FY2004 CDBG Carryover, \$42,142 FY 2005 HOME and \$4,600 ESGP.**
 - a) The City of Rockford will continue to utilize CDBG, HOME, and ESGP funds for the successful planning and implementation of programs and strategies that are directly implemented by the City or supported by the City.
 - b) Standby Section 108 Loan Debt Service - \$20,000 FY 2005 CDBG. The City will provide stand-by cash infusion to support debt service payments on the Section 108 loan for the Rockford Local Development Corporations's shopping center development along S. Main Street. If these funds are not needed to assist with debt service, they will be made available for target area demolition.
- 2) **Rehabilitation Services: \$764,798 FY 2005 CDBG, \$27,793 FY 2005 Program Income, \$35,167 FY 2004 CDBG Carryover, and \$63,175 FY 2005 HOME.** This project funds operation costs and staff positions that are primarily responsible for financing, underwriting, loan packaging, construction inspections, case tracking, intake, work write-ups, and quality assurance for all housing rehabilitation programs.
- 3) **Homeowner, Single-Family Housing, Existing and New**
 - a) **Focus Area Programs.** \$100,000 FY 2005 CDBG, \$60,600 FY 2004 CDBG Carryover, \$222,962 FY 2005 HOME, and \$200,000 FY 2004 HOME Carryover. Assistance will be provided to existing owner occupants and new homebuyers. Single family housing programs were evaluated in 2003 to determine if they meet the needs of the residents in certain Focus Area and resulted in a revamping of our single family and multifamily programs. The descriptions of programs provided below briefly describe the single-

family programs which will be offered. The City anticipates assisting approximately 26 low-income households during fiscal year 2005.

Focus Area Programs will assist homeowners of all incomes who purchase or occupy property within the Mid Town North and South Main Focus Areas to make exterior improvements, interior health and safety code items and work needed to remove lead hazards. HELP, a program made available by the Illinois Housing Development Authority through the sale of mortgage revenue bonds, will also provide homebuyers down payment and closing cost assistance.

The Homesteading program will be continued in focus areas. Through this program, over 400 homes have been acquired by the City, rehabilitated and awarded to families since its inception in 1974. This program was inactive over 2004 due to the extensive costs of lead abatement. Attempts will be made to resurrect this program in 2005.

Assistance may be provided to homesteaders in one or more of the following forms to eligible homebuyers at the time of purchase:

- Local Private Affordable Housing Loans Leveraged with the City funds for Down payment Assistance and Closing Costs. Homestead properties may be sold with the financing obtained by the purchaser through one of many local lender affordable housing programs. Assistance will be provided by means of a mortgage forgiven over five (5) years to make homes affordable.
- 50/50 Loan Program. 50 percent of the after-rehabilitation value plus 50 percent of the closing costs will be provided through a local participating lender. The City of Rockford at 0 percent interest will provide the remaining 50 percent. A grant for the remaining costs associated with closing will also be provided by the City. Program participants must be at or below 80 percent of median income to participate in this rehabilitation/homeownership program.
- Lease-Purchase Program. For those that do not qualify for the above programs, they may be qualified for the Lease-Purchase Program. Debt must be repayable within the two-year lease and will be made part of their lease payment. Houses that are not awarded within the first year of acquisition may be offered through the Lease-Purchase Program. If they are not awarded in year two, they may be placed on the open market and sold with conditions attached to ensure our meeting a national objective.

- b) North Main and Auburn Improvements - \$100,000 FY2004 CDBG Carryover.** This funding will be used to begin initiating development recommendations resulting from the Development Strategy Plan for North Main and Auburn Business District and from the proposed Garrison TIF Plan prepared in 2004. The Main and Auburn Plan touches on four residential neighborhoods, including the one in which Garrison Schools is located, as well as the commercial area at main and Auburn. Improvements to be covered under this include costs associated with the redevelopment of Garrison School for residential use.
- c) West Side Alive! Program (WSA) - \$330,058 FY 2005 HOME, \$21,104 HOME Program Income, \$52,000 HOME 2003 Carryover.** This new construction program continues to be made possible as a result of a competitive grant received by the City

through Illinois Housing Development Authority's (IHDA) Affordable Housing Trust Fund. The most recent grant awarded provides Rockford the opportunity to build up to an additional twenty four (24) homes over two years.

The purchase price of a WSA property is just over the appraised value. The homebuyer's acquisition of the property is financed in part with conventional loan through a participating lender and a loan through the Illinois Housing Development Authority at 0 percent interest. The City of Rockford will provide a third mortgage forgiven over the term of affordability (5-15 years) and funds to cover the gap between cost to build and value. The City will also provide homebuyer assistance through a grant received from the Federal Home Loan Bank's Affordable Housing Program. The homebuyer must provide either \$500 or \$1,000 as their down payment. There are three styles of homes to choose from. The homes are built on vacant lots owned by the City and located within the CDBG area.

- d) Champion Park, HOPE VI Leverage: \$300,000 FY 2004 HOME Carryover.** The Winnebago County Housing Authority submitted a 2002 HOPE VI grant application on November 29, 2002. Through this grant, a combination of 104 rental and 76 for-sale single-family housing units are planned for construction. Some proposed housing will be built on vacant lots within the existing City limits. Additional housing is planned for land contiguous to the City, which will be annexed. The HOPE VI program, in conjunction with Lincolnwood and Emerson Subdivisions offers Rockford the first real opportunity to make critical changes to the far west side and providing the catalyst for other development. The City of Rockford will provide \$300,000 to assist with the new construction of approximately 20 homes in the first of three homeownership phases.

- 4) Strategy Area, Tenant-Occupied, Investor-Owned Rehab: \$100,000 FY 2005 CDBG and \$30,000 FY 2004 CDBG Carryover.** In order to improve investor-owned properties in certain focus areas within strategy areas, investor-owners will be given the opportunity to access this program and receive funds for rehabilitation costs. At rehab completion, properties must meet housing quality standards. Properties must be located in a focus area (Mid Town North or the South Main Focus Areas) and will be subject to lead-based paint regulations to stabilize and control lead-based paint hazards.

Owners must comply with the standard requirements. That is, they cannot discriminate, they must affirmatively market the units, rent 51 percent of the units to lower income (50 percent if a two-family structure), and rents cannot exceed fair market. Davis Bacon wage rates apply to projects of eight or more units and relocation payments must be paid to tenants displaced as a result of the rehabilitation, economic displacement, or lead hazard removal work. It will be required that all gravel drives be paved under the single-family and multi-family rehabilitation programs. The City anticipates assisting in the rehabilitation of 16 rental units for low/moderate income households. Also, under staff review and then consideration in 2005 will be the redevelopment of the Garrison School site. It is the intention of the developer to redevelop this site into 32 condominium units.

- 5) Homebuyer Assistance Programs.** Nationwide, the news about homeownership is good, which includes Winnebago County at 70 percent. However, the fact remains that many

people in Rockford who dream of becoming homeowners face a steep challenge. The City of Rockford has created programs to help those families, and in offering this assistance, will boost the rate of homeownership in Rockford.

- a) **American Dream Down payment Initiative Program: \$63,319 FY 2005 ADDI and \$20,000 FY 2004 ADDI Carryover.** Funds made available under ADDI will assist low-income families become first-time homebuyers. The ADDI program provides a loan in the form of a mortgage, forgiven over 5 years for 6 percent of the purchase price.
- b) **Emerson Subdivision—\$14,999 FY 2004 HOME Carryover.** Emerson Subdivision is a 38.8 acre single-family, affordable housing development proposed at Springfield and School Street which, once fully developed, will provide approximately 84 single-family housing sites. We have provided direct homebuyer's assistance to the lower income households purchasing homes in Phase I, with the exception of 1. Assistance will be provided to that last household in 2005 in the amount of \$14,999 per unit. The HOME-assistance will be forgiven over five (5) years. It is anticipated that approximately twenty (20) households will be assisted in this project. Staff review and consideration of Phase II is expected in 2005.

All HOME assisted program participants must complete the RAAHC homebuyer training course (or acceptable substitute through the Rockford Housing Authority) prior to closing. A Certification of Final Inspection must be completed that certifies that the property meets Property Standards and that the unit has cleared a lead inspection, if applicable.

6) Assistance to Community Housing Development Organizations (CHDOs)

- a) **Operating - \$52,646 FY 2005 HOME (5 percent maximum).** The City continues to seek the involvement of nonprofit organizations to further enhance and complement our efforts. Nonprofits that meet the eligible criteria may become a Community Housing Development Organization (CHDO) and receive operating funds. Funds will be awarded to CHDOs through a competitive process. It is anticipated that 6 agencies will be provided assistance.
- b) **Homebuyer and Rental CHDO Projects: \$157,938 FY 2005 HOME and \$428,000 in FY 2004 Carryover.** Funds will be made available to eligible CHDOs on a first come-first served basis to subsidize the gap needed to produce affordable housing homebuyer and rental projects within their strategy areas. The City anticipates assisting 23 units of affordable single-family and/or multi-family housing for low/moderate income individuals.
- c) **Lincolnwood Estates—Phase II.** This project, just north of the new Lincolnwood Estates (Phase I) at Pierpont and Green, is anticipated to be funded in 2005 from the above mentioned CHDO funds. A total of twenty-six homes were constructed, of which thirteen were affordable housing for lower income persons, in Lincolnwood Phase I. Eleven of the thirteen homes were HOME-assisted. This project will complement and enhance that which has been achieved through Phase I. Assistance is anticipated to be in the form of developer's subsidy and direct homebuyer's assistance using HOME and TIF assistance.

- d) **Youthbuild: \$184,000 FY 2005 HOME.** Through the Federal Youthbuild program, Comprehensive Community Solutions, Inc. has structured classes that introduce youth to skilled apprenticeships such as bricklayer, cabinetmaker, cement mason, carpenter, plumber, electrician, insulation worker, among others. Assistance will be provided to Comprehensive Community Solutions, Inc. to construct three homes under this grant. CCS acquired the properties from the City of Rockford Homestead Board in 2004.
- 7) **Get the Lead Out Program! \$25,000 FY 2005 CDBG.** A 10 percent match will be provided to the City of Rockford Human Services Department to match a State of Illinois lead-based paint federal grant. This \$25,000 represents year 1 of a 4-year commitment. This program is offered citywide and only made available to low-moderate income households. The City anticipates assisting 25 low-moderate income households in new funds plus there may be carryover at the end of the year that will be kept in this activity until the State grant is fully expended.
- 8) **Community Assistance Program and Projects**
- a) **CAP Program \$140,000 FY 2005 CDBG.** Funds will be awarded to neighborhood groups and/or other nonprofits to do special projects that serve lower-income person. Priority will be given to projects serving the City's designated neighborhood strategy areas, projects which build the capacity of non-housing not-for-profits, new or the expansion of centers and their services for youth, projects involving neighborhood planning, and projects which address issues identified under welfare reform and the Healthy Communities Study. The City anticipates assisting 9 neighborhood groups/nonprofits through the competitive Request for Proposal approach. Additionally, the projects noted below will be funded or considered for funding in 2005.
- b) **RAMP Program: \$30,000 FY 2005 CDBG.** Funds will be provided to the Regional Access Mobility Program to construct ramps for persons physically challenged. It is anticipated that approximately 15 ramps will be constructed for persons of lower income. This project will be eligible as single family or multi-family rehabilitation.
- c) **Rockford Area Affordable Housing: Pre- and Post-purchase Training: \$20,000 FY 2005 CDBG.** The Rockford Area Affordable Housing Coalition provides pre-purchase counseling to all participating buyers. It includes information on employment, repairing credit, savings methods, and the overall home buying process. The Coalition has also developed a comprehensive homeownership training program which includes both pre- and post purchase education. The post-purchase training covers topics such as routine home maintenance and debt management. The funds will be provided to pay for operational costs incurred by the RAAHC to administer these programs.
- d) **Fair Housing: \$1,500 FY 2005 CDBG.** Funds available for the public service activities conducted by the Fair Housing Board.
- e) **Infoline/HELP: \$7,000 FY 2005 CDBG.** Funds for the continuation of Infoline, which provides a database of services offered in the Rockford area.
- f) **Pilgrim Village Daycare: \$0.** The Pilgrim Village CDC has partnered with a for-profit developer to create 120-136 affordable townhouses on West State Street just north of Ingersoll Golf Course. A daycare center was to be constructed on the site of the

development. The funds for this project are expected to be deobligated and reprogrammed in 2004.

- g) **Booker Washington Community Center—funding to be determined.** A request has been made for funding at their public facility just east of the existing Booker Washington Center.

9) Acquisition, Relocation, and Disposition

- a) **Officers and Teachers on the Block Program.** This program has been designed to complement the Federal Officer/Teacher Next Door Program in which the Department of Housing and Urban Development makes HUD single family homes in certain designated revitalization areas available to local governments, police officers and teachers at discounts, less any closing costs and/or real estate commissions paid by HUD. Rockford's program includes assistance to firefighters. The officers and teachers must occupy the property for a minimum of three years. Teachers must live in the school district in which they serve. Properties must be purchased through the direct sales process and not through a Real Estate broker or agent.
- b) **Acquisition of property under private ownership—\$145,000 FY 2005 CDBG and 5,000 in FY 2004 CDBG Carryover Reprogrammed.** Community Development Block Grant funds will be used to acquire properties for use in the Homestead Partnership or demolition program and vacant lots to be used for the development of single-family housing or to improve blighting conditions. Acquisitions for the Homestead Partnership Program will be concentrated by acquiring a majority of the properties within focus areas (Mid Town North or South Main) or in one or more of ND's four neighborhood strategy areas: Mulberry Forest, St. Paul's Place, and the Seventh Street TIF areas. We will also begin focusing our attention to property on or near the West State Street corridor to help implement that public improvement project. The relocation of tenants may be necessary in some acquisitions.

- 10) Demolition—\$238,116 FY 2005 CDBG, \$71,784 FY 2005 Program Income, and \$100,000 in FY 2004 Carryover Reprogrammed.** Substandard properties that are not suitable for rehabilitation and located in one of the four neighborhood strategy areas, primarily, will be demolished through this program. The City will focus on properties identified by the Focus Area Action Plan and deteriorated properties located near schools, on major thoroughfares, and strategically located scattered sites. The City anticipates the demolition of 32 residential units and one non-residential structure.

- a) **River Oaks—\$250,000 in 2004 CDBG funds will be reprogrammed.**
- b) **Barber-Colman Village—\$250,000 FY2004 CDBG Reprogrammed.**

- 11) Homeless ESGP Activities—\$19,978 FY 2005 ESGP Funds for Essential Services, \$52,401 for Operating, \$9,738 for Homeless Prevention, and \$4,600 for Program Administration and \$7,000 operating salaries.** Through the federal Emergency Shelter Grants Program, local homeless agencies will be assisted. Rehabilitation, essential services, operating, and homeless prevention activities are eligible activities. Funds will be distributed through a competitive process utilizing the Mayor's Community Task Force on the Homeless

as the review and approval committee. The City anticipates funding 6 nonprofit homeless service providers.

12) Relocation (Funding added to Single Family Rehabilitation, Multifamily Rehabilitation, and Acquisition). Funds will be used to relocate tenants of buildings acquired for the purpose of homesteading and demolition. Funds will also be used to relocate owners and tenants of units undergoing the removal of lead-based paint hazards and tenants forced to move due to economic displacement or displacement due to the rehabilitation. Relocation will be funding under the individual activities.

13) Other Neighborhood Development Activities. The Section 108 Loan Program may be utilized over the next year to fund an economic development project currently under staff review.

14) Economic Development Financial Assistance to For-Profit Businesses. The City will continue marketing and implementing various programs under the Financial Assistance to For-Profit Businesses umbrella. Goals include creating new businesses and/or expanding existing businesses that provide goods, services, and jobs to low/moderate income neighborhoods and/or provide primary jobs at or above the threshold of support to low/moderate income residents of Rockford. For purposes of this part, the median hourly wage rate will be used to denote "threshold of support." Programs will be divided into Primary Employer Assistance and Retail/Service Assistance. Primary employers are those that send their product and/or service outside the local economy, or those that sell their product and/or service to other businesses to be included in their finished product or service that will be sold outside the area. Thus, new dollars are brought into the local area.

All primary employer projects requesting CDBG assistance will be evaluated to determine if they meet a national objective. That national objective may include low/moderate income benefit either in the form of job creation or in the form of benefiting a low/moderate income area. It may also include removal of slums and blight. Likewise, a CDBG eligible activity (Sections 570.201 and 570.203) must be identified and often will be classified as "special economic development activities." With both CDBG programs and the City's revolving loan fund, documentation must prove that project costs are reasonable, that all non-public sources of project financing are committed and that City and/or CDBG funds provide the financial "gap" to the project. Underwriting must be done to show that the return on owner's equity investment will not be unreasonably high and/or that an area "gap" exists for the project where the prudent investor would not undertake a project where the return does not justify the expense. Likewise, public benefit must be shown, whether following the guidelines in CDBG Regulations Section 570.209(b) or, in the case of the City loan program, one job is to be created per \$35,000 loaned. To maximize City assistance for as many projects as possible, our goal would be to keep the assistance at or below \$15,000 per job created.

Once the appropriate analysis is completed and the public benefits of such assistance are established, the City of Rockford will next look at wages to be paid by primary employers. Some of those primary employers will pay a wage above a certain threshold level; for discussion purposes, now considered to be the median hourly wage of Winnebago County

(currently \$15.07 per hour). All wages paid by businesses are considered as being on a continuum with the mid-point being the median hourly wage for Winnebago County. Currently that median wage is \$15.07 per hour. If it has been established that the business requesting assistance is a primary employer whose pay scale is greater than the 80 percent median wage for Winnebago County and meets all the other necessary requirements explained above, fits the national objective and CDBG eligible activity requirements, and the assistance is appropriate and reasonable relative to the public benefit expected to be derived, the City may choose to assist the primary employer anywhere within the City of Rockford.

If the primary employer pays a lesser amount than 80 percent of the median hourly wage for Winnebago County, additional review criteria must be met. For that primary employer to be eligible for assistance through our various programs (in addition to meeting the national objective and eligible activity for CDBG and the appropriate and public benefit determination), the company should additionally meet at least three of the following criteria:

- Locate within one of Rockford's business TIFs, specifically, the Downtown River District (East and West TIFs), 7th Street TIF District, South Rockford TIF District, or the Springfield Corners TIF District, Rockford Global Trade Area TIF District #1, Main and Eddy TIF District;
- Locate within the current boundaries of the City's State-certified Enterprise Zone, which will be in existence through December 31, 2013;
- Put to use a long vacant or underutilized building or site;
- Following remediation, locate within a brownfield site;
- Generate significant sales tax revenue for the City;
- Offer an array of employment benefits in addition to the hourly wage, especially health insurance benefits;
- Agree to hire 51 percent of its new employees as low/moderate income upon hire (this may be required if CDBG funds are being utilized and no other national objective can be met); and
- Agree to hire 51 percent of its new employees from the City's CDBG-eligible area.

Retail/Service Assistance will also be available to businesses not qualifying as primary employers, who meet the same CDBG criteria and the appropriate verification following underwriting and public benefit tests, and which are located (or choose to locate) within the following strategic areas:

- Downtown River District (defined as the East and West Tax Increment Financing Districts);
- Commercially-zoned areas within the North Main and Eddy Tax Increment District;
- Commercially-zoned areas within the Global Trade Park Tax Increment District Number 1;
- Commercially-zoned areas within the Seventh Street Tax Increment Financing District;
- Current City of Rockford Enterprise Zone;

- Commercially-zoned areas within the South Rockford Tax Increment Financing District;
 - North Main Street Nodes of Commercial Activity consisting of: (1) the North Main/Auburn area roughly bounded by North Main and Reynolds/Boilvin Avenues on the South, Latham Street on the west, Yonge Street on the north, and the commercially-zoned areas as far east as Sherman Street; (2) vacant commercial sites north and east of Eddy Avenue roughly defined as Willoughby Avenue on the south and to the north along North Main to the railroad tracks; (3) the North Towne shopping center area which roughly includes the land surrounding North main and West Riverside Boulevard; and
 - West State Street Nodes of Commercial Activity consisting of: (1) West State Street/Central Avenue roughly bounded by North and South Independence on the west, Mulberry Street on the north, the former O'Donnell's property currently owned by the City to the east, and Ellis School and the City's shopstead development between South Independence and South Central Avenues on the south; (2) West State Street/North Springfield Avenue roughly bounded by Victory Street on the west, Lydia Avenue on the northwest, School Street on the north, and the commercially-zoned land west of the City Fire Department Training Academy on the west, all north of West State Street.
- a) **CDBG Small Business Loan Program—\$30,000 CDBG FY 2005 CDBG.** The City will continue marketing and implementing the CDBG-funded Small Business Loan Program in an effort to create new and/or expanding primary employers and/or retail/service businesses that provide goods, services, and jobs to targeted neighborhoods.
- As of September, 2004, the City Small Business Revolving Loan Fund also has a \$678,812 balance available for for-profit business assistance projects and the City's Community Services Block Grant (CSBG) Loan Fund has a balance of \$408,587 for business assistance to companies willing to hire low-income individuals. Additional or differing eligibility criteria may apply when accessing CSBG loan funds.
- b) **West State Commercial Shopstead—\$10,000 FY 2005 CDBG and \$15,000 FY 2004 CDBG Carryover.** The City plans to complete the Commercial Shopsteading Program during the coming year through the long-term leasing of the remaining three units. Shopstead regulations will apply. Three projects are anticipated in FY2005.
- c) **Flexible Networks—\$50,000 FY 2005 CDBG.** CDBG Funds will be used to assist in the creation of a flexible network system that will allow small companies to work collaboratively in the areas of employee training, project bidding, cost reduction, industrial/manufacturing employment retention, and share technology in an area that has seen a decline of 26 percent manufacturing based job loss over the past five years.

15) Job Creation for Low- to Moderate-Income Persons.

- a) **CAMCO—\$125,000 in FY 2005 CDBG funds.** This is the third of six annual payments to CAMCO for the location of their corporate headquarters and creation of jobs for low/moderate-income residents of the City.
- b) **Future Projects—\$120,000 in FY 2004CDBG Carryover reprogrammed.** Projects will be funded based on the primary employer business providing a wage above the threshold median hourly wage to numerous low/moderate-income City residents; if it has the potential to fill a long-vacant building or site - preferably in one of the City's TIFs,

the City's State-certified Enterprise Zone, or one of the previously described strategic areas; and/or is a support business in one of the vital technology-driven cluster industries. A real estate development "gap" financing program, in addition to the CDBG Small Business Loan Program, may be used to grow such future projects, as well as using available City funds. The City has Small Business Revolving Loan Funds of \$678,812 and Community Services Block Grant Loan funds of \$408,587 (as of 9/04). However, additional or differing eligibility criteria may apply when accessing CSBG loan funds.

16) Microenterprise Assistance

- a) **Microenterprise Investment Match—\$30,000 in FY 2005 CDBG.** The City will also continue to implement its Microenterprise Investment Match Program, which is designed to provide near "equity-like" funding to low/moderate-income entrepreneurs who are also residents of the City of Rockford. Three (3) micro-enterprises will be assisted during FY 2005.
- b) **Self-Employment Training—\$30,000 in FY 2005 CDBG.** The City of Rockford also supports the creation of new business, particularly by low/moderate-income residents of the City. The City will continue to use CDBG funds to support the Self-Employment Training (SET) Program, an entrepreneurial training program operated by the Rock Valley College Small Business Development Center. In addition to holding two informational classes per month with general information about starting a business designed to self-screen candidates for SET classes, a total of at least three sessions, eight weeks in length, will be offered during FY 2005. Eighty (80) participants are expected.

17) Economic Development Services—\$314,066 in FY 2005 CDBG and \$19,334 in 2004 Carryover. The City will utilize CDBG funds to provide economic development services to entrepreneurs, business- and property-owners, developers, CBDO's, and other interested parties in order to facilitate development and provide more goods, services, and jobs to low/moderate income neighborhoods, including those above the "threshold of support."

18) Section 108 Loan Guarantee Program. It is anticipated that the Section 108 Loan Guarantee Program to fund larger projects, principally economic development projects, which cannot be assisted in whole with funding through the annual entitlement. The program consists of 100 percent federal guarantee against the sale of local notes issued by a public agency. Since a federal guarantee is involved, the cost of issuance is kept low and the corresponding interest rate is reflective of the federal guarantee.

To receive the funds, Rockford will pledge its future CDBG entitlement to HUD as a contingent-funding source if the assisted project is unable to pay the 108 debt. HUD also requires stringent underwriting criteria to insure that sufficient collateral and debt coverage is provided to cover repayment. The City of Rockford has 108 authority equivalent to five times its CDBG entitlement minus outstanding debt or \$11,735,000.

A 108 was applied for in the fall of 2004 for the W. A. Whitney project. This is a local manufacturing company located in a low/moderate income neighborhood, which is being acquired by a competitor in another state. The company provides a historical presence and stability in a declining area. The purchaser, who would allow the company to remain at their

present location and increase employment, requested gap financing for the cost of acquisition. A Section 108 Loan was proposed to bridge this gap. It is anticipated that this project will result in the creation of 30 additional jobs over the next 3 years. Additionally, at least 51 percent of such jobs will be made available to or taken by low-moderate eligible applicants.

19) CDBG Float Loan. A float loan may be considered for projects, such as The Mill, in 2005. This form of financing is a technique, under which an eligible activity is carried out using CDBG funds on a temporary basis, which were initially programmed for other activities because that activity does not require the funds immediately.

Summary

Almost every sector of the economy has been touched over the last couple of years, but manufacturing was extremely hard-hit and it has taken a toll on Rockford's job market and the unemployment rate of the Rockford MSA. In the past years, the City of Rockford has lost more than 12,000 manufacturing jobs due to either business closing or transfer of businesses out of the state or country.

There have been some bright spots—booming housing sales and low mortgage rates—but Rockford is recovering slowly. We continue to face an uphill battle against continued disinvestment and decline. Abandoned housing and vacant lots have become a persistent problem. Drug houses have had an impact on our neighborhoods. The ability of Rockford to stem the flow of businesses and residents to surrounding more rural communities depends on our ability to create viable markets in which our local economy can thrive.

We intend to turn these obstacles into opportunities for growth and development. But, housing and economic development programs alone are not the answer. They are only part of the equation to what is necessary to implement change. We must work to provide jobs, housing, schools, services, and amenities that are appropriate and attractive to families and individuals of varying race and ethnicity in all of our neighborhoods.

The Community Development Department will take a leadership role in providing direction on how we go about improving the quality of life in Rockford. But, Community Development alone does not have the skills or resources to bring about needed change. Therefore, we will foster partnerships with outside organizations, involve community residents to a greater degree and strengthen our relationships with other City departments, and form regional partnerships to deliver comprehensive neighborhood solutions and revitalization of our declining neighborhoods. This includes housing, the provision of needed services, jobs, infrastructure—the curbs, streets, sidewalks, parks and playgrounds, as well as safety issues. What we want to achieve is that each and every resident of this community lives in a stable neighborhood or growing neighborhood.

The City of Rockford began to develop strategies that respond to the changing needs of our neighborhood through Focus Area Action Plans in 2003. We plan to continue that effort in 2005. Using key indicators and applying data from several sources including the 2000 census will help us understand household structures. We will also conduct housing surveys and look at crime

statistics to help identify focus areas in which our efforts will be concentrated. The first areas have been identified—Mid Town North and South Main. A plan for Mid Town North was developed and approved late in 2003. Activities prescribed in the plan were implemented in 2004. We began development of the South Main plan in 2004. The plan will be completed and activities initiated in 2005. Ideally, we would like to apply this method of consistent analysis of neighborhoods to all areas within our CDBG area so that we are comfortable in our selection of our neighborhood strategy areas within the larger CDBG area. Realistically, only one or two more neighborhoods will be able to be addressed within this Consolidated Plan period.

Neighborhood Development will work with other departments to identify new techniques to remove the blighting influences in our neighborhoods, such as code enforcement. Board ups will be identified and removed swiftly. Owners of these properties will be provided incentives to improve their properties including:

- 4) Incentives will be provided through the City of Rockford's CDBG program (investor-owners) and the HOME program (owner occupied property) for property rehabilitation.
- 5) Incentives will be provided to demolish property with assistance through the CDBG program.
- 6) Owners may transfer their property to the City of Rockford. The City will then determine if the property is suitable for rehabilitation or demolition. If the property is strategically located and suitable for rehab, it will be transferred to the Rockford Homestead Board, rehabilitated and sold to an eligible household through the Homestead program. Or, the property may be minimally improved and then land banked. If the property is in substandard condition and determined to be suitable for demolition, the City will quickly demolish the property and then use the vacant lot for its West Side Alive! program or sell the lot.

The demolition program was enhanced by changing the specifications to include lot improvements (that is, the removal of scrub trees, brush, the private sidewalks leading up to the house and fences). Lots are made to look like they belong to the adjacent property owners.

We will continue to pursue all development options presented for the site located at Ogden, W. Jefferson, Avon and Mulberry Street, which might include the creation a single-family housing development. The Rockford Housing Authority has considered submitting a HOPE VI grant application with this area being one of the potential sites. Another potential site is the Jane Addams/Brewington Oaks development site. We will continue our acquisition and demolition of properties at the site utilizing CDBG program funds.

To further redevelopment efforts, the Rockford Housing Authority created a Conservation Area. The Conservation Area encompasses sections of the Mulberry Forest and St. Paul's Place neighborhood strategy areas. Winnebago Street bounds the Conservation Area on the east, School and Whitman Streets on the north, State Street on the south, and Avon Street on the west (inclusive of both sides of the boundary streets). Properties that cannot be purchased through voluntary measures are in substandard condition and unlikely to be improved by the property owner, will be pursued through using the Rockford Housing Authority's power of Eminent Domain via this Conservation District.

Because of a major expansion of Swedish American Hospital requiring the realignment of Charles Street, there continues to be limited Tax Increment Financing dollars available for housing programs. Therefore, CDBG and HOME assistance will be provided in the Mid Town North focus area in 2005 to owner-occupied housing as well as investor-owners.

Neighborhood Development will continue to seek the involvement of nonprofit organizations and neighborhood groups to further enhance CDBG, HOME, and Emergency Shelter Grant Program funds and complement other private and public activities. Funds are budgeted for eligible Community Housing Development Organizations through HOME to provide operating costs, site-control loans, project costs, and funds for the new construction of residential housing. Also, the City will continue to work with the housing nonprofits to build their capacity by providing technical assistance.

The City of Rockford also anticipates submitting a grant under HUD's 2005 Continuum of Care application to support renewal and new grants under Shelter-Plus Care and Supportive Housing. The Mayor's Task Force on the Homeless will continue working with Boone County to strengthen our consortium and in the development of a Homeless Information Management System (HMIS) for data collection and analysis. We have implemented a HMIS through the use of Metsys software. We will continue our refinement of the process and product over the next year.

The City of Rockford has amended its housing programs and is compliant with the new lead-based paint regulations. But, rehabilitation costs continue to remain high in absence of competition in conjunction with all other Federal and State requirements imposed on localities administering housing programs, including prevailing wage, historic accommodations, and flood zone requirements. As a result, new construction of housing continues to be an acceptable alternative in conjunction with the demolition of derelict properties. Projects such as West Side Alive!, Emerson Subdivision at School Street and Springfield Avenue, Lincolnwood II, River Oaks redevelopment, and the demolition of substandard properties represent some of those activities anticipated over the next year. We will also continue to identify ways to make it economically feasible to continue housing rehabilitation activities.

We also plan to continue to provide assistance to Human Services in the form of a 10 percent match for their grant through the State's Get the Lead Out! Program. We will investigate ways to incorporate that program into our housing rehabilitation programs, as well as identifying other resources to increase the dollars available to mitigate lead hazards.

The Community Assistance Program will continue and Neighborhood Development will continue to work with for-profit developers, service providers, and nonprofits to bring to fruition other projects that benefit the community. The Division will also continue to support activities conducted by the Fair Housing Board.

The Harrison Avenue extension and a proposed rebuilding of the City's West State Street gateway is encouraging private and public industrial, commercial, and residential development. The area is located just west of the City's Mulberry Forest Strategy area and is generally bounded by Springfield, Auburn Street, Johnston Avenue and Liberty Street. A series of

improvements are anticipated during this Consolidated Plan period with several projects funded during this annual planning period. Those projects are the continuation of the West Side Alive! new construction program, Champion Park Hope VI, and Emerson Subdivision.

Although the need exists, no entitlement funds under this Annual Plan will be available for public improvements and site improvements such as streets and sidewalks, except for those needed under single-family new construction. These conditions do impact neighborhoods, and therefore the Neighborhood Development Division intends to continue to try and identify other resources that may address public improvements.

The Economic Development Division proposes, as much as possible, to continue targeting CDBG-funded economic development activities within strategic areas. The target areas for 2005 will include the South Rockford Tax Increment Financing (TIF) District (South Main); Eastside and Westside Tax Increment Financing (TIF) Districts (Downtown or River District); the 7th Street Tax Increment Financing (TIF) District; the West State commercial nodes around North and South Central Avenues and North Springfield Avenue; Springfield Corners Tax Increment Financing (TIF) District; Global Trade Park Tax Increment Financing District Number 1; North Main and Eddy TIF District; the North Main Street nodes of commercial activity surrounding the North Main/Auburn Business District, and West Riverside Boulevard; and the current State-certified Enterprise Zone.

The Economic Development (ED) Division has expanded the South Rockford Business District, formerly targeted, into the South Rockford TIF, added the Eastside and Westside Tax Increment Financing Districts to include the downtown area, included the 7th Street Tax Increment Financing Area, and added North Main Street business areas. The Original Enterprise Zone will remain as an emphasis area, but is expanded to include the current Enterprise Zone boundaries, especially for the ED goal of creating and/or retaining primary jobs above the “threshold” level of support. It is entirely possible that the use of Section 108 loan funds may be deemed necessary to facilitate revitalization efforts within its designated economic development target areas or to facilitate low/moderate-income job creation activities. The Economic Development Division has determined that targeting CDBG funds within designated target areas is effective because of the high-visibility and impact of these investments and the leveraging of private investment.

Besides targeting the use of CDBG and City resources to specific strategic areas, the City also plans to emphasize the creation and retention of primary jobs, especially those that pay above a certain “threshold of support,” which we believe to be the median hourly wage for the county. Since primary employers sell their product and/or service outside the local economy, they bring new wealth into the community. However, potential assistance to any business, using CDBG or City-funded programs, will require an “appropriate analysis” to determine that assistance is reasonable and necessary, meaning that a financial “gap” exists in the project and that public benefit will be gained in the form of job creation. Documentation must prove that costs are reasonable, that all non-public sources of project financing are committed, the return on the owner’s equity investment will not be unreasonably high or that an area “gap” exists for the project where the prudent investor will not undertake a project where the return does not justify the expense. CDBG programs also require meeting a national objective and an eligible activity,

per regulations. Obviously, the ultimate goal is to maximize benefit to the local community from limited public dollars.

Once the primary employer has met all the appropriate underwriting criteria, we then look at the wages paid by the business. Primary employers paying above 80 percent of the median wage for Winnebago County may locate City-wide and be eligible for assistance. If that business assistance is in the form of CDBG funds for an eligible activity, then meeting one of the CDBG national objectives becomes a condition of such assistance. If it is determined after appropriate underwriting for the project that the primary employer will pay less than 80 percent of the median wage for Winnebago County, additional criteria must be met. Location within one of Rockford's business TIFs and/or the City's State-certified Enterprise Zone are two of the criteria to be considered. Additional criteria determining City assistance are discussed in the program description portion of this plan.

Obviously, we do not plan to ignore businesses involved with the retail/service sector industry, irrespective of wages paid, since they also provide valuable products and services to the local community. We plan to have a retail/service assistance program, with its assistance more targeted to the commercial corridors leading into the heart of the City. Once again, those specific geographic areas are described in detail in the program description portion of this plan.

The South Rockford Tax Increment Financing District has resulted in a significant reversal of decades of dis-investment and deterioration. A number of CDBG-assisted projects have been completed. The City will continue marketing and implementing existing City programs. The City assisted with development of a shopping center in the 1200, 1300 and 1400 block(s) of South Main Street through the creation in late 1999 of the South Rockford TIF. The City has received a \$900,000 Section 108 loan and a \$300,000 Brownfields Economic Development Initiative (BEDI) grant to assist with brownfields remediation and reduce the market-rate financing needed for this shopping center development. Construction of the modern 35,000 square-foot Gray's Foods supermarket is complete, with grand opening celebrated in May 2003. The City believes that the South Main Street Business Development District will benefit from additional commercial growth.

The Original Enterprise Zone appears to have reached a level of stability, but has been experiencing relatively few significant new commercial or industrial investments. It is hoped that extra emphasis may be placed on the area when negotiating with primary employment companies providing jobs at or above the threshold wage determinant. The Economic Development Division intends to review how the use of Business/Developer Assistance can be expanded to encourage primary business growth at or above 80 percent of the median wage for Winnebago County. The City will encourage primary employers and retail/service businesses by providing "gap" financing so that only what is necessary to make a project viable is offered.

The City believes that the local and state incentives available because of the state-designated Enterprise Zone, as well as tax increment financing, may also be attractive and effective tools to stimulate private investment in the Zone. In 2002, the City purchased the former Barber Colman (also known as Reed Chatwood) complex. In 2005, it is expected that plans will move forward to develop a Center for Excellence at Barber Colman Village. The Center of Excellence will

integrate the Arts, Science and Technology on the former industrial campus by the Rock River. It is expected that the center will provide community-relevant education while building the next generation of leaders. In the process, the area will benefit by an increase in technology-trained workers in the regional labor pool and the creation of a research center that would concentrate on developing and commercializing technology that would assure that the existing manufacturing industry in the Rock River Valley has the ability to compete in the world marketplace.

CDBG funds will also be used to provide the third of six annual installments of \$125,000 to CAMCO in support of hiring low/moderate income residents at their new downtown Rockford headquarters. Both projects are examples of how CDBG funds for low/moderate job creation have been used to attract jobs with the potential to pay above the threshold wage determinant for Rockford residents.

The state-designated Enterprise Zone is designed to stimulate industrial growth on the City's southwest and near southeast sides. Eligible beneficiaries include businesses, employees, community organizations, and investors. The program provides .5 percent state investment tax credit, sales tax credit on building materials, exemption from the new out-of-state natural gas transportation tax, property tax abatement and state tax exemption on dividends and interest received by investment firms. The Enterprise Zone has proven itself to be an effective tool for stimulating investment by both large and small businesses in both newer and established industrial areas. Extension of Springfield Avenue from West State Street south to the intersection of Montague Road and Harrison Avenue is expected to stimulate significant private investments in new industrial, distribution, and commercial facilities in southwest Rockford and along West State Street. The City believes that the Enterprise Zone has created jobs for low/moderate-income persons and has eliminated blight without the use of CDBG funds. Recently-enacted state legislation allows for a 10-year extension of Rockford's Enterprise Zone; the City was recently notified its application for such an extension was approved.

The West State Street Target Area, expanded in 1992 to include all properties adjacent to West State Street from downtown west to the City limits, continues to pose a significant stabilization and revitalization challenge to the City. The City of Rockford and the Illinois Dept. of Transportation are working together to implement a newly developed West State Street Corridor Plan, which will result in a major reconstruction of this important arterial and gateway to downtown Rockford; although actual street construction is several years away, the City has begun making improvements along the corridor. The Springfield Corners Tax Increment Financing District was created in October 2002 in order to encourage and assist development of a mixed-use development at or near West State Street and Springfield Avenue on the far west side. Significant commercial activity should occur in that West State Street area during 2005. The City will seek to complete the Commercial Shopstead Program at West State Street and South Central Avenue during the coming year through the long-term leasing of the remaining units.

The City intends to work with existing major businesses, realtors, shopping areas and neighborhood organizations to achieve a more active commercial environment on North Main Street, stressing nodes of commercial activity. The City also plans to dovetail Neighborhood Development's housing efforts within the Seventh Street TIF and attempt to create more

business opportunities for area residents. Existing City programs will be marketed and utilized whenever possible.

The City of Rockford also supports the creation of new business, particularly by low/ moderate-income residents of the City. The City will continue to use CDBG funds to support the Self-Employment Training (SET) Program (80 participants), an entrepreneurial training program operated by the Rock Valley College Small Business Development Center. Self-Employment Training plans to add a two-hour pre-class requirement, offering “hard facts” about starting and running a business, to make certain that primarily serious entrepreneurs advance to the eight-week program. The City will also continue to implement its Microenterprise Investment Match Program (three loans), which is designed to provide funding to low/moderate-income entrepreneurs who are also residents of the City of Rockford. The CDBG-funded Small Business Loan Program will also be available to both start-up and existing businesses within the City’s targeted areas.

The City launched an initiative in 2004 to institute special economic development districts that will focus on industrial redevelopment strategies for an area of southeast Rockford, including the Greater Rockford Airport to 11th Street. Work to form a Redevelopment Planning Area (RPA) under the Industrial Jobs Recovery Act (IJRA) was completed in 2004 and the first of a series of TIF districts for industrial jobs growth has been developed within the RPA in 2004. The City expects this initiative to result in the creation and retention of thousands of industrially-based jobs over a 20-year period, as well as the attraction of several hundred million dollars in private sector investments over that same time frame.

The proposed 2005 Annual component of the FY 2000-2005 CDBG Five-Year Comprehensive Plan will continue the City’s focus on designated target areas. This represents the most effective use of CDBG funds. The City intends to utilize other State and/or local programs, such as tax increment financing or business development districts and the City-funded Small Business Loan Program, whenever possible in order to leverage resources and increase the impact within the community.

Resources: Federal, Private, and Non-Federal Public

The Neighborhood Development and Economic Development Divisions of the Department of Community Development utilize many different local, state, and federal programs in order to provide the public incentives needed to carry out this action plan. The following briefly describes the development resources, which are reasonably expected to be available to the programs administered by these divisions:

- 1. Community Development Block Grant.** The City of Rockford expects to receive \$2.546 million in new Community Development Block Grant funds in 2005, as authorized by Title I of the Housing and Community Development Act of 1974, as amended. Federal statutes restrict the use of these funds to only those activities, which accomplish one or more of three objectives:
 - To benefit low and moderate income persons

- To prevent or eliminate slums, and
- To meet other urgent community development needs

The law further requires that at least 70 percent of the total grant amount just serve the first objective. CDBG funds will be leveraged with private resources on almost all projects. Exceptions might include residential rehabilitation projects, which serve very low-income persons and emergency conditions. Private resources may include bank loans, savings, or sweat equity in projects.

2. **Seventh Street Tax Increment Financing (TIF) Program.** The City of Rockford issued a \$2 million Seventh Street Revitalization Projects Bond in 2004 and issued RFPs for development/redevelopment in the Seventh Street TIF District. This issue will serve to jump-start substantial private investment in the Seventh Street Corridor by creating a larger pool of available money to assist with revitalization projects. The private investment generated by the larger projects will in turn create more increment for project use. The bond will be paid back via debt service using the \$200,000 annual allocation currently capitalized until the bond and the TIF expire in 2016.

In past years the City used a Request for Proposal process to allocate \$200,000 per year of Seventh Street TIF funds. Our experience was that this amount of money was insufficient to address both the many project needs and, at the same time, encourage more private leveraging of larger projects required in the area. This action to bond the annual increment will spur further private business and residential development in conformance with Mid-Town' Framework Plan.

3. **Home Investment Partnership Program (HOME), Including the American Dream Downpayment Assistance (ADDI) Program.** The City of Rockford expects to receive \$1,052,921 in FY 2005 HOME funds. HOME was created by the National Affordable Housing Act of 1990 and is a large-scale grant program for housing. As a housing program with great flexibility, state and local governments have choices with respect to types of properties to be assisted, types of development, the forms and amounts of financing to be offered, the quality and type of housing, the households assisted, and the procedure for running programs.

The City intends to continue its housing rehabilitation and new construction programs from its allocation of HOME and continue ADDI down payment and closing cost assistance program for first-time homebuyers. The Homestead Partnership Program, the Focus Area Programs, new construction of single-family housing, and the Community Housing Development Organization (CHDO) set-aside will continue. We will also continue to provide the maximum allowable under the grant of 5 percent to eligible CHDOs for operating expenses and funds for Youthbuild to continue their new construction projects.

ADDI assistance will be offered to first-time homebuyers buying within the boundary identified in another section of this document. The assistance will be in the form of down payment assistance not to exceed 6 percent or \$10,000 of the sale price of the home being purchased.

4. **Continuation: New Construction of Single-Family Housing.** The City began its next phase of the West Side Alive! program in 2004 which was made possible through a grant awarded in 2003 by the Illinois Housing Development Authority's Affordable Housing Trust Fund Program and a grant through the Federal Home Loan Bank, as well as private funds and the City's CDBG and HOME program funds. The homes are being constructed at several locations including the Mid Town North and Day/Horace Street areas.

The homes are financed through a first mortgage from a participating lender at conventional rates (mortgage amount ranges, depending on the income of the resident). A grant from the Affordable Housing Trust Fund to the City of Rockford enables us to provide individual loans at the rate of 0 percent interest as a second mortgage. A third mortgage, forgiven over 5-15 years (depending upon the amount) for the difference between the loans and the appraised value of the property and a grant for all remaining costs is also provided. The grant and the third mortgage are funded from HOME. The homebuyer is required to invest \$500 or \$1,000 as their down payment. The homes may be built on any City-owned lot within the CDBG area but, when possible, the homes will be concentrated on blocks and within focus areas.

We anticipate affordable housing to be constructed at the Lincolnwood II site, the HOPE VI site, and Emerson Estates in 2005 also. We also anticipate the construction of market rate housing in some of our lower income neighborhoods: River Oaks, Garrison School, K-Mart site and Seventh Street.

5. **Emergency Shelter Grants Program (ESGP).** The City of Rockford has received direct allocations of the federal Emergency Shelter Grants program annually since 1987 and expects to receive \$93,717 this next fiscal year. Grants are available to the City to improve the quality of existing shelters and increase the number of developing shelters. Funds can be used for renovation, conversion of building, rehabilitation, essential social services, operating costs and homeless prevention activities. As in previous years, the City anticipates distributing its funds to eligible homeless providers. Each agency must demonstrate their ability to prove matching funds at the time of their application to the City.

Matching funds may include the value of a donated building or materials; the value of any lease on a building; salaries paid to the staff of the non profit recipient in carrying out the emergency shelter program; and time and services contributed by volunteers. The match may also be a monetary match provided through sources such as grants awarded through United Way, Federal Emergency Management Agency, the Illinois Department of Public Aid, the Department of Children and Family Services, and the Emergency Community Services Homeless Program.

6. **Community Development Block Grant Float Loans.** Float loan financing is a technique under which an eligible activity is carried out using CDBG funds initially programmed for other activities. Some activities do not require funds immediately and Rockford's line of credit contains a balance (the "float"), which can be used on a temporary basis to fund other activities. Such activities are expected to generate a sufficient level of program income within an established time frame, which enables the City to carry out the activities that were

initially programmed. All activities are treated as any other CDBG-assisted activity. Float loans will be leveraged with other private and possible public resources but will not be known until the projects are fully developed. Several agencies may be considered for float loans during this Consolidated Plan period. One being considered during the 2005 annual plan period is for The Mill.

7. **Section 108 Loan Guarantees.** This program provides communities with front end financing for large-scale community and economic development projects that cannot be financed from annual grants. Eligible projects include the acquisition of real property, the rehab of publicly owned real property, the rehab of housing and related relocation, and clearance and site improvements. All activities are treated as any other CDBG-assisted activity. The City of Rockford has past history with Section 108 loans. In 2003, a Section 108 loan was received for the creation of the S. Main Street shopping center in Southwest Rockford. In 2004, a Section 108 request was submitted to assist in the acquisition of WA Whitney Manufacturing by Mega Manufacturing out of Kansas City.

Rockford may use this form of funding for projects such as the redevelopment of the Concord Commons, a multifamily housing development on the West End, as well as the redevelopment of Garrison School. The City is also willing to use the Section 108 loan guarantee program to assist with economic development activities that result in either the provision of goods and services within CDBG-eligible neighborhoods and/or the creation of jobs for low/moderate-income residents of the City.

8. **Continuum of Care Homeless Assistance: Shelter-Plus Care.** This program is a nationally competitive federal program, which provides rental assistance, in conjunction with supportive services funded from other sources, to homeless people with disabilities. The City of Rockford with Janet Wattles Center, as Sponsor, has been the recipient of several Shelter-Plus Care grants: \$604,320 in 1993, \$568,020 in 1994, \$862,200 in 1998, \$126,288 in 1999, \$166,800 in 2000, \$874,080 in 2001, \$698,760 in 2002, and \$359,280 in 2003. As of the date of the preparation of this Annual Plan, no notification of 2004 grant awards has been made. A new grant application as well as a one-year renewal with Janet Wattles as sponsor, was submitted. The grant continues for five years from the start dates and will ultimately provide from 80-104 units of rental assistance on any given day if both the new and renewal grants are funded in 2004.
9. **Continuum of Care Homeless Assistance: Supportive Housing Grant.** The Supportive Housing Grant is authorized by Title IV of the Stewart B. McKinney Homeless Assistance Act. It is designed to promote the development of supportive housing and supportive services and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible. The City of Rockford has been responsible for fiscal administration of the program while six homeless providers (Crusader's Clinic, Carpenter's Place, Shelter Care Ministries, American Red Cross, Janet Wattles and Promised Land Employment) have acted as the sponsors. Match continues to be provided from the sponsoring agencies through cash, non-cash resources, and volunteer time.

In 1995, The City of Rockford applied for its first grant and received \$2,239,991. The City received additional funding for the Shelter Care Ministries project and Youth Services Network received funds to continue MELD's project in 1977. Rockford applied for a 1999 Continuum of Care grant with two sponsors: Zion Development and Promised Land Employment. The Zion project was funded. The City of Rockford also received a 2000 Continuum of Care grant representing fund in the amount of \$248,209 for MELD and \$88,572 for Promised Land Employment. In 2001, the City of Rockford received \$119,598 for Shelter Care Ministries, \$93,083 for Promised Land Employment Services and \$751,707 for Youth Services Network. The 2002 grant awards included \$93,083 for Promised Land Employment and three new supportive housing programs: \$33,764 for a homeless management information system, \$444,480 for the American Red Cross to establish a mental health access project and \$483,928 to Carpenter's Place to establish a transitional housing project. In 2003, the City received renewal funding for Promised Land Employment in the amount of \$93,083 and for the Homeless Management Information System in the amount of \$33,764. The City of Rockford submitted a grant request for renewal funding for our Supportive Housing Programs in the 2004 Continuum of Care application, but have not yet received a notification of award.

- 10. Low-Income Housing Tax Credits.** This program provides incentives to for-profit or nonprofit investors in affordable housing for lower income families. The Illinois Housing Development Authority (IHDA) is the state's designated housing tax credit agency. The credits may be taken for ten years after the project is placed in service. The annual amount of the credit is a fixed percentage of the qualified costs of the project. Tax Credit projects will leverage other public and private resources such as HOME, CDBG, Seventh Street TIF funds, Section 108 and conventional financing in the form of first and second mortgages. We anticipate several submissions of Tax Credit projects located in Rockford to the State of Illinois this next fiscal year from private developers and local housing nonprofits.
- 11. Publicly Owned Land and/or Property.** The City of Rockford owns land and property due to foreclosure of City liens on private property or through the voluntary sale/donation of property directly to the City. Property or land not used in any City program, such as West Side Alive!, Shopstead, or the Homestead Partnership Program will be sold through the bid process with preference given to adjacent property owners, discounted and transferred to housing nonprofits, used for an economic development project, land banked, or sold for redevelopment through a Request for Proposal process. The City of Rockford may also entertain selling properties through an auction process. An inventory of all City-owned property is maintained within the Community Development Department and disposition of property is determined through an internal committee made up of representatives from various City departments.
- 12. Youthbuild.** Comprehensive Community Solutions (CCS) is the grantee for the HUD YouthBuild Implementation Grant for the YouthBuild Rockford Program. CCS has been operating the YouthBuild Rockford program since its inception in 1995, and was awarded a 2003 Implementation Grant for \$700,000. The 2004-2005 class will consist of 36 participants who will be provided with a year-long program including academic preparation, on-site construction skills, life skills, employability skills, and leadership development. They will

construct three new homes for low-income families. Leveraged resources for the program include cash and in-kind resources total approximately, \$1,081,943. Partners of this project include the City of Rockford, the Rockford Housing Authority, and CCS Construction, LLC.

The YouthBuild Rockford Program's goals include: 1) to create affordable housing for homeless and low-income persons and facilities serving various community needs; 2) to create access to well-paying, long-term, meaningful jobs for young adults; 3) to graduate young people who have internalized a commitment to being active community leaders, the ability to take responsibility for their successes and failures and the capacity to set and achieve goals, and 4) to develop meaningful partnerships between adults and youth. The program has had over 1,800 applicants, has served 354 young people, and placed approximately 90 percent in jobs or education upon graduation.

YouthBuild targets at-risk youth that have barriers to employment and to self-sufficiency, in the age range of 16-24. Each youth has the opportunity to participate in a variety of educational components related to their specific needs including Applied Academics, Employability Training, Experiential Vocational Training (Construction or Computer Technology), Leadership Development and Service Learning, Life skills training, and a one-year Graduate Program.

Structured classes are conducted to introduce youth to skilled apprenticeships such as bricklayer, cabinetmaker, cement mason, carpenter, plumber, electrician, insulation worker, among others. They practice construction skills through the construction of new homes made available through the City of Rockford, or other projects undertaken by CCS, Inc. as a CHDO. The program places graduates in employment, including union apprenticeships, and/or post secondary education.

The YouthBuild Rockford Program has been the recipient of three national awards, and is considered one of the most effective programs in the country.

The City will continue to support the YouthBuild program by providing building sites and funding for projects including development assistance, technical assistance, and homebuyer assistance.

13. Small Business Loan Program. The City-funded Small Business Loan Program was established in 1983 to assist small, labor-intensive businesses in starting up or expanding. It is a revolving loan fund that provides "gap" financing to primary employers and to retail/service businesses. Eligible uses of funds include land improvements, site development, fixed assets, working capital, inventory, new construction, and rehabilitation of existing facilities. The City will also continue to use CDBG funds to provide small business loans within designated target areas. The City has, in conjunction with Rock Valley College's Small Business Development Center, implemented a Self-Employment Training Program. CDBG-funded small business development efforts will be coordinated with other City programs whenever possible.

- 14. NIMCA.** The City makes short-term (six months or less) loans up to \$5,000 at 2% below prime available to Rockford members of the Northern Illinois Minority Contractors Association (NIMCA). Loans are made to meet gap financing needs to deliver on confirmed contracts or purchase orders.
- 15. Rockford Local Development Corporation.** The Rockford Local Development Corporation (RLDC) operates an additional business revolving loan program, which can loan up to 33 percent of a total loan package, up to \$200,000. Eligible loan uses are the same as the City. The RLDC's Business Development Fund has primarily been targeted toward manufacturing operations, although there is the possibility of making equity investments. The RLDC has also been asked to focus some of its efforts on designed target areas and targeted populations, such as minority businesses. The RLDC is the developer for the shopping center under development in the 1200, 1300, and 1400 blocks of South Main Street, which will benefit from the City's creation of the South Rockford tax increment-financing district.
- 16. Tax Increment Financing Districts.** The City has established eight tax increment financing (TIF) districts. To help encourage a proposed development, the City may acquire land, make public improvements, rehabilitate buildings, and clear land, with all these activities paid by the increased property taxes the redevelopment project generates in the future. Two of the City's TIF districts are in the Central Business district, which is a CDBG-eligible area and will be targeted for projects in 2005. The Southeast Affordable Housing TIF, created in 1992, has not built-out and the City acquired the land and plans to develop the site. The project proposed is an independent-living senior housing facility.

In 2001, the City created the Lincolnwood Estates TIF, a mixed-income subdivision now completed by Comprehensive Community Solutions, Inc., on Rockford's Westside. While Comprehensive Community Solutions, Inc., is the nonprofit developer of this subdivision, its for-profit subsidiary CCS Construction, LLC, acts as the general contractor. Currently CCS has a proposal before the Neighborhood Development Division for creation of a new Lincolnwood Phase II TIF District adjacent the current mixed-income housing development to allow for more homes to be built in a formerly-neglected area. In 2002, the City created the Springfield Corners TIF District to allow for creation of another mixed-income subdivision (Emerson Estates) in the School Street/Springfield Avenue area. Additional commercial opportunities lie adjacent to the Emerson Estates subdivision and a larger parcel fronting West State east of Springfield Avenue.

The City created the first TIF district in the Greater Rockford Redevelopment Planning area to assist in creation and retention of manufacturing and industrial jobs. The creation of additional TIF districts in low/moderate-income areas, such as the Broadway, Garrison School, Fairgrounds, Jane Addams/Brewington Oaks, North Main/Eddy Avenue, West State Street areas, HOPE VI revitalization area, River Oaks project, Lincolnwood Phase II, Emerson Phase II, and the creation of Industrial Job Recovery Law-TIF districts, around the airport and Blackhawk Road, may be necessary and desirable to maximize impact by leveraging resources.

- 17. Partnerships with Community Organizations.** The City has begun working actively with a number of nonprofit communities organizations in order to stabilize and improve neighborhoods, commercial areas and their surrounding areas. Organizations such as SouthWest Ideas For Today and Tomorrow, Inc. (SWIFTT), River District, Inc., Seventh Street Area Development Council, Inc. (which operates as Mid Town District), Zion Development Corporation, Rockford New Hope, Inc., CCS/YouthBuild, Trinity House, Inc., Hands That Help, and the Pilgrim Village Community Development Corporation, play an important role in the City's efforts to revitalize troubled areas. The City plans to develop partnerships with additional organizations and neighborhood residents within our identified Focus Area Plan areas to strengthen and build their capacity.
- 18. HOPE VI.** This grant allows public housing agencies the ability to improve the living environment of residents of severely distressed public housing units through: 1) Demolition, substantial rehabilitation, reconfiguration, and/or replacement of severely distressed units, 2) revitalize the sites on which severely distressed public housing projects are located, and 3) lessen isolation and reduce the concentration of low-income families, and provide community services.

Rockford Housing Authority will match improvement costs with their capital fund, as well as the City and nonprofit planned projects. The Winnebago County Housing Authority was awarded a grant in 2003 for just over \$18 million dollars to demolish all of the Champion Park structures and build new housing that is reflective of the density and character of the surrounding neighborhood. The public housing units will be replaced with 180 units of new on and off-site single family detached housing. The HOPE VI plan includes 104 new rental units and 76 new homes for purchase and lease-purchase. The City of Rockford will continue working with the Winnebago Housing Authority in their development of this HOPE VI Revitalization project.

The Champion Park development is located directly adjacent to the Rockford Housing Authority's Concord Commons housing development and located within the WestEnd strategy area. The City will also work with the Rockford Housing Authority to strategize on and facilitate the redevelopment Concord Commons, Fairgrounds, and other distressed sites.

- 19. Community Services Block Grant/Economic Development Loans.** The City of Rockford's Human Services Department serves as the Community Action Agency for Winnebago and Boone Counties and, as such, receives an allocation of CSBG funds from the U.S. Dept. of Health and Human Services through the Illinois Department of Commerce and Economic Opportunity. A portion of these funds is designated for use as economic development loans, which provide low-interest dollars to businesses in return for low-income job creation. The City's Community Development Dept. Economic Development Division staff will continue with the marketing, loan application underwriting, and loan administration for these funds on behalf of the Human Services Dept. CSBG economic development loans may be used for machinery and equipment, inventory, and working capital.
- 20. CDBG Neighborhood Revitalization Strategies.** As part of an amendment to this Annual Plan to be submitted at a later date, the City will be submitting a request to the Department of

Housing and Urban Development for one of our distressed neighborhoods to be designated at CDBG Neighborhood Revitalization Strategy (NRS) area. Upon HUD approval of the strategy, we will obtain greater flexibility in and ease of administration of the use of CDBG funds pursuant to the strategy. The areas of flexibility include: job creation and retention, aggregation of housing units, aggregation of public benefit standard exemption, and public service cap exemption.

21. Affordable Housing and First Time Homebuyer Programs. Below is a sampling of programs designed to help people buy homes. For more information, prospective homebuyers are asked to make direct lender contact:

- **2005 Assist Bond.** Provides grants of 4.25 percent toward down payment and other costs for low- and moderate-income families. It offers below market interest rates with a 30-year loan. The program is open to residents of Rockford and surrounding cities. Applicants must be first-time buyers or have not owned a home within the past three years. This requirement is waived for those who buy homes in target areas. National City Bank, Bank One, and Amcore Bank are the participating lenders in the Rockford area.
- **2005 IHDA HELP Program.** The City of Rockford partnered with the Illinois Housing Development Authority in 2003 to implement the HELP program, a program funded in part with Single Family Mortgage Revenue Bonds. This program offers 3 percent of the sales price to the buyer to be applied towards the down payment and closing costs. The City partnered with IHDA to provide rehabilitation assistance to eligible program participants purchasing homes within the Mid Town North and South Main focus areas.
- **AmeriDream Charity, Inc.** Ongoing program that gives qualified low- to moderate-income buyers 3 percent of the sales prices to be used for down payment or closing costs toward a home purchase. The seller pays the 3.75 percent of the sale price to AmeriDream, which is part of the homebuyer's gift and a service fee. Participants do not have to be first-time homebuyers. Contact is National City Bank.
- **BankOne Affordable Dream Mortgage.** Helps low- to moderate-income families buy homes through a combination of grants, gift money and down payment assistance resources. Borrower puts up \$500 or 1 percent, whichever is greater, of the home's purchase price. The remaining 2 percent can come from a gift, down payment assistance program or grant. Private Mortgage insurance is not required, but borrowers must complete an approved homebuyer education program.
- **Habitat for Humanity International.** A nonprofit organization that builds and renovates homes for low-income families. Participants are required to donate 400 hours of "sweat equity" toward the construction of their home or others. The work varies from installing carpet to assisting at the local office. Habitat is currently finishing the construction of 16 homes within the Mid Town North and Seventh Street areas.
- **Illinois Housing Development Authority.** State program offers below-market interest rates on conventional loans for new and existing homes. Borrower does not have to be a first-time buyer if house purchased is in one of Rockford's targeted neighborhoods. They then can get an interest rate of 4 percent with no points. If the house is not in a targeted area, borrower must be a first-time buyer. Financing available at 7.1 percent with no point or 7.35 percent and \$1000, towards closing costs. A point is an up front fee equal to

1 percent of the loan amount and is paid at closing. There are income and purchase price restrictions. Borrower must have a 5 percent down payment.

- **Lease-to-Own Homeownership.** National City Bank and CCS, Inc. help low-income families or people whose credit or lack of funds prevents them from obtaining a mortgage. Prospective buyers lease a home owned by CCS, a local nonprofit, and work to save for a down payment and overcome credit difficulties. CCS credits money accumulated during the lease period to closing costs. Buyers agree to a purchase price at time of lease signing and to get financing from the bank at term's end.
- **Nehemiah Program.** "Gifts" qualified buyers with 3 percent of the sales price to be used for down payment on new and existing homes. Sellers pay the foundation 4 percent of the sales price, which is part of the gift. Applicants do not have to be first-time buyers, but the grant must be used with a FHA mortgage. Buyers must keep 1 percent of the sales price in reserve. Contacts: Amcore Financial Inc., Alpine Mortgage, Chase Manhattan Mortgage Co., and National City Bank.

This is only a sampling of the affordable housing financing programs available in the Rockford area. Each lender has a multitude of programs offered at various times during the year and should be contacted for descriptions of current programs being offered.

- 22. Private Commercial and Financing Equity.** Almost all economic development activities receiving public financial assistance are leveraging those public funds with commercial financing and equity investments. The City of Rockford has established effective working relationships with local financial institutions, which enables the City to maximize the amount of private financing and equity being invested in economic development projects. The rates, terms, and conditions of the commercial financing available locally vary from lender to lender.
- 23. State of Illinois Department of Commerce and Economic Opportunity: Build Illinois Bond Fund.** A total of \$13.453 million dollars was received from the State of Illinois through the Build Illinois Bond Fund to do several projects in Rockford: Belt Line road, Metro Centre, West Side Water Main, Pioneer Parking Deck, Blackhawk Road Land Acquisition, West Side Alive! Street Improvements Program, Amcore Parking Deck, 11th Street Fire Station, Communication Tower, Federal Courthouse Land Acquisition, and 311 System Software. Rockford received its funding and the projects have either been completed or are underway.
- 24. U.S. Environmental Protection Agency.** The City has received a total of \$600,000 of grant funds from the EPA for Brownfield Assessment activities. A \$200,000 Brownfields Assessment Pilot Grant was awarded in late 1999. This enabled the City to conduct a number of environmental assessments and redevelopment planning activities within targeted areas. An additional \$400,000 Brownfields Assessment Grant was awarded in October 2003. This will be used for Phase I and Phase II Environmental Site Assessments in Barber Colman Village, at the site of the future Winnebago County Public Safety Building, and in the Illinois 251 corridor. A \$500,000 Brownfields Cleanup Revolving Loan Fund has also been awarded to the City. This fund will enable the City to provide low cost financing of cleanup activities.

25. Illinois Environmental Protection Agency. The City has received two grants totaling \$240,000 for brownfields redevelopment. These IEPA grants are to be used for environmental assessments of properties involved in redevelopment activities.

26. U.S. Economic Development Administration. The City has applied for and received a planning grant from the EDA in connection with the Barber Colman Village planning process. Additional EDA funds may be sought for either economic development planning activities or for actual economic development projects within the City of Rockford.

Geographic Distribution

Geographic targeting will continue in some of the most severely distressed areas of the City. The targeted areas for this annual plan have been previously described in 3.A. They are also outlined on the maps in the appendix showing low-income and minority concentrations. Other funds will be distributed primarily in areas in which the majority of the residents have income at or below 80 percent of median, such as the Community Development Block Grant area (also identified on a map in the Appendix).

The Focus Area Plan concept will be continued in order to concentrate resources. This strategy is being developed to achieve significant results in a shorter period of time, encourage private investment, increase confidence in the areas designated, and increase property values. Code enforcement tactics will be used to help ensure success.

The City will also submit a request to the Department of Housing and Urban Development for one or more of our distressed neighborhoods to be designated as CDBG Neighborhood Revitalization Strategy area(s). We will develop a neighborhood revitalization strategy for one neighborhood during this annual plan period that is among our most distressed neighborhoods and where the strategy includes the economic empowerment of low- and moderate- income persons. Upon HUD approval of the strategy, we will obtain greater flexibility in and east of administration of the use of CDBG funds pursuant to the strategy.

Our housing target areas have a high concentration of renters and vacant, boarded-up properties. It is the City's goal to provide those renters with decent, affordable housing while creating neighborhood stability through the rehabilitation of existing owner occupied housing and the acquisition and rehabilitation of vacant, neglected properties. The vacant neglected properties, that can be rehabilitated, will be used to create home ownership opportunities.

The City's economic development target areas are also located in the most severely distressed areas of the City and, in fact, overlap portions of the City's housing target areas. These areas have experienced significant economic disinvestment, resulting in the loss of businesses, loss of jobs, physical deterioration, high vacancy rates, and decreased availability of essential goods and services to surrounding neighborhoods. It is the City's goal to reverse the economic and physical decline of its target areas by stimulating and assisting private business investment, especially for projects that provide needed goods and services and/or job creation activities targeting low/moderate-income residents.

Homeless activities will be funded on a citywide basis. Acquisition costs, proximity to bus lines, the current location of feeding programs and other services, and the availability of funds will dictate the location of facilities and services. As a result, we anticipate acquisition, rehabilitation, and rental assistance for the homeless will more than likely occur in lower income areas within the City without concentrating projects in any one neighborhood.

Lead Agencies

The City of Rockford Community Development Department will continue to coordinate and/or manage most, if not all, housing and publicly-funded economic development activities. In some instances, the Community Development Department will share its coordination with the Rockford Local Development Corporation on publicly/privately-funded economic development activities. Public Housing activities will continue to be the responsibility of the public housing authorities. Home weatherization and social service activities will continue to be managed and coordinated by the City of Rockford's Human Service Department. In addition, the City will continue to partner with all housing and homeless nonprofits and service providers, as well as neighborhood business district organizations and minority/female owned business organizations even if financial assistance from the City is not sought.

Monitoring Standards and Procedures

The City of Rockford's Community Development Department administers the majority of the federal funds received by the City of Rockford. Funds are used to assist to homeowners and investor-owners and are provided in the form of grants and/or loans. The grants and/or loans are provided for the purpose of rehabilitating properties, to persons acquiring and rehabilitating properties and to nonprofits for the purpose of making improvements, which will benefit lower-income persons and/or limited clientele. Each has specific obligations to fulfill when in receipt of federal funds in support of their project and such obligations are clearly outlined in a written agreement or contract. The following are the policies and procedures the City will use to monitor compliance with contractual requirements and applicable regulations.

The City of Rockford will monitor its progress toward Consolidated Plan goals through the following process:

- Each homeowner or investor-owner project file in which funds may be committed will contain a check sheet to determine if it meets the definition of Section 215 goals (affordable housing) upon initial occupancy. For project that actually result in assistance, records will be kept regarding the units affordability, data on income, age, race/ethnicity, family size and gender data on each household benefiting from the program in the file and at a centralized location for reporting purposes. Each file will also contain costs, methods of procurements, work items completed and volunteer hours, if utilized.
- Economic development activities will have individual project files, in which the eligibility, environmental review, financial underwriting, public benefit analysis, and approval documentation will be found. Each file will also contain project cost documentation, procurement information, Davis-Bacon documentation, and work item progress checklist.
- Internal goals and objectives, quarterly reports, and year-end accomplishment reports will be completed by each division of the Community Development Department responsible for

meeting identified goals. The report will be reviewed at regularly scheduled quarterly staff meetings and City Council Planning and Development Committee meetings. Accomplishments will be evaluated to determine whether the programs are being carried out in accordance with its goals, objectives and performance measurements in the Action Plan and in a timely manner. Productivity and program impact will be evaluated on a yearly basis.

- As required, a Consolidated Annual Performance and Evaluation Report (CAPER) will be completed and submitted to HUD annually by March 31st (90 days after end of program year) to document the progress made implementing Rockford's community development strategy.

- Accountability of recipients and their contractors will be insured through quality standards and performance/production guidelines as outlined in the agreements/contracts executed with each recipient of federal funds. In addition, all funds awarded, except Small Business Loan funds, will be held in an escrow account and disbursed only after proper invoicing to the City is presented and an inspection is made at the project site by City staff. The City shall also inspect each unit to determine if it meets local housing code, the housing quality standards established by HUD or the building code, prior to final payout and yearly throughout the term of the agreement or contract. The agreements/contracts will specify City and HUD requirements including affirmative marketing and fair housing requirements, Section 504 handicapped accessibility requirements, rules regarding lead based paint, housing quality standards through the attachment of itemized work item lists/ bids/proposals, procurement requirements, maintenance of insurance, Davis-Bacon, and other rules as they may apply. Also, through the execution of promissory notes and mortgages, other restrictions will be outlined such as, but not limited to, recapture restrictions, determinations of appropriate equity interest and third party rights, and those that will ensure continued affordability through long term mortgages with assumption clauses, as applicable. Title will be conveyed to those participating in the City's programs with specific terms and conditions.

- Occupancy and maintenance requirements will be instituted on several programs. Monitoring methods include: 1) requiring property owners to maintain property insurance in full force and effect with the City listed as loss payee. This ensures the City being notified if ownership changes and protects City investments, and 2) scheduling on-site and regular drive-by inspections.

- Investor-owners receiving federal funds for the rehabilitation of rental units will also be required to submit annual responses to questionnaires regarding rents, tenant characteristics, and affirmative marketing procedures in order to determine compliance with program policies and procedures as stipulated in executed agreements, contracts, notes and mortgages.

- All sub-recipients of federal funds, including projects awarded under the City's Community Assistance Program (CAP) and Emergency Shelter Grants Program, will be required to submit monthly expenditure reports prior to receiving reimbursement for such expenses. These expenditure reports are reviewed to ensure that the activities associated with the expenditures are in line with the activities that were specified in the grant agreement with the sub-recipient. All such activities have been determined eligible prior to the execution of the grant agreement. Additionally, each sub-recipient will be required to submit quarterly progress reports while the funding of the project is in process. These progress reports will

provide the basis for determining if specified goals and objectives of the Consolidated Plan are being met. The progress report will require information regarding the progress of the project as well as a statement concerning the boundaries of the area served by one project, and including the number of minority, low income and homeless persons served. Additionally, each report shall include a statement of whether the project has or has not met its initial objectives. A final report and annual reports for a specified period of time will also be required. The CAP reports must include a statement of final costs, a progress report as well as a statement concerning those served by the project, and any other information deemed necessary by the City. Each recipient will be required to have available all file documents, papers and records for inspection, audit and copying by the City of Rockford or HUD.

- The Mayor's Homeless Task Force will meet monthly to review the homeless providers' progress in serving the homeless, discuss problems, and identify gaps in services. They will also identify priorities for the following year and grant opportunities.
- The Rockford Housing Authority will continue to submit to the City of Rockford copies of reports and plans that they are required to submit to HUD for those programs it undertakes that are a necessary part of this Consolidated Plan.
- More clearly defined roles and improved cooperation has enabled federal grant fund draw downs to occur in a timelier manner thus decreasing the need to use local funds to carry out grant activities. As a result, the department is less likely to not reimburse the local dollars and thus more likely to expend grant dollars in a timely manner.
- Sub-recipient grant agreements call for monthly reimbursement of expenditures via expenditure reports. Sub-recipients are urged to submit monthly expenditure reports in a timely manner, usually before the fifteenth of the following month.
- Monitoring and Compliance staff works with Community Development's accounting staff to review grant disbursements monthly. This monthly review enables a more realistic projection of which, if any funds will probably need to be reprogrammed. A thorough evaluation of projects and activities is performed yearly prior to annual budget preparation. At this time, slow moving projects are evaluated to determine if funds should be reprogrammed to other line items. After appropriate reprogramming of activities then the budget is prepared.
- Lastly, the City of Rockford is fully aware of HUD's intent to have grantees develop and implement local performance measurement systems by program year 2005. As a result, the five-year goals and objectives that the City commonly develops for each Consolidated Planning period have been expanded to include inputs, outputs and outcomes. Additionally, performance measurement indicators have been instituted to provide a means to accurately measure the outcomes. While this is a working model, it will serve as the basis for the development of formal system upon the receipt of final guidelines from HUD. It should also be noted that the City will continue the practice of establishing one-year goals for each year of the five-year plan and objectives with specific activities are identified to determine how said goals will be met. The activities speak specially to projects and or units to be

accomplished. The resources and or funding sources necessary to carry out each activity are specified as well. Progress towards meeting the goals established in the each year's annual plan is tracked quarterly via a quarterly report that is completed and submitted to City Council. In addition, the overall progress towards meeting the five-year goals is assessed. All of this provides a solid framework for completing each year's Consolidated Annual Performance and Evaluation Report.

Other Actions

- **Address Obstacles to Meet Homeless and Other Special, Underserved Needs.** The City of Rockford will pursue specific activities during Program Year 2005 to address emergency shelter and transitional housing needs of homeless individuals and families with children, to prevent low-income individuals and families with children from becoming homeless, and to help homeless persons and non-homeless persons (including those with special needs) make the transition to or successfully obtain permanent housing and independent living.

A concerted effort will continue to seek funding for permanent housing with supportive services for those homeless with disabilities and transitional housing. In addition, resources for homeless families and, in particular, teen fathers and unaccompanied youth will also be explored.

Emergency housing for the homeless will continue to be funded at a maintenance level due to the fact that funding is consistently inadequate in comparison to the need. The only non-competitive funding available to the City specifically for emergency housing is the Emergency Shelter Grants program and the Emergency Community Services homeless program.

Rockford's Emergency Shelter Grant funds have commonly been distributed to local agencies serving the homeless through a competitive grant process. This is expected to continue. The American Red Cross Homeless shelter, Shelter Care Ministries, the WAVE shelter, the Salvation Army, Lydia Home, and MELD, are past recipients of the ESG program. More than likely these agencies will continue to be recipients. They will also be encouraged to apply for the State's Emergency Shelter Grants program and other resources such as Federal Emergency Management Agency (FEMA) funds and grants through the Illinois Department of Human Services.

Supportive housing projects this year included Promised Land Employment and Shelter Care Ministries. Promised Land Employment is dedicated to the empowerment of economically disadvantaged by assisting them in the procurement of meaningful careers. While a participant in the program, clients will gain the skills necessary to obtain employment, a cornerstone to preventing future homelessness. Promised Land Employment received \$93,083 in 2002, 2003 and 2004 to provide supportive housing services. In addition, they applied for two-year funding under the 2004 Continuum of Care Application and have not received notification of award as of yet.

Shelter Care Ministries has served 13 families consisting of 47 people receiving transitional housing and case management toward the goal of self-sufficiency and permanent housing.

Shelter Care Ministries was awarded \$116,701 in supportive housing grant funds to continue their work within the community in 2002 and applied for renewal funding of the same amount in 2004. It is our intention to further fund these programs. The American Red Cross received \$466,704 in 2003 to implement and host a physical and mental health program in collaboration with Crusader's Clinic, Janet Wattles and the Carpenter's Place. They will apply for renewal funding in 2005. Last, the Carpenter's Place received \$483,928 in 2003 and will also apply for renewal funding in 2005 to provide transitional shelter to homeless persons with addictions. We expect that all programs will receive renewal funding. However, future funding will depend on the amount of supportive housing grants awarded by HUD.

The City of Rockford and Janet Wattles Center received several Shelter-Plus Care grants, which responds to the critical needs of homeless individuals with serious mental illness and homeless individuals with chronic substance abuse problems. The Shelter-Plus Care Program was designed to provide safe affordable housing with an array of specialized mental health, substance abuse, health, and rehabilitation services to over 100 of the most vulnerable individuals in our community. The nature of the Shelter-Plus Care program allows for partial rental assistance, should the client have an income of their own. Due to this guideline, we are able to serve many more homeless than our original application.

Shelter-Plus Care will meet its goals through the combined efforts of the City of Rockford, Janet Wattles Center, and the resources of the members of the Mayor's Homeless Task Force. The Task Force, a network of governmental and nonprofit agencies, is dedicated to improving the life of the Rockford community's homeless population by sharing information on available resources and reducing duplication of effort. The City has authorized Janet Wattles Center to sponsor the program and to coordinate housing and support services for the components. Other service providers include Singer Mental Health and Development Center (in patient mental health), Crusader Clinic (health and dental), Shelter Care Ministries (social and recreational), Illinois Growth Enterprises (vocation) and Rosecrance Health Network (substance abuse treatment).

In addition to the projects currently in the works, the City will also continue to work to enhance coordination and collaboration on homeless issues by working with the Mayor's (Boone and Winnebago County) Community Task Force on the Homeless. Plan development, strategy, and implementation will be the steps necessary to meet this goal. The Homeless Task Force will meet monthly to discuss local needs and resources and strategy to enhance homeless programs in our community. They will also be attending regional continuum meetings to better coordinate all of our scarce resources.

The City will also provide technical assistance to the homeless providers applying for federal grants or trying to assemble projects, and give consideration to homeless projects through the Community Assistance Program, which is funded with Community Development Block Grant funds. We will also serve as the applicant and administrator of homeless assistance received through HUD's Continuum of Care Homeless Assistance grant with Sponsors contingent on previous year's funding, expiration of grant agreements, needs within the community, and identification and willingness of agencies to take the lead in meeting the identified need.

- **Foster, Maintain, and Remove Barriers to Affordable Housing and Obstacles for Those with Special Needs.** There are numerous hurdles related to affordable housing and obstacles for those with special needs. Below are the profiles of some of the barriers we face in our community and our strategy to address each particular barrier.

1) Profile: The sub-prime mortgage lending aspect of alternative financing has created a barrier to affordable housing. The high cost of sub-prime mortgages has left lower income persons in non-equity positions with payments in excess of their means of repayment. For some, their only way out is foreclosure.

Strategies:

- Sub-prime lenders are prohibited from participating in any City of Rockford programs.
- ADDI program prohibits participation of a lender who costs exceed of 5 percent of the mortgage amount.
- The Rockford Homestead Board denies requests for subordination when sub-prime lenders are involved and counsels homesteaders on the negative effects of sub-prime mortgages. Also, this issue is continuously addressed in the quarterly newsletter sent to all homeownership program participants. We have also started to address “payday lending” through education via the Rockford Area Affordable Housing Coalition and the Rockford Homestead Board.
- A portion of the City’s Community Development Block Grant is budgeted to continue a pre- and post-purchasing homebuyer counseling course administered by the Rockford Area Affordable Housing Coalition.

2) Profile: A barrier in lower income neighborhoods in which affordable housing is commonly located is crime and safety.

Strategy:

- Community policing initiatives will continue, in which police officers come to know the neighborhood residents and address their problems before they become acute. They become known in the neighborhood rather than the patrols that respond to crime and are supported by neighborhood watch groups and safe house programs that engage citizens in their own public safety needs.
- The City of Rockford will also continue its demolition program to reduce the infrastructure that supports crime. We will focus on properties identified by the neighborhood and will encourage swift reclamation of these abandoned and nuisance properties through both the Building Department and Community Development.
- The City continues to focus it resources to certain strategy areas to reinforce blocks. Street improvements will favor the pedestrian. Park like areas will be distributed within the neighborhood. Each element of infill and rehab will reinforce the local character of the neighborhood.

- 3) Profile: There are developmental barriers to the creation of affordable housing. This includes property acquisition, cost estimation, obtaining insurance during construction, financing, and land-use restrictions. Additional barriers include qualified workers and compliance with the myriad of codes and regulations.
- The City will make its vacant lots available to CHDOs for development.
 - In most cases, policies are out of the City's control. Those within the City's control, Full Urban Standards for new subdivisions and Zoning Ordinance changes, have inverse effects. Our Zoning Ordinance has no negative effect and requires no strategy. The Full Urban Standards requirements are somewhat offset by the 50/50 Sidewalk Program which pays 50 percent of concrete walks/curbs. In all cases, the City is working with committees, task forces and boards to ensure coordination with entities that have the ability to reduce or offset negative effects of such policies.
 - Financing and acquisition will be addressed in later strategies.
 - Technical assistance will be provided on basis to developers and homebuyers.
- 4) Profile: The age and condition of the housing stock is a barrier. The median year built for the housing in Rockford is 60 years, an age at which substantial major rehabilitation of systems and building components is often needed. Costs can exceed \$50,000 when substantial rehabilitation is necessary. The costs associated with lead-based paint have added approximately another 15 percent- 30 percent to the cost. Often, a large gap exists between the cost of rehab and the financial resources available. Sweat equity can help bridge the gap but without public subsidies, a complete rehabilitation job is virtually impossible by property owners.
- Aged properties not suitable for rehabilitation will be demolished by Community Development or the Building Department, as funds permit.
 - Community Development will work cooperatively with the Human Services Department to fund projects, which have identified lead hazards.
 - Increases in the cost of materials are anticipated and considered when analyzing the gap of special projects.
- 5) Profile: Even without factoring in the cost of renovation, many households currently face an affordability problem. Most at risk are renters, minorities, the poor and residents of older housing. These at-risk populations tend to live in housing with the greatest need for renovation, yet they are least likely to be able to pay for it.

Strategies:

- Rehab assistance will be provided to investor-owners who, as a condition of assistance, must rent 51 percent of the units assisted to lower income at fair market rents.
- Affordable housing and home ownership will be addressed by the City through the continuation of programs such as the Homestead Partnership Program and the West Side Alive! Program. The financing of the West Side Alive! Program was changed

- this year to further reduce the mortgage monthly payments to help alleviate housing cost increases expected in property taxes and utility costs.
- The City will address the issue of decent, safe and affordable rental and owner-occupied units by continuing its housing rehab and home ownership programs.
 - The City will continue to market its home ownership programs to public housing tenants in an effort to provide them with additional housing choices.
- 6) Profile: Acquiring properties poses an impediment, which hampers the City’s acquisition-rehab efforts.

Strategies:

- Foreclosing on liens, acquiring properties on a voluntary sales basis, and obtaining HUD properties with a conservative use of eminent domain will be used. Unfortunately, problems we face are:
 - The most straightforward approach is to contact the owner of the property and negotiate a sale. This is much easier said than done, however. Identifying and finding the owner is a problem. Ownership records are outdated which makes it hard to identify and contact owners. Estate complications are another frequent impediment in tracking the owners and negotiating a sale.
 - Clearing title is a hurdle because of judgments, liens, and other encumbrances. Also, owners refuse to sell, or if amendable to sell, offer their properties at unreasonable prices given the location, condition, or other factors. They may have an excessive number of liens on the property or a mortgage, which drives up the asking price.
 - Assemblage of property in a concentrated area is another hurdle. This sometimes can take years.
 - Tax and lien foreclosures can be time-consuming, sometimes taking years to finalize while the property continues to decline.
 - The City on occasion purchases FHA properties from HUD but this can also be a problem. FHA properties are scattered so clustered rehab is difficult, prices appear greater than the assessed value taking into consideration the improvements needed, and the \$1 homes are worth just that.
 - Taking property by eminent domain has its downsides. The City uses this power sparingly due to its negative perception. It is also time consuming due to legal constraints and expenses, and can only be used under limited circumstances when acquiring residential properties.

Strategies:

- The City will continue to evaluate our strategies of acquiring property and work with others within our organization to identify streamline methods.
- Properties will be demolished using the “fast track” method to avoid the lengthy process of acquisition.

- 7) Profile: Financing is a barrier to the production of affordable housing with the crux being the economic gap. Many owners and occupants of properties needing rehab simply do not have the resources to pay for the rehabilitation, and the affordability gap makes the problem even worse. Even though there are more sources available than in the past with more affordable financing due to CRA laws and subsidies are available through public resources, it is still a barrier. Also, persons with special needs require assistance with making units accessible.

Strategies:

- The newly funded HUD program, ADDI, was initiated in 2004 and will continue in 2005 which provides 6 percent of the sales price for homebuyers to use for down payment and closing cost assistance.
- The West Side Alive! and Homesteading programs will continue which leverage private federal and state funds to create affordable housing financing for lower income persons.
- CHDO projects will be funded with a HOME set-aside which provide a development subsidy and direct homebuyer assistance to fill the gap in financing.
- A portion of the City's Community Development Block Grant is also being used to continue a credit-counseling course administered by the Rockford Area Affordable Housing Coalition.
- The City will submit an application for funding under HUD's Homeless Assistance for the Homeless program.
- The City will continue to provide grants to program participants for cover the increased cost of rehabilitation due to the new lead-based paint requirements in hopes of encouraging their continued participation in the programs.
- HOPE VI applications at several various sites for the removal or existing units and/or development of new housing will be submitted by local PHAs with the City's support.
- Ramps will be constructed for the physically disabled through the RAMP agency.

- 8) Profile: Appraisal issues contribute to the financing as well as acquisition challenge. Financing is typically offered at a percentage of the real estate value, usually 80 percent. Since financing is secured at a share of value, the appropriate determination of the value of property being rehabilitated is a prerequisite for obtaining loans. Professional valuations are done by appraisers who assign values to a property by considering the cost to produce it, what buyers have paid for comparable properties, and what priorities are worth as an investment. Each dollar of rehab work does not raise a property's value by the same amount. Thus, there is a frequent divergence between cost and value. Where a property is located also has a significant influence on its value. Values are discounted accordingly which has a destructive influence on our neighborhoods. A similar difficulty exists with the identification and adjustment of comparable properties. Appraisers recognize the variability of real estate in the analysis of comps by factoring in an "adjustment." It is easier to make adjustments with new units due to the fact they are

more generically standard. It is problematic to make adjustments between an un-rehabilitated older unit and older renovated housing.

Strategies:

- We believe it is important that appraisers focus on the immediate environ of the property and should acknowledge the rehabilitation and other investment in the area. Therefore, we will keep the Assessor's Office informed of our neighborhood development strategies.
- We will increase the value of property in those neighborhoods by focusing our resources. We will analyze our affect on neighborhoods annually.

- 9) Profile: Funding is also a problem. An under appraisal of value of a rehab project will limit public as well as private mortgage-ability. Public funding and subsidy of rehab also has issues—which includes the limited supply of and competition for assistance. Plus, there are additional costs associated when using public assistance including labor wage requirements, relocation, and lead. Timing and the cost of carrying projects can significantly increase the overall project costs.

Strategies:

- The City of Rockford will continue to provide technical assistance to help ensure that projects obtain the resources needed.
- Raising the awareness of available funding sources through networking and serving on boards and committees.
- The City will continue to seek basic funding of programs for the homeless for without these programs, those currently provided housing will be back out in the street. Shelter-Plus Care has been highly successful for people suffering from mental illness. The fact that the person gets to choose their housing has shown great promise when working with the sometimes non-compliant. The Supportive Housing programs have given us the opportunity to develop creative programs with coordinated resources.

- 10) Profile: Lead-based paint is commonly found as it was extensively used in building until 1978. Older housing is therefore most vulnerable to the problem. Generally, the older the home, the greater the problem. It is a serious health hazard, especially for young children, and an expensive problem to fix. Federal regulations have come out to protect occupants and workers from lead poisoning. At the same time, these regulations layered upon the State regulations and the costs associated to a rehab project with no funding can present a significant barrier to rehab. As a result, the improvements may not be done at all leaving families in poorly maintained housing with hazards. Lead poisoning disproportionately affects poor, urban minorities, and these groups are least likely to benefit from abatement unless they are in HUD subsidized units. Because lead costs can be expensive in deteriorated housing and funding is not readily available, most developers are not eager to engage in the rehab of housing that may contain lead-paint hazards. More and more are moving away from rehab to in-fill new construction.

Strategies:

- Provide match for the State's Get the Lead Out! Program administered by the City's Human Services Department so that additional funding can come to this community to address controlling lead hazards.
- Continue to network with the Winnebago County Childhood Lead Poisoning Prevention Committee to determine ways to educate the public on lead hazards.
- Look at other cities and their approach to contracting for lead work.
- Increase the number of lead licensed contractors for more competitive bidding.

Reduce the Number of Poverty-Level Families

The City of Rockford will continue to fund activities or work cooperatively with the agencies over the next year identified in Section IV of the Consolidated Plan. Those initiatives will include:

CDBG Funding

- Administer the small business loan program, funded by CDBG funds, which provides dollars for business development and expansion. The number of jobs provided to low income is one full-time equivalent job for up to every \$15,000 in loans.
- Implement the Self-Employment Training (SET) Program, which provides free entrepreneurial training to low/moderate-income residents of the City.
- Administer the Microenterprise Investment Match Program, which addresses the lack of equity among low/moderate-income entrepreneurs.
- Provide Community Assistance Program (CAP) funds to community based and/or neighborhood based organizations for projects that address an identified need in a certain sector of the community. Giving priority to projects located or serving identified focus areas may further define the program.
- Staff boards, which assist those in poverty to help ensure appropriate distribution of funds, such as the FEMA Board.
- Continue Focus Area rehabilitation programs in strategic areas and create decent, affordable housing units.
- Provide match funds for the City of Rockford Human Services Department's Get the Lead Out! Program to reduce the lead paint hazards in lower income homes in which a child with a high EBL level has been identified.

HOME Funding

- Continuation of a property standards type program for lower- income households and providing funds to local nonprofits who serve persons in need of decent, safe, and affordable housing with any carryover from previous year programming.
- Create housing through CDBG programs such as West Side Alive! and homesteading that is affordable.

ESGP Funding

- Administer the Emergency Shelter Grants Program, giving priority to projects falling under the category of homeless prevention.

Other Funding and Initiatives

- Continue to administer the Family Self-Sufficiency Program through the Rockford Housing Authority.
- Work with the Rockford Housing Authority to continue to provide subsidized housing for those transitioning from housing assisted through homeless grants.
- Continuation of the YouthBuild Program through Comprehensive Community Solutions, Inc. which provides mentoring and employment opportunities to youth.

City of Rockford's Human Services Department

- Continue the Head Start program, which teaches income eligible pre-school children educational skills and social classroom skills. Head Start gets kids on the right track emotionally and educationally. While they are learning, their parents are provided access to employment and social services. Head Start serves over 500 children per year at three Rockford locations. All locations are located in lower income neighborhoods with two located in public housing developments and noted below:
 - Henrietta Site, 200 North Johnston Street
 - Fairgrounds Site, 910 Acorn Street (located at a PHA development site)
 - Orton Keyes Site, 653 Ranger Road (located at a PHA development site)
- Continuation of the CSBG Scholarship Program, which provides Scholarship to income eligible persons who are attending a formal education program or occupational training at an accredited Illinois institution.
- CSBG assists persons who are homeless or are in danger of becoming homeless through FEMA Emergency Food and Shelter funds, Illinois Department of Human Services Homeless Prevention funds, Community Services Block Grant (CSBG) funds and Rockford Township Condemnation funds. These funds assist low-income persons with one month's rent, utility assistance, deposits and mortgage assistance.
- Continuation of the Summer Lunch program funded by the Illinois State Board of Education, which provides free, nutritious lunches to eligible children aged 3-18.
- The provision of linkage and advocacy to income eligible households. This service continues to increase the awareness of community resources for low-income households as well as assisting the households in accessing services.
- The continuation of a partnership with the Illinois Department of Children and Family Services which provides advocacy, counseling, budgeting and support to normal class families and youth leaving the foster care system.
- Support and guidance in developing grassroots organizations including faith based organizations.

- The provision of grassroots training which provides low-income citizens with the tools necessary to advocate for themselves and their community.
- Continue to provide intensive, long-term case management services to families and seniors to increase their skills, improve their income and strengthen family connections.
- Continue administering the Low Income Heating Energy Assistance Program (LIHEAP). This program assists income eligible households in making an annual one-time payment towards low-income households heating bill. It also assists with the repair/replacement of furnaces. The Energy Division also offers the Weatherization program, which assists household in making their homes more energy efficient in an effort to reduce heating costs and the Energy Conservation Housing Rehabilitation program, which provides rehabilitation to homes that will result in energy conservation.
- Continue the Weatherization and the Get the Lead Out! Programs.
- Continue to administer an Economic Development Loan Program that provides loans to businesses that agree to create jobs for low-income persons. For every \$20,000 loaned, a job must be created that is filled by a low-income person. This program is implemented by the Economic Development Division in partnership with local lenders.
- Continue to operate an Individual Development Account Program to increase the resources available for homeownership, higher education, or entrepreneurial activities for participating low/moderate-income residents. The program also provides intensive classes in financial literacy, home buying, small business start-up and educational counseling.
- Initiation of a Housing Resource Center to address landlord and tenant issues, human rights issues, shelter and other immediate housing need referrals as well as provide training to housing providers and agencies advocating for persons with housing issues.

Develop the Institutional Structure

The City will continue to promote coordination in the identification of resources and implementation of programs to meet the needs of this community. Several actions are expected over the next program year.

- The City will work with and strengthen neighborhood groups to achieve the goals of focus area plans.
- The City has established working relationships with a number of neighborhood business development organizations, such as the Seventh Street Area Development Council, Inc. (also known as Mid Town District), SouthWest Ideas For Today and Tomorrow, Inc. (SWIFTT), the State Street Business Association (West State Street), North End Commons, and the Council of Neighborhood Organizations. City staff will continue to provide technical assistance and guidance to these organizations in order to enhance and develop their capacity to serve their neighborhood business districts. The City is also beginning to work with emerging groups to identify and address the issues facing other commercial areas, such as the N. Main Street and W. Riverside area. The City will also continue to work closely with the Northern Illinois Minority Companies Association (NIMCA) in an effort to strengthen minority- and woman-owned businesses in the Rockford area.

- The City will continue providing staff support to the Mayor’s Community Task Force on the Homeless.
- The City will continue its efforts to strengthen the existing housing nonprofits by providing technical resources and access to resources while fostering the development of new ones to serve specific areas and populations. The City plans to conduct at least one workshop in this period to help meet this strategy.
- Finally, the City will continue to promote coordination between local realtors and lenders to more effectively serve low-income potential homeowners. Such coordination has already resulted in the provision of our down payment/closing cost assistance programs and with the several lenders that have entered into partnership agreements with the City of Rockford. A workshop will be conducted once again to provide all lenders with a clear understanding of the City of Rockford’s affordable housing programs and potential homebuyers of the resources available to assist in home purchases.

Enhance Coordination Between Public and Private Housing and Social Service Agencies and Foster Public Housing Improvements and Resident Initiatives

The Community Development Department of the City of Rockford mission statement is to: Provide leadership, foster partnerships and promote balanced growth to enhance the quality of life in all neighborhoods. To that end, the City of Rockford as a whole will place special emphasis on enhancing coordination by encouraging housing related groups, which are in place, to meet on a regular basis and to establish goals, priorities and strategies. The intent is to develop a more coordinated effort in addressing the needs of all low income residents, including those in public housing. This will be achieved in part by providing staff support to these groups. Specifically, these efforts include:

- 1) Coordinating prevention, emergency, transitional, and permanent housing for the homeless through the Mayor's Community Task Force on the Homeless, comprised of private and governmental health, mental health, housing organizations, community members and social service agencies.
- 2) Coordinating and developing City-funded rehabilitation and homeowner programs with the assistance of local lenders, realtors and housing nonprofits.
- 3) Coordinating City-funded home ownership programs through the Rockford Homestead Board.
- 4) Coordinating with housing nonprofits by City representation on the coalition of housing interest groups.
- 5) Coordinating and implementing innovative programs and activities in conjunction with neighborhood business district organizations, local lenders, investors, and for-profit businesses. City staff serves as ex officio members of the board of several neighborhood businesses district organizations, such as River District, Inc. and the Seventh Street Area Development Council, Inc.
- 6) Coordinating the rehab programs with the City Community Development Human Services and Building Departments

- 7) Coordinating efforts to provide permanent housing opportunities with the local Public Housing Authorities.
- 8) Coordinating efforts with the Public Health Department to use their services for lead-risk assessments and clearance testing.
- 9) Coordination with major stakeholders in focus areas in the sharing of resources.

Emergency payment of rent and utilities, weatherization, rehab programs and lead hazard reduction programs are administered by the Human Services Department and sometimes coordinated with the City's Community Development Department. All housing entitlement funds are administered by the Department of Community Development. This same department approves all private development. Additionally, low-income housing tax credit deals and state trust fund developments must be reviewed and signed off on by the City.

Public Housing

A summary of the Rockford Housing Authority's FY 2005 Annual Plan is included. The Rockford Housing Authority (RHA) is no longer designated as "troubled" by HUD, as a result of improved financial practices. HUD commissioned the Public Housing Recovery and Prevention Corps of Cleveland, Ohio to conduct a complete assessment of the operating performance of RHA and learned that many of the areas of concern have already begun to be addressed by its new leadership. As a follow-up, RHA executed a Memorandum of Agreement (MOA) with HUD. This MOA outlined the strategies to improve performance of the Authority and were instituted over a twelve-month period. It also specified the commitments that each party (HUD and RHA) made to improve performance that resulted in RHA being removed from HUD's Listing of Troubled PHAs.

The following narrative statements describe how the actions of the City of Rockford will foster public housing improvements and resident initiatives and help meet the needs of public housing.

The Rockford Housing Authority is under new leadership and has implemented a new initiative that focuses on customer service and promotes more resident input. As a result, the City of Rockford and the Rockford Housing Authority will be working together more to help public housing residents access community resources that can be used to address needs and improve the overall quality of life for all residents.

The City of Rockford will continue to work with resident councils to encourage growth and formal structure within councils. RHA encourages resident councils to become more involved in activities that foster leadership and recently supported fair housing training.

The City's Human Services Department has provided assistance to public housing residents through several of its programs. The Head Start program teaches income-eligible pre-school children skills that stimulate their intellectual, emotional and social growth. The parents of these pre-schoolers are provided access to employment and training opportunities and social services as well. The Head Start program is not made up entirely of public housing residents; however, large portions of the participants are from public housing. This is due primarily to the focus of recruitment efforts that have a priority of improving the quality of life of public housing

residents through program participation. Plans are to continue to focus recruitment in public housing developments during the Action Plan year. The Human Services Department, Community Services Division, also provides scholarships to income eligible persons to attend a formal education program or occupational training at an Illinois accredited Illinois institution. Recruitment efforts are again focused on public housing residents, as many have been scholarship recipients in the past. Once again, these recruitment efforts will be continued during the Action Plan year.

Additionally, Human Services' Community Services staff provides intensive short-term and long-term case management to residents of an apartment complex managed by the local Public Housing Authority. The efforts are aimed at improving linkages and advocacy of low-income households and increasing the awareness of community resources for the low income. Many of the residents of this complex were former residents of public housing and are now looking to become homeowners. Part of the long-term aspect of this case management involves linking these residents with homeownership opportunities that are both provided by the City and via other sources.

The City also works to improve resident initiatives by administering a summer feeding program throughout the City but concentrated in many public housing developments. The program provides free nutritious lunches to over 2000 children annually. Plans are to continue this program. Lastly, the City will continue to work with the Housing Authority to take steps to reduce the hazards of lead based paint in family housing developments, scattered sites, community facilities and day cares within developments. The City administers state funded lead abate program that requires a ten percent match provided with CDBG funds. Priority is given to housing authority units where a child or children with elevated blood levels reside.

Additionally, the City of Rockford Community Development Department proposes to provide financial assistance to aid with the implementation of a plan to either re-develop or possibly demolish the Jane Addams Development if Hope VI funding is applied for and awarded. The current focus has yet to determine if such plans will be included in the new initiative. Consequently, financial resources are not budgeted for this plan year.

Anti-Poverty Strategy

The barriers preventing very low-income households from overcoming poverty include health care costs, severe housing cost burdens, household problems, lack of employment or meaningful employment, lack of subsidized daycare, utility costs, prescription costs, transportation issues, the lack of formal education, job training, and specific skills training. The City of Rockford, in conjunction with other organizations, will take on the following initiatives for reducing the number of households with incomes below the poverty level over the next program year.

- The Rockford Housing Authority (RHA), in conjunction with the City and nearly 20 support agencies, has developed a three phased program called the Family Self-sufficiency Program, which helps public housing residents build self-esteem, improve relationships with their families, explore education and career opportunities and become potential homeowners. This effort is expected to reduce the number of households living in poverty by five (5) over the next year.

- The Rock River Training Corporation continues to act as the clearinghouse for all employers who would like to hire high school students and young adults. The Corporation contracts with various organizations to run a vocational exploration program with classroom training for youths 14-17. Older participants (18-21) work for nonprofit agencies. The number of opportunities available to disadvantaged youth should remain constant.
- Through the Community Development Department, a Small Business Loan Program, funded by CDBG funds, provides dollars for business development and expansion in designated target areas. For every \$35,000 loaned, a full-time equivalent job must be created and filled by a lower-income person. The Microenterprise Investment Match Program will enable low/moderate-income persons to increase the equity in their Microenterprise. This is expected to spur Microenterprise startups and expansions and aid one family in moving above the poverty level. Three Microenterprises are proposed to be assisted during next year.
- Health care costs continue to be a crisis nationally, as well as within the Rockford community. The burden of costs associated with health care prohibit the use by very low income persons or cause them to be financially strapped as a result of a crisis in the family or something as common as the birth of a child. The MOMS program has been successful in making subsidized health care more readily available to pregnant and parenting lower income mothers and their children. With the help of the mass transit district, locations have been established that are accessible to the program target population. This project, along with the Kidcare Program, should ensure that mothers and their children have access to the basic checkups and immunizations necessary for a child's physical development. This program is anticipated to assist 6 families in rising above the poverty level during the next year.

The following were reoccurring issues identified by more than 200 human service professionals, community leaders and representations of various population groups in the Healthy Communities Study. Activities/projects are expected to be identified that respond to these issues.

- Caring for Our Children
 - Family Dysfunction
 - Health Wellbeing
 - Housing
 - Neighborhoods
 - Racism Human Service Systems Issues: Staffing, System Effectiveness, Technology
 - Transportation
 - Welfare Reform
- Crusader Clinic and Janet Wattles Center provide subsidized health care services to lower income persons. Services are provided at their main facility and also at a number of satellite locations throughout the community.
 - The City's annual allocation of federal Emergency Shelter Grant funds is distributed to local homeless providers. As a result of the Housing and Community Development Act of 1992, the agencies awarded funds through this grant must ensure the following:

1. The homeless will be given assistance in obtaining supportive services available in our community, such as those previously mentioned
2. To the maximum extent practical, homeless individuals and families will be involved in constructing, renovating, and maintaining and operating facilities assisted under the program

Also, the Emergency Food and Shelter Program now requires #2 above, and that at least one homeless or formerly homeless persons must be a member of the local FEMA board. The following are the priorities set by the Board:

1. 2 percent Administrative allowance to United Way
2. 8 percent targeted to Utility Assistance (increased in 2001 as a result of the utility crisis)
3. 60 percent targeted to Shelter Services
4. 30 percent targeted to Food Services
5. Food funding targeted to the two largest community pantries and the home delivered meal program, and soup kitchens will not be targeted to funding. It was felt that of the three basic services, the community is best able to respond to the need for additional food.

It is anticipated that some homeless persons may be able to transition out of poverty as a result of the Act.

- Submit an application for 2005 HUD Continuum of Care to support renewal projects under the Shelter-Plus Care and Supportive Housing programs. This will help the Rockford area maintain its Continuum of Care system.
- Several of the housing nonprofits also provide work opportunities at housing construction sites either on their own initiative or through programs such as YouthBuild. Mentoring and employment opportunities are also provided by these nonprofits. The City has provided them three lots for their new construction of single-family residences and proposes to continue this cooperation.
- Many of the very low income having housing problems and either try to make repairs with the little money they have or are forced to let the property deteriorate. The City has several programs available to the very low income in which no repayment is necessary. Once a home is rehabilitated, utility and maintenance costs will decrease resulting in a decreased cost burden and a greater residual income for the necessities in life. Although these programs do not result in reducing the number of households with income below the poverty line, they do give people hope for a better future.
- The integration of childcare into new rental and transitional housing developments as well as one of the emergency shelters has been considered and supported on several housing rehabilitation projects funded by the City. Affordable and stable child care gives parents the opportunity to find and keep employment.
- The City's various economic development programs, both federally and locally funded, will also seek to reduce or prevent poverty. The creation of jobs for low-/moderate-income persons, especially those with the potential of advancement and/or those in basic industries, is a priority. In order to create jobs for those most in need, it will be necessary

to create new businesses, expand existing businesses, and provide incentives that attract businesses seeking additional facilities. The City intends to assist such businesses by utilizing federal funds (including CDBG, Section 108, BEDI, EDA, and EPA), local funds, state enterprise zone incentives, tax incentives, industrial revenue bond financing, and such other resources deemed appropriate.

- The City intends to preserve its existing housing stock when feasible. Although the City has increased its level of demolition of substandard properties over the last several years, it continues to rehab properties when feasible. In certain situations, as an effort to preserve the existing housing stock, the City will make referrals to housing nonprofits and inventor-owners on properties available since they may have the ability to rehabilitate at lower cost because of donated labor, materials and sweat equity. The City also directs private owners and the nonprofits to potential funding sources for the acquisition and/or rehabilitation of the property.
- The Head Start Program teaches income eligible pre-school children educational skills and social classroom skills. Head Start gets children on the right track educationally as well as emotionally. While they're learning, their parents are provided access to employment and social services. Head Start serves over 500 children and families at three Rockford locations.
- Through the Community Services Block Grant (CSBG) Program, there are several programs designed to assist people in moving out of poverty. It is anticipated that these programs will bring 6 families above the poverty level in the next year.
 1. The Small Business Loan Program provides loans to businesses that agree to create jobs for low-income persons. For every \$20,000 loaned, a job must be created that is filled by a low-income person.
 2. The CSBG Scholarship Program provides Scholarships to income eligible persons who are attending a formal education program or occupational training at an accredited Illinois institution.
 3. CSBG assists persons who are homeless or are in danger of becoming homeless through FEMA Emergency Food, State Homeless Prevention Funds and Shelter funds and Rockford Township Condemnation funds. These funds assist low-income persons with up to three months' back rent and two months' forward rent.
 4. The Illinois State Board of Education provides funding for the Summer Lunch program that the Community Services Division administers. This program provides free, nutritious lunches to eligible children aged 3-18, at various City locations. Over 2000 children participated in this program last year.
 5. Community Services also provides linkage and advocacy to income eligible households. This service increases awareness of community resources for low-income household as well as assisting the households in accessing these services.
 6. In addition, Community Services provides intensive, long-term case management services to families and seniors. The goal of the Family and Community Development program is to assist families in increasing their skills, improving their income and strengthening family connections.

7. Human Services will continue to implement an Individual Development Account Program to help low income persons build assets by providing 2 for 1 matching savings account. These savings may be used for homeownership, small business develop or education.
 - The Energy Division operates several programs that have a direct impact on the low-income population. The Low-Income Heating Energy Assistance Program (LIHEAP) assists income eligible households in paying their heating bills. This program affects low-income households, seniors and disabled by making a one-time payment towards their heating bills. In addition, the LIHEAP Emergency Furnace Program assists income eligible persons with the repair/replacement of furnaces. The Energy Division also offers the Weatherization Program, which assists households in making their homes more energy efficient in an effort to reduce heating costs.

Lead-Based Paint

Those at highest risk of effects of lead paint poisoning are children, pregnant women and people working with lead in their jobs. The types of housing units more likely to have lead-based paint hazards include older units (lead-based paint used prior to 1950 is likely to contain higher concentrations), units in poor condition, units renovated or maintained not using safe work practices and units with exterior lead-contaminated soil.

In Rockford, there are several means for finding out about housing that presents lead-based paint hazards. Those include:

- Children are screened for high lead-blood levels as a part of school enrollment. If a high level of lead is shown, both a State of Illinois Public Health official and a nurse do an inspection of the premise. A common scenario is that younger siblings of a school-aged child have higher lead-blood levels than the school-age child. After an inspection of the premises, action is taken to insure compliance with health code regulations. The owner if the property is then responsible for either abatement or mitigation practices to eliminate or reduce the possibility of future lead poisoning from that unit.
- The City of Rockford, in its administration of its rehabilitation and homeownership programs, ensures that occupants, homeowners, and homebuyers are notified of the hazards of lead-based paint and defective paint is identified and treated in their homes. If a child with an elevated blood level (EBL) is identified, additional steps are taken to inspect for lead-based hazards and stabilize, control, or abate.
- Federal law requires sellers and landlords to make a disclosure of possible lead-based paint hazards in units. Anytime a contractor does repair that creates an opening more than two feet in diameter; the contractor is obligated to inform the residents of possible lead-based paint hazard.

What is Title X?

On September 15, 1999, The U. S. Department of Housing and Urban Development published a final regulation, "Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance." The purpose of the regulation is to protect young children from lead-based paint hazards in

housing that is either receiving assistance from the Federal government or is being sold by the government. The regulation established procedures for evaluating whether a hazards may be present, controlling or eliminating the hazard, and notifying occupants of what was found and what was done in such housing. The regulation took effect on September 15, 2000 but local governments were allowed to apply for transition periods. The City of Rockford's housing rehabilitation programs became compliant on December 15, 2000. All other programs became compliant as of September 15, 2001.

Title X strengthens the requirements for the evaluation and reduction of Lead-Based Paint Hazards for all projects/activities receiving federal funds in an amount of more than \$5,000. 24 CFR 35 also lowers the acceptable lead levels in both structures and the levels acceptable in children. The following exemptions apply to the Rockford program: exclusive elderly housing; absence of lead based paint; housing to be demolished; nonresidential property; rehabilitation disturbing little or no painted surfaces; emergency repairs and natural disasters; emergency rental and foreclosure prevention assistance. The new rule also provides levels of acceptable testing and abatement based on project costs.

There are four approaches HUD has used in structuring the requirements in the regulation. In some situations, HUD requires that work is conducted in a manner that prevents more lead-based paint hazards from being created. In other situations, HUD wants environments created that are free of lead-based paint hazards. The four approaches are Do No Harm, Identify and Stabilize Deteriorated Paint, Identify and Control Lead-Based Paint Hazards, and Identify and Abate Lead-Based Paint Hazards.

The Do No Harm approach is intended to allow low cost repairs and other work to proceed without costly lead-based paint requirements, yet, at the same time, to prevent lead-based paint hazards from being created while that work is being done. It does not determine if a whole dwelling unit or property is "lead-safe" because clearance is conducted only for the work site.

The approach to Identify and Stabilize Deteriorated Paint provides assurance that lead-based paint has been stabilized and the unit is "lead safe" because clearance is conducted for the whole unit. However, it does not prevent the reappearance of lead-based paint hazards.

Approach three is to Identify and Control Lead-Based Paint Hazards. This approach provides assurance that lead-based paint hazards have been eliminated. Clearance is conducted for the whole unit.

The final approach is to Identify and Abate Lead-Based Paint Hazards. This approach is used when Federal funds are used to make a substantial investment in the property. Long-term hazard control measures are implemented to help ensure that the unit remains lead-safe. This approach will primarily be used by the City of Rockford when substantial rehabilitation is necessary i.e. homesteads primarily.

Requirements under the new regulation differ depending on the nature of the activity, amount of Federal funding and the duration our relationship with the program participant. The level of assistance is determined by taking the lower of the per unit rehab hard costs or per unit federal

assistance. The formula for calculating per unit rehab cost in mixed projects is: (Rehab Hard Costs/Number of federally-assisted units + Rehabilitation hard costs for common areas and exterior surfaces/Total Number of Units in the Project).

2005 Strategies to Address Lead-Based Paint Hazards

The following are strategies we will use to address lead-based paint hazards in this community:

- CDBG funds will continue to be used to provide a 10 percent match to the Get The Lead Out Grant received by the Department of Human Services. It is anticipated that these matching funds will mitigate lead in twenty-five (25) units each year over the next four years due to a recent award to Human Services.
- One major problem we have with administering the lead program is a lack of contractors to do the work. In an effort to correct this issue, Community Development will be working with Human Services on its bid process. We will also jointly develop and then offer free training to enlist more participation.
- Education focuses on awareness about practices that reduce the risk of lead poisoning. We hope that through education we will not only inform people that could be harmed by lead, but also inform property owners of their responsibilities and attract a greater base of contractors to work on lead projects. The City will network with the Winnebago County Childhood Lead Poisoning Prevention Committee to identify means to inform the public.
- Education about the lead-based paint hazard is also the most cost-effective approach to the issue. Proper building maintenance and cleaning habits greatly reduce the risks of lead-based paint hazard. Compared to abatement strategies, education reaches more people and requires fewer resources in order to address the hazard. Often a behavioral change is sufficient in order to minimize any hazard of exposure to lead-based paint. Therefore, all applicants for the City of Rockford's programs will be given information on lead-based paint including the appropriate disclosures. The Rockford Area Affordable Housing Coalition has also added this discussion to their pre-purchase counseling class.
- The legal documents and program policies and procedures will continue to be refined taking into account lessons learned and training so that property owners, tenants, and homebuyers will continue to be assisted without undue burden.
- The City will provide lead technical assistance to all Continuum of Care sponsors.
- Upon consultation with Human Services, it was determined that cultural differences tend to play a part in elevated levels of lead in some populations. Persons, who have emigrated from Mexico, tend to have children at greater risk to elevated lead levels. This phenomenon is linked to two (2) possible causes: eating utensils from homemade pottery and the practice of giving small amounts of lead for medicinal purposes. Consequently, Human Services will be providing additional educational materials in Spanish as well as the Community Development Department.
- The Illinois Department of Public Health operates the certification programs for lead-based paint contractors, risk assessors and clearance inspectors. Therefore, additional contractors, assessors or compliance monitors can be readily certified once trained. Unfortunately, this along with the City's attempt to orchestrate a HUD Safe Work Practices course to be conducted locally was not successful and we currently have only two contractors locally to

do lead work. Most contractors were not willing to attend the training due to perceived or real costs associated with becoming a licensed contractor and the liability. The City of Rockford will continually inform contractors of the training opportunities and encourage contractors to participate.

- The City’s Department of Human Services currently operates the lead-based paint program through the State of Illinois—Get the Lead Out! Therefore, Human Service employees are already certified to perform risk assessments, compliance testing and have an ongoing relationship with a contractor that performs mitigation services. That staff has provided us with technical assistance. Also, three Community Development staff persons have attended HUD’s “Addressing Lead-Based Paint in Local Housing Programs” workshop conducted by ICF, have attended training conducted by the National Center for Lead-Safe Housing, and attended the Supervisor Certified Training Course. Two staff persons also have their license as a lead Supervisors.
- The effect of the lead-paint regulations on currently programs has been great. The costs associated with abatements have had a greater impact than anticipated with the end results being a change in the programs offered. Program costs were escalating due to the lead rules and our rehab programs were in jeopardy. As a result, changes were made in 2004 to move towards the presumption of lead and to limit rehab subsidies to \$25,000. This policy will continue in 2005.

The following chart is a summary of how we have incorporated the law into the City’s housing rehabilitation programs.

SUMMARY OF LEAD-BASED PAINT REQUIREMENTS BY ACTIVITY

	Rehabilitation (Subpart J)—All housing rehab programs including those completed by CHDOs			Tenant Based Rental Assistance (S + C)	Acquisition, Leasing, Services, Operating, Homebuyer and Special Needs (CAP, ESG, GAP)
	≤\$5,000	\$5,000—\$25,000	>\$25,000		
Approach to Lead Hazard Evaluation and Reduction	Do No Harm	Assess and control lead hazards	Assess and abate lead hazards	Identify and stabilize deteriorated paint	Identify and stabilize deteriorated paint
Notification	Yes	Yes	Yes	Yes	Yes
Lead Hazard Evaluation	Paint Testing	Paint Testing and Risk Assessment	Paint Testing and Risk Assessment	Visual Assessment	Visual Assessment
Lead Hazard Reduction	Repair surfaces disturbed during rehabilitation	Interim Controls	Abatement (Interim Controls on exterior surfaces not disturbed by rehabilitation)	Paint Stabilization	Paint Stabilization
	Safe work practices and clearance of work site	Safe work practices and clearance of unit	Safe work practices and clearance of unit	Safe work practices and clearance of unit	Safe work practices and clearance of unit
Ongoing Maintenance	For HOME rental only	For HOME rental only	For HOME rental only	Yes	Yes
EIBLL	No	No	No	Yes	No

Requirements	Presume lead-based paint and use safe work practices on all surfaces	Presume lead-based paint and/or hazards and use standard treatments	Presume lead-based paint and/or hazards and abate all applicable surfaces	Test deteriorated paint and use safe work practices only on lead-based paint surfaces.	Test deteriorated paint and use safe work practices only on lead-based paint surfaces.
<p>Options</p>					
<p>*Special Needs Housing may be subject to the requirements of Subpart, J, M, or K depending on the nature of the activity undertaken. However, since most special needs housing involves acquisition, leasing, support services, and operation, for the purposes of this table, it has been placed in this column. SAFE WORK PRACTICES if tested and confirmed lead, must be performed by lead licensed contractor per State rules.</p>					

Glossary of Lead Terms

Clearance Examination. Clearance is performed after hazard reduction, rehabilitation, or maintenance activities to determine if a unit is safe for occupancy. It involves a visual assessment, analysis of dust and soil samples, and preparation of report. A certified risk assessor, paint inspector, or clearance technician (independent from the one doing the work) conducts the clearance.

Lead-Based Paint. Paint that contains at least 1 milligram per centimeter square (mg/cm²) of lead.

Lead-Based Paint Hazards. Housing conditions that cause human exposure to unsafe levels of lead from paint such as deteriorated lead-based paint; friction, impact or chewable painted surfaces; lead-contaminated dust; lead-contaminated soil.

Lead Hazard Reduction Methods.

1. Paint Stabilization—An interim control method that stabilized painted surfaces and addressed the underlying cause of deterioration. Steps include repairing defective surfaces, removing loose paint and applying new paint. See below.
2. Interim controls—Set of measures to temporarily control lead-based paint hazards. Qualified workers using safe work practices must complete interim control methods.
3. Abatement—Measures to permanently control (20 years or more) lead-based paint or lead-based paint hazards. Abatement of lead-based paint or hazards must be done by a certified abatement worker, and the work must be supervised by a certified lead-based paint abatement supervisor.

Lead-Based-Paint Standards

1. Paint that contains at least:
 - 1 milligram per centimeters sq. (mg/cm²) of lead
 - 0.5 percent lead
2. Dust—Thresholds for Lead Contamination
 - Floors 40 mg/ft²
 - Interior window sills 250 mg/ft²
 - Window troughs (clearance only) 800 mg/ft²
3. Soil—Thresholds for Soil Contamination
 - 4. Play areas used by children under age 6 600 mg/gram
 - 5. Other areas 2,000 mg/gram
 - 6. Abatement required 5,000 mg/gram

Paint Stabilization. Paint stabilization is the treatment of paint surfaces that are cracking, scaling, chipping, peeling, or loose. It must include the following activities:

Repair Deteriorated Surface. Any physical defect on a painted surface must be repaired before treating the surface.

Remove Loose Paint. All loose paint or other loose material should be removed from the surface to be treated.

Apply New Paint. The application of a new protective coating or paint. The surface must be dry and protected from future moisture damage before applying new protective coating or paint.

Paint Testing. Testing of specific surfaces, by XRF or lab analysis, to determine the lead content of these surfaces, performed by a certified lead-based paint inspector or certified risk assessor.

Risk Assessment. A comprehensive evaluation for lead-based paint hazards that includes paint testing, dust and soil sampling, and a visual evaluation. The risk assessment report identifies lead hazards and appropriate lead hazard reduction methods. A certified risk assessor must conduct the assessment.

Safe Work Practices. Safe work practices must be used during paint stabilization and cleanup. Exemptions apply when treated areas are tested and found to be lead free or the area being treated is smaller than a total of 2 sq. ft. per room or 10 percent of the total surface area of interior objects, such as window sills. There are four requirements that must be met.

1. **Occupant Protection.** Work should be performed in a vacant unit if possible. If residents must remain inside the unit during work, a barrier to the room where stabilization is taking place should be erected, and residents should not be allowed to re-enter the work area until clearance has been completed.
2. **Work site Preparation.** The work site should be contained using plastic sheeting extending five feet beyond the perimeter of the treated area in all directions on the floor. Ventilation systems should be turned off until work is completed.
3. **Cleanup.** After paint stabilization is complete, the work site must be cleaned to remove all lead-based paint dust. Cleanup must be accomplished by wet washing surfaces with a lead-specific detergent. Vacuum cleaners with HEPA filters must be used during cleanup. Waste and debris must be disposed in sealed containers in accordance with Federal and state waste disposal requirements.
4. **Use of Safe Treatment Methods.** Examples include wet scraping, wet sanding, chemical stripping, replacing painted components, scraping with an infrared or coil-type heat gun under acceptable temperatures, HEPA vacuum sanding, HDPA vacuum needle gun, and abrasive sanding with HEPA vacuum.

PROGRAM-SPECIFIC REQUIREMENTS**1. CDBG and HOME Resources**

- a) Annual entitlement and program income expected to be received during the 2005 program year:

Funding Sources

Entitlement Grant (includes reallocated funds):

CDBG	\$2,546,000
ESGP	93,717
HOME	\$1,052,921
HOPWA	\$0
Total	\$3,692,638

Prior Year's Program Income NOT previously programmed or reported:

CDBG	\$35,604
ESG	\$0
HOME	\$0
HOPWA	\$0
Total	\$35,604

Reprogrammed Prior Year's Funds:

CDBG	\$765,341
ESG	\$0
HOME	\$994,999
HOPWA	\$0
Total	\$1,760,340

Total Estimated Program Income:

CDBG	\$119,577
HOME	\$21,104
Total	\$140,681

Section 108 Loan Guarantee Fund \$0

Total Funding Sources \$5,629,263

Other Funds:

Local—Tax Increment Financing (TIF)	\$79,200
Private	\$2,159,953
State	\$744,000
Total	\$2,983,153
Submitted Proposed Projects Totals	\$5,629,263

Un-Submitted Proposed Projects Totals \$0

- b) All known program income received in the preceding program year has been included in this plan.
- c) There are no surplus funds from urban renewal settlements for community development and housing activities.
- d) No grant funds were returned to the line of credit.
- 2. Float-Funded Activities.** The City will investigate projects that could potentially be float-funded. One in particular that is being considered is funding for The Mill. If this agency is provided a float loan, program income will be expected over the term of the loan—a maximum of 2.5 years.
- 3. Definition of Urgent Needs.** To comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions in which the following can be certified:
- Pose a serious and immediate threat to the health or welfare of the community.
 - Are of recent origin or recently became urgent
 - The City of Rockford is unable to finance the activity on its own, and
 - Other resources of funding are not available to carry out the activity.

An example of an urgent need would be a major catastrophe such as a flood or earthquake that threatens the community's residents with the spread of serious disease. The community's other resources may well be depleted and other Federal programs may not be sufficient to cover all of the costs.

- 4. Home Investments Partnership Program.** The home refinancing guidelines for multi-family rehabilitation are not applicable. Other sources of funding: HOME will be leveraged with private sources of funding provided by the property owner, private developer, or Community Housing Development Organization. Home will also be leveraged with grants/loans from other public sources such as the Illinois Housing Trust Fund program, Illinois Tax Credit program, and the Illinois Donation Tax Credit Program. It will also be leveraged with a grant from the Federal Home Loan Bank should an extension be granted to the grant provided in 2003. Programs such as Homesteading and West Side Alive! also require first mortgages through the program's participating lenders.

HOME Resale/Recapture Guidelines. The City of Rockford utilizes its federal HOME Investment Partnership Program to fund certain homeownership and rental programs designed by the City to help meet the needs of the community. This is a summary of the HOME regulations regarding project qualification. Rockford's guideline using HOME's recapture requirements, and examples of how the term of affordability and recapture requirements apply to each of the City's programs funded through HOME.

Affordable Housing: Homeownership (HOME 92.254):

- Must be single-family housing (1-4 units).
- Must be modest i.e. Single-family mortgage limits under 203(b).

- Must be acquired by low-income family and must be their principal residence.

Affordable Housing: Rental Housing (HOME 92.252)

- Rent limitation i.e., high HOME rents.
- In projects with five (5) or more HOME-assisted units, 20 percent of the HOME-assisted units must be occupied by very-low income tenants at low HOME rents.
- Rents cannot exceed the maximum rent plus the monthly allowances for utilities and services.
- The owner cannot refuse to lease to rental assistance subsidy holders.
- Terms of affordability apply as noted in Affordable Housing: Homeownership, #4 above.
- Maximum HOME rents are recalculated on a periodic basis.
- Tenant income must be determined initially and then each year during the period of affordability of the project.
- HOME-assisted units continue to qualify as affordable housing despite a temporary noncompliance.
- Tenants who no longer qualify as low-income must pay 30 percent of their income towards rent with exceptions to tenants of tax-credit projects.
- HOME-assisted units must be designated as fixed or floating units.

The Subsidy Package

The market in Rockford is a soft market and appreciation is uncertain, sometimes depreciation may be more likely than appreciation. Our programs emphasize neighborhood revitalization and serve neighborhoods threatened by weak and sometimes declining values. Investment in homeownership in our strategy areas is considered “high risk” and we find it important to protect homebuyers from some of the downside risk. We also want to ensure that homebuyers who sell during the affordability period receive some return on their investment and benefit from the growth of their community.

To encourage the initial homebuyer investment and ongoing investment in the property and neighborhood, the City of Rockford has determined that certain incentives are needed for participation. Therefore, we have structured our programs so that the homebuyers are able to capture a significant percentage of any equity accumulation, which we believe will in turn encourage them to maintain and invest in their properties. These incentives include the forgiveness of certain loans and the retention of a portion of the market appreciation if the home is sold during the period of affordability.

Our HOME homebuyer programs are targeted to both very low-income households and households from 60-80 percent of median. We understand that the very low-income families will require substantial up-front subsidies to become homeowners and have structured to the programs to accommodate this need in our West Side Alive! program and special projects such as Lincolnwood Subdivision.

The Recapture Option

The City of Rockford has selected to use the recapture provision to ensure that we recoup all or a portion of the HOME assistance to the homebuyers if the property is sold or transferred during the period of affordability. The seller will be allowed to sell the home to any willing buyer at any price as long as the HOME debt under the recapture formula noted below is repaid. The City of Rockford will reduce the HOME investment amount to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

Subject to recapture are the HOME funds that are a direct benefit to the homebuyer and the length of affordability, as proscribed. The minimum length of affordability follows:

Direct HOME Subsidy	Length of Affordability
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years

Examples of direct benefit include down payment assistance, closing costs, and the reduction of the sales price of a property to below the appraised market value. An example of an indirect benefit includes the development subsidy (difference between the total investment and the sales price).

If a homebuyer should transfer title during the period of affordability through sale, foreclosure, or transfer in lieu of foreclosure, the net proceeds will be divided proportionally. The net proceeds are the sales price minus loan repayment (other than HOME funds) and the closing costs incurred by the seller at the time of closing. Homeowner investments include the purchaser's contribution to the down payment.

The net proceeds will be divided proportionally as set forth in the following mathematical formula:

$$\frac{\text{HOME Subsidy}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Recapt.}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Homeowner Repay}$$

Note that we anticipate the possibility of insufficient net proceeds since we are investing our HOME dollars in modest neighborhoods with limited market growth and low-income buyers.

If a homebuyer becomes non-compliant during the term of affordability (that is, not occupying the property as their principal residence), all HOME funds will be due and payable.

Three Examples, Per Program Design

1. Assumptions for all other down payment assistance programs (ADDI, Emerson, CHDO, Lincolnwood II):

Original value at the time of purchase: \$50,000

First mortgage from private lender for purchase—30 years at 6 percent: \$46,000

HOME Assistance (down payment and closing costs): \$4,000 (\$3,000 down payment and \$1,000 closing costs)

Homeowner contribution (down payment): \$1,000

Sale within term of affordability

Sale Price: \$55,000

Sale conducted at end of year 3

Seller's closing costs: \$1,500

Sales Price	\$55,000.00
Minus seller's closing costs	\$ 1,500.00
Minus 1 st mortgage payoff	<u>\$44,147.62</u>
Total Net Proceeds	\$ 9,352.38

$$\frac{\text{Homeowner Investment } \$1,000}{\text{HOME investment } \$4,000 + \$1,000} \times \text{Net proceeds } \$9,352.38 = \$1,870.48$$

$$\frac{\text{HOME Investment } \$4,000}{\text{HOME investment } \$4,000 + \$1,000} \times \text{Net proceeds } \$9,352.38 = \$7,481.90$$

Since HOME amount to be recaptured is not to exceed the original HOME investment and the HOME funds of \$4,000 is forgiven over the term of affordability, the amount recaptured is \$1,600 [\$4,000 minus (3yrs x 1/5 of \$4,000)]. Therefore, the homeowner receives the remaining balance of \$7,752.38 (\$9,352.38 minus \$1,600) at closing.

2. Assumptions for Homestead Partnership Program

Original Value at the time of purchase: \$50,000

First mortgage from private lender for purchase and 50 percent of closing costs—20 years at 6 percent: \$25,500

Closing cost assistance from HOME: \$500—deferred loan forgiven over 5 years/subject to recapture

2nd mortgage from City HOME funds—20 years at 0 percent: \$25,000

Sale within term of affordability

Sale Price: \$55,000

Sale conducted at end of year 3

Seller's closing costs: \$1,500

Sales Price	\$55,000.00
Minus seller's closing costs	\$ 1,500.00
Minus 1 st mortgage payoff	<u>\$23,293.11</u>
Total Net Proceeds	\$30,206.89

$$\frac{\text{Homeowner Investment } \$0}{\text{HOME investment } \$25,500 + \$0} \times \text{Net Proceeds } \$30,206.89 = \$0$$

$$\frac{\text{HOME Investment } \$25,500}{\text{HOME investment } \$25,500 + \$0} \times \text{Net Proceeds } \$30,206.89 = \$30,206.89$$

Since HOME amount to be recaptured is not to exceed the original HOME investment and principal loan payments have been made to the 2nd mortgage and the 3rd forgiven mortgage of \$500 is forgiven over the term of affordability, the amount recaptured is \$22,025.00 (\$21,675 payoff of 2nd mortgage plus \$350 payoff for 3rd forgivable mortgage—1/10 of \$500 forgiven each year because there is a 10 year term of affordability). Therefore, the homeowner receives the remaining balance of \$8,181.89 (\$30,206.89 to \$22,025) at closing.

3. Assumptions for West Side Alive! Program

Original value at the time of purchase: \$50,000

First mortgage from private lender for purchase—20 years at 6 percent: \$21,000

Second mortgage from Illinois Housing Development Authority (IHDA)—30 year balloon at 0 percent: \$21,000

Down payment Assistance from IHDA subject to recapture by IHDA: \$3,000

HOME Assistance (down payment and closing costs): \$5,000 (\$4,000 down payment and \$1,000 closing costs)

Homeowner contribution (down payment): \$1,000

Sale within term of affordability:

Sale Price: \$55,000

Sale conducted at end of year 3

Seller's closing costs: \$1,500

Sales Price	\$55,000.00
Minus seller's closing costs	\$ 1,500.00
Minus 1 st mortgage payoff	\$19,182.56
Minus IHDA 2 nd mortgage payoff	\$21,000.00
Minus IHDA down payment payoff	<u>\$ 1,200.00[\$3,000 minus (3yrs X 1/5 of \$3,000)]</u>
Total Net Proceeds	\$12,117.44

$$\frac{\text{Homeowner Investment } \$1,000}{\text{HOME investment } \$5,000 + \$1,000} \times \text{Net proceeds } \$12,117.44 = \$ 2,019.57$$

$$\frac{\text{HOME Investment } \$5,000}{\text{HOME investment } \$5,000 + \$1,000} \times \text{Net proceeds } \$12,117.44 = \$10,097.87$$

Since HOME amount to be recaptured is not to exceed the original HOME investment and the HOME funds of \$5,000 is forgiven over the term of affordability, the amount recaptured is \$2,000 [\$5,000 minus (3yrs x 1/5 of \$5,000)]. Therefore, the homeowner receives the remaining balance of \$10,117.44 (\$12,117.44 minus \$2,000) at closing.

HOME Match

HOME match requirements will be satisfied through the following methods:

- CHDOs will be required to match each of their projects. Match sources are commonly:
 - Donated property
 - Volunteer labor
 - Cash contributions
- TIF assistance to owner-occupied units will be considered as HOME match projects.
- Waived taxes due to the City's tax exemption will be applied towards HOME match.

The City currently has a HOME match reserve, which would also serve as match under the 2005 HOME grant.

HOME—American Dream Downpayment Assistance Program

1. The following is a condensed program description of the ADDI program:

The ADDI Program provides a loan in the form of a mortgage, forgiven over five (5) years for six percent (6 percent) of the purchase price. No payments are required as long as the property remains owner occupied and is maintained for the term of the loan.

Applicants must be a first-time homebuyer i.e. an individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with ADDI assistance. Exceptions made for “displaced homemakers” as defined by the Department of Housing and Urban Development (HUD).

Homebuyers must attend and complete the homebuyer's training seminar offered through Rockford Area Affordable Housing Coalition prior to purchasing the property. For further information contact the office at (815) 962-2011. The Rockford Housing Authority's Buying a Home Workshop is considered an acceptable substitute. A valid Certificate (3 years within issuance) of completion must be submitted with the request for financial assistance. If the certificate has expired, a one-on-one refresher course is required.

Homebuyer's household projected income, cannot exceed eighty percent (80 percent) of median income, as defined by HUD and revised annually. The program boundary is the area bounded by Central Avenue on the west, Riverside on the north, the Rock River on the east, and Whitman/School Street on the south.

The maximum value of the property cannot exceed \$160,176 which must be supported by an appraisal completed by an Illinois State certified residential appraiser. The home must be a single-family (one unit), detached dwelling and become the principle residence of the family.

An inspection by a Community Development Construction Specialist is required prior to assistance being provided. The property MUST meet Minimum Property Standards which includes not having any interior or exterior deteriorated paint. Deteriorated paint is paint that is chipping, peeling, chalking, or cracking. If the house was built before 1978, deteriorated paint must be repaired using safe work methods by a State Licensed Lead Contractor or a Contractor who has successfully completed a HUD-approved course. A Lead-based paint clearance inspection will also be required of the work site, if containment is used, after the painted surface has been repaired. If containment is not used, the entire home will require a clearance inspection. The ADDI funds can be use to pay for one clearance.

2. The City of Rockford's plan for conducting targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other family assisted by public housing agencies, for the purpose of ensuring that grant amounts provided under this section to a participating jurisdiction are used for down payment assistance for such residents, tenants, and families is as follows:

The City of Rockford will undertake certain marketing efforts aimed at creating awareness for not only the general public but targeted outreach will be conducted to reach those persons assisted by public housing, living in trailer parks, and manufactured housing. These marketing efforts will include promotional brochures, newspaper advertising, direct mailing/flyers, public relations, radio advertising, and television advertising. In addition, specific marketing efforts will also be geared towards minority residents of this community to increase homeownership for this population. Such efforts are discussed in more detail in the next section, which speaks to affirmative marketing procedures.

3. A description of the actions to be taken to ensure the suitability of families receiving down payment assistance under ADDI to undertake and maintain homeownership is:

Individual households need to have the capacity to stay current on their loans and to undertake needed repairs and upkeep—to maintain their homes and mortgages. When families fail at homeownership, individual households may endure substantial losses, but entire neighborhoods also can be affected. Therefore, recognizing that promoting first-time home ownership needs to be balanced with strategies designed to preserve the dream of ownership for those who have attained it, we will make mandatory pre-purchase counseling

for those that are participating in the ADDI program. This counseling is offered through the Rockford Area Affordable Housing Coalition. We also accept the Rockford Housing Authority's Buying a Home Workshop as an acceptable substitute which is a component of their Self Sufficiency Program.

Pre-purchase training is an eight-hour program for prospective homebuyers. It addresses issues ranging from home financing and budgeting to home maintenance and protection. It is presented in cooperation with the University of Illinois Extension Services.

If a loan goes into default or foreclosure, the losses can be high to the mortgage partners and are devastating to the borrowers. Thus, it makes financial sense to make long-term preservation services available. This type of service offers other advantages also in that they increase the confidence of new homebuyers and help strengthen neighborhoods by bringing new people with fresh ideas and energy into the community—and make it possible for them to stay. Therefore, we will also be offering post-purchase counseling.

Initially if a homebuyer is late on payments or seems to be having problems in the area of maintenance, the Rockford Homestead Board will provide assistance. Each member of the Homestead Board brings a special expertise to the Board to handle such matters as credit counseling and home maintenance. If problems persist, they will be referred to the Rockford Area Affordable Housing coalition for their post-purchase delinquency counseling provides clients with general suggestions and ideas as to how they can prepare to work through tough times in order to meet their financial obligations or other crisis issues. This is one-on-one assistance.

4. In accordance with the regulations of the HOME Program (92.351) and the City of Rockford's commitment of equal opportunity in housing, procedures have been established to affirmatively market HOME-assisted housing containing five or more housing units. The procedures are disclosed in the City of Rockford's Fair Housing and Affirmative Marketing Implementation Procedures.

The owners of the rental properties to be rehabilitated, including their successors in interest, will be required to perform in accordance with the requirements of the Fair Housing and Affirmative Marketing Implementation procedures, as applicable. The instrument for enforcement of this requirement will be a mortgage forgiven over five or ten years and recorded on the property, which will insure the owner's covenant.

In the event the owner, or the successors of interest, fails to perform in accordance with the program obligations, repayment of the original loan will be required and shall be repaid to the City. Said repayment will be equal to the full amount of the mortgage, less one-fifth or one-tenth, whichever is applicable, for each full year, which has elapsed since documented, project completion.

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5. Consistent with Executive Orders 11625, 12432 and 12138, the City of Rockford will continue its efforts to encourage the use of minority and women's business enterprises.
 - a) Outreach Standards. The City's outreach standards at a minimum will include:
 1. The promotion and encouragement of minority and female-owned businesses and their participation in the City's procurement process as both contractors and subcontractors.
 2. Issuing a yearly statement in the Rockford Register Star (and/or a minority publication with a substantial circulation) of its public policy and commitment to minority and female business development.
 3. Networking with local, state, federal and private agencies and organizations to enhance the contractual opportunities for minority and female business development.
 - b) Guidelines. In order to ensure the inclusion to the greatest extent feasible, of minorities and women and entities owned by minorities and women, the City of Rockford's guidelines for Minority and Female Business outreach programs will include:
 1. Publishing, in conjunction with the Northern Illinois Minority Companies Association, a Minority and Female Business Directory if feasible.
 2. Supporting a minority and female business development and support group (NIMCA-Northern Illinois Minority Companies Association).
 3. Conducting specialized workshops for minority and females regarding contacting and subcontracting opportunities through City and other agencies.
 4. Promoting and marketing minority and female business through:
 - News stories
 - Television talk shows
 - Public service announcements
 - Special video tapings
 - Flyers to other interested businesses and organizations
 - Specialized advertising in magazines and newsletters
 5. Preparing an annual year-end report on the dollar amounts awarded to minority and female businesses.
 6. Continuing an established and extensive network with local, state, and federal agencies and businesses to more readily notify and assist the minority and female business community when contract or subcontract opportunities arise.
 7. The sponsoring or co-sponsoring of:
 - Minority and Female Business Support Group meetings, such as NIMCA, Chicago Regional Purchasing Council, Downstate Illinois Minority Enterprise Systems (DIMES), etc.

- Business-related education workshops
 - State, federal, and private conferences workshops and seminars
8. Maintaining centralized records on the use and participation of minority and female businesses as contractors and sub- contractors in all HUD-assisted program-contracting activities through the Neighborhood Development Division.
 9. The placement of special emphasis on loans to minority and female businesses. The City will also continue to provide seed money for specialized minority and female business- related programs and loan pools.
- c) Other Efforts. The following efforts are under review, in addition to the aforementioned formal efforts:
1. As part of bid documents, require contractors to register as a Minority Business Enterprise (MBE) or Women Business Enterprise (WBE), as a means of certification. Certifications from the Illinois Department of Transportation, Illinois Central Management Services and the City of Chicago can be used to satisfy this requirement.
 2. Require contractors/firms to provide a listing of subcontractors.
 3. Track MBE/WBE participation of all contracts awarded through bid process by implementing items 1 and 2.
 4. Revamp measures to encourage minority and women-owned business participation.
 5. Based upon the implementation of items 1 through 3, set goals for minority participation.

Process and Criteria for Awarding ESG Grant Funds

The City of Rockford has developed a homeless task force comprised of persons whose interest and agenda is to attend to the funding, development, and implementation of the homeless services and facilities within the community. This task force includes service agents from all facets of the homeless population.

The Mayor's Community Task Force on the Homeless was organized and established in 1987 to:

- a) Match the needs of the homeless population with available services and facilities within the community.
- b) Recognize the special needs of the homeless population.
- c) To facilitate the creation or expansion of new services and facilities, the Task Force has formed subcommittees whose members focus on and have expertise directly related to the following issues:
 - youth homelessness
 - adult homelessness
 - mentally ill homelessness
 - affordable housing

- executive subcommittees
- homeless management information system planning and implementation
- chronically homeless

The City of Rockford will award its 2005 ESGP allocation to nonprofit organizations located in Rockford to be used for emergency shelter grant eligible activities. The following is a step by step procedure the City will follow in making its final determination on grant awards.

- a) All nonprofits presumed eligible and providing emergency shelter to the homeless in Rockford will be granted the opportunity to apply under the FY 2005 Emergency Shelter Grants Program and given a deadline for a grant request. The application will require each nonprofit address the following in their grant application:
 1. Problem/needs statement
 2. Problem impact
 3. Solution statement
 4. Description of the involvement of the homeless in the proposed project.
 5. Disclosure of matching funds
 6. Itemized request for funds
 7. Description of the agency's administration, operations, and a prior year's assessment of persons served.
- b) The City of Rockford's Neighborhood Development Division will be responsible for reviewing each application for eligibility, accuracy and completeness. The applications will then be submitted to the Executive Committee of the homeless task force.
- c) The Executive Committee of the homeless task force will review each request considering the funding priorities and cost reasonableness of each request.
- d) The Committee will recommend the project(s) to be funded and funding levels to the full Task Force for review, consideration and final approval.

The City will enter into an agreement with each nonprofit undertaking activities under the FY 2005 Emergency Shelter Grants program. Each grant agreement will specify the terms and conditions of its grant including scope of work, special grant budget requirements, and program assurances and certifications as required by the federal regulations and the City of Rockford. Each recipient will be required to report on their activities quarterly for one year or until all ESG funds are spent, whichever occurs last.

Sources and Amount of Matching Funds for ESG Grants

The City of Rockford will award its Emergency Shelter Grant (ESG) program funds to eligible nonprofit agencies located in Rockford, which serve the homeless. It will be each agency's responsibility to demonstrate the ability to provide matching funds at the time of their application to the City. Matching funds may include the value of a donated building or materials, the value of any lease on a building, salaries paid to the staff of the nonprofit recipient in carrying out the

emergency shelter program, and the time and services contributed by volunteers. The match may also be a monetary match provided through sources such as grants awarded through United Way, FEMA, the Illinois Department of Public Aid, the Department of Children and Family Services, and the Emergency Community Services Homeless Program. The City of Rockford will monitor all grants and ensure compliance of grant agreements, including matching funds.