



Fourth Program Year CAPER

The CPMP Fourth Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

The grantee must submit an updated Financial Summary Report (PR26).

GENERAL

Executive Summary

This module is optional but encouraged. If you choose to complete it, provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout the first year.

Program Year 4 CAPER Executive Summary response:

This Consolidated Annual Performance and Evaluation Report (CAPER) illustrates the activities undertaken during the program year beginning January 1, 2013 and ending December 31, 2013 associated with the prescribed activities in the approved annual plan update of the City of Rockford's Five Year Consolidated Plan. The plan directs the utilization of Federal funds granted to the City of Rockford by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG), Home Investments Partnership (HOME), and Hearth Emergency Solutions Grant (HESG) programs. Activities and accomplishments described in this report focused primarily on the delivery of services to low and moderate-income residents of the City of Rockford. This took place in neighborhoods with high concentrations of low income, and the city as a whole where slum or blighted conditions have had a negative impact on the overall health of the city.

A draft of this report has been made available for public review and comment for a 15-day period beginning March 6, 2014 and ending March 24, 2014. The availability of the report has been publicly advertised consistent with the provisions of Federal Consolidated Plan regulations. The complete document is available for review on the City of Rockford's web site at <http://www.rockfordil.gov> and in print form at the Community and Economic Development Department and the Rockford Public Library main branch.

The table below outlines the Consolidated Plan funding received by the City of Rockford for the program year that begins January 1, 2013 and goes through December 31, 2013. This table only includes new funds received during the program year along with program income for each subsequent program.

	CDBG	HOME	HESG	TOTAL
Entitlement Grants	\$2,054,135.00	\$ 819,929.00	\$ 139,919.00	\$ 3,013,983.00
Program Income	\$ 51,726.92*	\$ 13,585.71	\$ 0.00	\$ 65,312.63
Total Funds Received	\$2,105,861.92	\$ 833,514.71	\$ 139,919.00	\$3,079,295.63

*As corrected according to receipts for program income.

The activities and accomplishments outlined in this document are based on the drawn amount of Federal funding between January 1, 2013 and December 31, 2013, as outlined below. Funds expended during the program year include reprogrammed prior year funds, program income, and funds awarded to activities in prior program years that were not spent until the 2013 program year. As a result, funds expended do not equal funds received.

Program Funds – Drawn Amount Total 2013

	CDBG	HOME	HESG	TOTAL
Total Funds Drawn 2013	\$ 2,058,780.49	\$ 787,163.50	\$ 49,408.64	\$ 2,906,352.63

Program Funds – Drawn Amount in 2013 on 2013 Projects

	CDBG	HOME	HESG	TOTAL
Total Funds Drawn in 2013 on 2013 Projects	\$ 1,972,112.05	\$ 90,357.50	\$ 0.00	\$ 2,062,256.55

Program administration expenses and public service activities were within the regulatory caps of 20% and 15% respectively. Rockford’s Administration expenditures totaled 15.9% and public service expenditures totaled 3.1%. The City is also in compliance with the regulatory requirement that at least 70% of CDBG expenditures benefit low and moderate income residents. The regulation states that, in the aggregate, at least 70% of CDBG funds expended during a one, two, or three-program year period specified by grantee will be for activities meeting the L/M Income Benefit national objective. The City of Rockford utilizes a three year period and selected years 2011, 2012 and 2013 as their aggregate years. In 2013, the City of Rockford’s benefit to low and moderate income was 91.6% and this makes the aggregate percentage for the program years of 2011, 2012 and 2013 88.9%.

The required HOME set-aside for Community Housing Development Organizations (CHDOs) is 15% of the entitlement grant. Although no CHDO set-aside funds were obligated in 2013, due to Rockford’s cumulative obligation of CHDO set-aside funds the City remains compliant with the HOME requirement.

The City of Rockford was well within its HESG Grantee Administrative cap. The legislation and regulations provide that up to 7.5% of a grantee’s funds may be spent for administering the grant. The only other limit related to this program is that street outreach activities cannot exceed 60% of the total grant funds.

The City of Rockford’s 2010 – 2014 Consolidated Plan continued to address the three priority needs that were established in the previous five year Consolidated Plan. They included decent affordable housing, economic development and neighborhood stabilization. Specific program accomplishments are detailed in the various sections of this report.

The following tables list the activities and programs that were supported using Consolidated Plan program funds during the 2013 program year. Program Administration and Planning activities have been excluded from this list.

Organization-Activity	2013 Dollars Drawn
Acquisition and Disposition	\$ 0.00
Economic Development	\$ 60,430.95
Housing Activities	\$ 11,750.00
Demolition	\$ 170,754.90
Public Service Activities:	\$ 50,000.00
HESG Activities:	\$ 0.00
CHDO HOME Activities:	\$ 276,649.86
Homebuyer Assistance	\$ 0.00*
Code Enforcement	\$ 505,754.00

*Included in CHDO HOME activities

The activities listed above resulted in the following accomplishments during the 2013 program year. In addition to the specific outputs outlined below with data taken for the PR02, the collective impact of these activities resulted in substantial improvements to the lives and neighborhoods of Rockford's low and moderate-income residents.

Accomplishment Unit of Measure	2013 Completed Activities Funded in 2013
CDBG Program	
People Served by Public Service Activities	163
People Served by Fair Housing Activities	210
Households Receiving Homebuyer Training	0
Derelict Housing Units Acquired, Disposition, and/or Demolished	22
Acquisition	0
Housing Units Rehabilitated Single Family	5
Violations addressed for Code Compliance	5491
Housing Units Abated for Lead Hazards	0* - 48 completed by Health Department
Economic Development	
Financial Assistance to For Profits	1
Micro-Enterprise Assistance	3
HOME Program	
Existing Homeowners	10
First Time Homebuyers Assisted	2
HESG Program	
Homeless Persons Receiving Assistance	373

*All rehabilitated units are considered complete only after any necessary lead remediation is performed to make the unit lead compliant.

General Questions

1. Assessment of the one-year goals and objectives:
 - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.

Program Year 4 CAPER General Questions response:

Decent Housing

During 2013, a total of three (3) new housing units were expected to be made assessable to very low-income persons as a result of either rehabilitation or new construction. Unfortunately, no new housing units were made assessable as a result of these efforts. In addition, twenty-three (23) households were expected to be provided assistance with down payments in 2013. Only two (2) households were provided such assistance. Also, a total of fifteen (15) housing units were projected to be made lead safe via lead remediation activities as the result of state funding. In actuality, zero (0) housing units were made lead safe as a part of the state program by the City of Rockford. Housing units were assisted through the Winnebago County Housing Authority through a separate Federal grant. Finally, the goal in 2013 was to assist ten (10) physically challenged households by constructing ramps on their dwelling units. Consequently, only five (5) ramps were constructed assisting only five (5) households.

Suitable Living Environment

In the program year, twenty (20) dilapidated structures were slated for demolition. The goal was exceeded as twenty-two (22) such structures were actually demolished. Additionally, the goal for acquiring properties was five (0); no properties were actually acquired. Lastly, three (3) agencies were projected to receive public service assistance during the year. Consequently, one (1) such agency actually received public services assistance during the program year.

Furthermore, a total of thirty (30) low-income households were projected to be assisted through focus area rehabilitation programs. Consequently, exactly twenty-one (21) low-income households were actually assisted via these programs. Also, an estimated 9,600 quality of life and property standard violations were projected to be addressed in 2013. A total 5,491 such violations were actually addressed.

Create Economic Opportunity

There were two Self Employment Training (SET) programs available this year. One session focused specifically on manufacturing and the other SET session covered a wide range of business types such as commercial retail and storefront.

The Self-Employment Training (SET) Program goals were not met this year. The goal of assisting 21 to 42 participants was missed slightly. There was assistance given to Twenty (20) persons that were interested in starting a new business or retaining a current business. The Manufacturing Training Program goal of assisting

10 to 12 persons was exceeded. This program trained 15 persons during its Fall and Spring sessions.

The Rehabilitation and Development Assistance Program assisted a total of four (4) businesses in 2013. Three (3) businesses were eligible as LMI Micro enterprise businesses and one (1) was located in a low-moderate income area (LMA).

There were more applications for assistance for the Rehab and Development Assistance Program than the Façade program this year and therefore a portion of the Façade Program funds were used to assist applicants for the Rehabilitation and Development Assistance program. The Façade program will continue in 2014 to assist businesses with their building renovations and enhance the outer appearance of their building in identified Corridors (Downtown, South Main and North Main).

- b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

Program Year 4 CAPER General Questions response:

Single family rehabilitation for both existing and new homeowners was funded at a level of \$355,836.20 in 2013. A total of \$276,649.86 was expended for this activity during the year.

Acquisition, relocation and disposition activities were not funded in 2013.

Homebuyer assistance programming was not funded either in 2013.

Housing rehabilitation efforts to reduce or eliminate mobility obstacles at dwelling units of mobility challenged residents was set to be addressed by funding a ramp building program at the level of \$15,000. A total of \$11,750 was expended for these efforts during 2013.

Demolition efforts were funded at the level of \$170,754.90 in 2013. A total of \$166,511.25 was expended in 2013 for this activity.

Public service activities were funded to the extent of \$50,000 during 2013. There was a total of \$50,000.00 expended for such activities throughout 2013.

Code enforcement efforts to address zoning and property standard violations were funded at the level of \$505,754 in 2013 with the entire amount of \$505,754 being expended for these efforts throughout the year.

Homeless assistance programming was funded at the level of \$139,919.00 in 2013 by none of these funds had been expended as of 12/31/13.

In 2013, Microenterprise Assistance was budgeted to allow for expenditure of \$30,000 new CDBG funds for the Self-Employment Training (SET) Program and \$25,000 new CDBG funds for the Manufacturing (SET) program of which \$51,050.80 was expended. The start date of the first semester of SET program classes were delayed until federal funding was received in April and 2013 grant agreements were executed.

The Rehabilitation and Development Assistance program was budgeted to allow for a total expenditure of \$68,047 of new CDBG funds. The Façade Improvement Program was budgeted in the amount of \$49,720 of new CDBG funds. These programs started late in the year, due to federal funds not being accessible until the 2nd Quarter of 2013. There were more applications from the small business community for the Rehab & Development Assistance Program funds than for the Façade program. All of the Rehab and Development assistance funds were expended for the year and an additional \$13,543 of the \$49,720 programmed Façade funds was reprogrammed to the Rehabilitation and Development Assistance program. No activities or dollars were expended in 2013 for the Façade Program. A waiting list of businesses to be assisted under the Rehabilitation and Development Assistance program has been started.

The Section 108 loan payment funds budgeted for \$85,852 were expended in 2013. In addition, the funds budgeted for Economic Development Services for expenses of \$104,075 for operational costs and staff positions were expended.

- c. If applicable, explain why progress was not made towards meeting the goals and objectives.

Program Year 4 CAPER General Questions response:

As was noted in part a of this question, the City of Rockford was able to make acceptable progress towards meeting most of the goals and objectives outlined in the 2010-2014 for activities that were funded and done so at an adequate level.

As a result of funding cuts in entitlement grant programs, some activities that were previously identified were funded at a reduced level and in some instances not all. The activities considered reduced funding levels were determined from a strategic standpoint taking into account a number of different factors including citizen input.

2. Describe the manner in which the recipient would change its program as a result of its experiences.

Program Year 4 CAPER General Questions response:

In 2012 and 2013 the Focus Area Rehabilitation program was leveraged with a Federal Home Loan Bank of Chicago grant. This grant was very different in its functionality. The Focus Area Rehabilitation program could have been more easily administered using only HOME funds but due to entitlement shortfalls, it was not. With diminishing funds, concentrating efforts to a much smaller area with a broader scope of use may be a more effective use of limited staff and monetary resources.

Due to program carryover at years end and enrollment numbers, the amount of funding for the Self Employment Training Programs will be reduced in the 2014 budget to \$20,000 for both the original and manufacturing based programs until enrollment numbers increase. Also, because a need has been identified in other areas, the Façade Program will be focused in major corridor areas (Downtown, South Main, & North Main) where public infrastructure rehabilitation is currently taking place. Federal CDBG funding will then be leverage with other dollars to complete much needed exterior repair to dilapidated building storefronts in those areas.

3. Affirmatively Furthering Fair Housing:
 - a. Provide a summary of impediments to fair housing choice.

Program Year 4 CAPER General Questions response:

The most recent analysis of Impediments to Fair Housing Choice conducted for the City of Rockford by an outside consultant in late 2009 as a part of the development of the 2010 – 2014 Consolidated Plan. As is the practice every spring, the City of Rockford Fair Housing Board conducts a review of the most recent Analysis to determine if previously identified impediments still exist and also to assess progress that has been made in trying to alleviate such impediments. As it turned out, the same five issues identified in the original analysis continue to be considered as barriers to affirmatively furthering fair housing. As a result, they are still viewed as impediments to fair housing choice. In reiteration, these issues are listed as follows:

1. Disproportional shares, defined as extremely high concentrations of selected racial and ethnic minorities, exist in Rockford. Areas of lower quality and older homes tend to be in these same areas. This has resulted in segregation. The same issues apply to high concentration of assisted housing units, public housing and section 8 voucher use in certain areas of the city that have this segregation.
 2. Potential history of steering is a concern.
 3. Very few housing complaints tend to lead to several concerns:
 - Insufficient fair housing system capacity for enforcement,
 - Lack of effective referral system,
 - Lack of understanding of fair housing system,
 - Lack of concern by residents on the east side of Rockford,
 - Questionable effectiveness of the Rockford Fair Housing Board fair housing complaint process
 4. HMDA data indicate that minorities are denied home loans much more often than Caucasians, even after correcting for income.
 5. Concentration of high annual percentage rate loans tends to occur more frequently in areas with high concentrations of racial and ethnic minorities. Hence, the geographic distribution of sales is a concern and it seems that subprime and potentially predatory lending has been occurring in marketplace.
- b. Identify actions taken to overcome effects of impediments identified.

Program Year 4 CAPER General Questions response:

As a non-home rule city, Rockford does not possess the power to levy fines to aid in enforcement of the city ordinance. Additionally, this lack of power means that the city ordinance is not substantially equivalent to federal law or state law, thus negating the possibility of securing federal or state fair housing funding.

Consequently, any efforts to overcome the identified impediments have had to revolve strictly around educational campaigns and efforts. With that being said, the City of Rockford Fair Housing Board has continued to work hard to implement a marketing campaign during the program with the sole purpose of increasing awareness of fair housing laws ranging from the local ordinance to state and federal law. These efforts coupled with a federal fair housing grant awarded to Prairie State

Legal Services, a not-for-profit legal rights advocacy agency to test, investigate and enforce fair housing laws have enabled limited aspects of impediment #3 to be addressed during the program year with additional progress anticipated in program year 2014 and beyond.

The implementation of the federal fair housing grant occurred throughout the 2013 program and has been carried over in the 2014 program year. Consequently, if positive results are achieved and this grant is renewed for additional years, the potential to address several of the other impediments will increase dramatically.

Also, the city continues to work with both local housing authorities to develop incentives for landlords to offer assisted living options throughout the city in order to reduce the concentrations that exist.

Lastly, the Rockford Metropolitan Area Planning (RMAP) group contracted with a consultant to develop a regional Analysis of Impediments, as part of their Sustainable Communities grant. The regional analysis did encompass the city of Rockford along with several other northern Illinois counties. Results that are specific to Rockford were evaluated and no additional actions were deemed appropriate and in need of being taken.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

Program Year 4 CAPER General Questions response:

The needs of the underserved continue to outweigh the level of local, state and federal resources available to meet them. Consequently, this continues to be the biggest obstacle to addressing their needs. Further, the City of Rockford has determined that being able to address these needs must employ a strategy that identifies new resources and looks a ways to more effectively utilize current resources ultimately doing more with less.

To that end, the City has ramped up its efforts to find and secure new funding investigating both current and new sources. The city has also looked to fortify existing partnerships and foster new ones.

Lastly, the following is a listing of programming efforts to serve the underserved through the City's Community Action Program that have been improved upon during the last program year:

1. LIHEAP (Low Income Energy Assistance Program) helps eligible families with a subsidy that is paid directly to the electric and gas companies. Related is the PIPP (Percentage of Income) Program where clients may be eligible to pay a percentage of their income toward utility bills that is based on the amount of their income. On time payments results in reductions of their past due balances.
2. Weatherization Program targets low income residents with high energy bills for weatherization upgrades to make the home more energy efficient. The Emergency Furnace Program may be used for families that own their own homes to repair or replace non-operational heating systems.

3. A Homeless Prevention program is also available for those that have experienced a crisis which has led to them getting behind in their rent or mortgage. This is for those that can normally pay their rent but need a one-time assistance.
4. Emergency Assistance can provide a variety of assistance to clients who have experienced a crisis beyond their control. It can assist with temporary shelter, car repairs for those who need transportation for work, or other needs.
5. SWEEP (Sharing Work for Excellence Everywhere Program) trains income qualified youth to provide exterior clean-up, mowing, and repairs to homes of eligible seniors or disable residents.
6. Small Business Loans can be provided at low interest rates for owners who agree to create at-least one job for every \$20,000 they are loaned.
7. Community Action Gardens support local Community Garden projects ensuring residents have access to fresh, nutritious food that supports good health and builds strong neighborhoods.
8. Summer Food Program provides no-cost nutritional meals at participating community sits for low-income youth aged 2-18.
9. MYAC (Mayor's Youth Advisory Committee) is comprised of high school aged youth committed to civic engagement who plan activities that address emerging issues facing area youth.
10. Rockford Alcohol Free Teens & Too Good for Drugs are prevention efforts that address the abuse of alcohol, tobacco, and illegal drugs affecting young people in the community; also includes violence prevention and anti-bullying efforts.
11. Senior Citizen Programming—"Senior Coffee Chats" and Energy Conservation Programs were done with local seniors to get them more involved and to assist them to be able to "age in place".

5. Leveraging Resources

- a. Identify progress in obtaining "other" public and private resources to address needs.

Program Year 4 CAPER General Questions response:

The City of Rockford has been successful in obtaining other public and private resources.

1. Rockford applied for and will be receiving in 2014 an IHDA Trust Fund grant under the Homebuyer Rehabilitation program in the amount of \$540,000 to assist 20 individuals/families buy vacant property in Rockford and rehabilitate the property. This will be leveraged with HOME and CDBG funds. Its partnering agency is NWHomestart. This agency will be responsible for intake and homebuyer counseling.
2. Rockford along, with 15 other agencies, applied for the Attorney General Lisa Madigan National Foreclosure Settlement Awards and will be receiving \$2.5m in 2014. A portion of these funds may be leveraged with HOME and CDBG funds.
3. Rockford applied for the Abandoned Residential Property Municipality Relief Program through IHDA in the amount of \$250,000. No awards have been made. An award will help stretch the limited dollars in the CDBG program for the demolition of substandard property.
4. The City of Rockford has agreed to provide \$500,000 from its sanitation fund for the demolition of substandard property. Also, cost savings measures are

- planned. The City expects to save on demolition costs as a result of the new Sanitation contract with regards to landfills costs for demolition debris and in host fees. Bidding the demolitions in batches, clustering the demolitions by location, and sending the demolitions out for bid in the winter will also result in additional savings.
5. A Landlord Registry was officially rolled out in 2013. This was established by ordinance and crafted to reduce chronic nuisance activity at residential rental properties through better communication between the City and landlords. Landlords that register receive automatic emails from the City whenever there is a Police or Fire incident at the rental property or alerts when there are code violations sited.
 6. The City recently applied for a Byrne Criminal Justice Initiative Grant for a portion of the West State Revitalization Area that overlaps the Ellis Height footprint. This grant would provide funding for a comprehensive, proactive, and coordinated crime-fighting strategy that includes prevention, suppression, intervention and enforcement to support neighborhood revitalization effort.
 7. The City provides Historic Preservation services which include support for the City's Historic Preservation Commission and the "Certificate of Appropriateness" process that local landmark and district building must go through. Historic preservation has proven to be a resource not only in retaining the physical evidence of Rockford's history and individual character, but also in maintaining the viability of older neighborhoods.
 8. In 2014, the City of Rockford will be seeking Section 108 funds to possibly form a loan pool for economic development purposes and receive HUD technical assistance. A Section 108 loan may also be used for projects at Springfield Corners on the far West side of Rockford.
 9. The Economic Development Division's Rehabilitation & Development Program and the Façade Program are designed so that all HUD funding is leveraged with 50% or more developer or applicant private funding and/or other public funding.
 10. Whenever applicable other public funding from Tax Increment Financing, Enterprise Zone, River Edge Zone, and EDA funding sources are used to leverage funding for development.
 11. Partnership For Success (PFS) Grant for \$105,000 was obtained and works to assist under-age drinking.
 12. Summer Food Program is a 3 month program funded at \$371,641 by the USDA to provide free meals and snacks to kids under 18 during the summer months.
 13. FEMA-EFSP grant provided \$6,640 that was used for temporary housing/hotels for families experiencing a crisis such as a fire, flood, or condemnation.
 14. Homeless Prevention (IDHS) funds of \$156,444 were given to the Community Action Agency to prevent those experiencing a crisis with rental assistance funds to prevent them from becoming homeless.
 15. The local Continuum of Care received around \$1.6 million in homeless funding for several local programs that serve various homeless populations.
 16. The Community Action Agency also received \$925,666 during 2013 for CSBG services.
- b. How Federal resources from HUD leveraged other public and private resources.

Program Year 4 CAPER General Questions response:

See response to a. above.

- c. How matching requirements were satisfied.

Program Year 4 CAPER General Questions response:

The City of Rockford met its HOME match requirements in 2013 with match dollars banked. CDBG has no match requirements specifically for housing; ramps are provided for the physically disabled in the form of a grant with no match requirements.

Matching leveraged resources for Economic Development activities; will range from private lender financing, personal savings, investor funds, Tax Increment Financing (TIF), River Edge Zone incentives, Enterprise Zone incentives, New Market Tax Credits, IL Edge Program, and IL State Community Services Block Grant funds.

Homeless Program matching requirements are discussed later in the homeless program sections of this document.

Managing the Process

- 1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

Program Year 4 CAPER Managing the Process response:

The City of Rockford has remained consistent in its approach to managing the process. Consequently, the City continues to utilize an on-going plan development and evaluation process to ensure that program and planning requirements are met and done so in a satisfactory timeframe and manner. This process is led by the City of Rockford Community and Economic Development Department which coordinates the actions of all of the City Departments involved in Community Planning and Development formula program implementation and the partner (public and private) agencies that supplement these efforts. Although the Human Services Department now administers all homeless grants, the Community and Economic Development Department monitors their activity. The coordination includes establishing timelines with task assignments for all of the required aspects of both the Consolidated Plan/Annual Plan and the Consolidated Annual Performance and Evaluation Report. The following schedules illustrate the processes for both the annual plan preparation and submission and the CAPER development and submission for the year:

Annual Action Plan Development and Citizen Participation Schedule

Date	Activity
June 12, 2012	Hold initial meeting Administration to discuss ideas
June 12 – 28	Evaluate current programs
June 29	Hold ND/ED budget planning session

July 2 – August 3	Develop Draft of Action Plan Budget
August 7 or 8	Meet with Administration to present draft plan budget
August 13 & 14	Hold first public input sessions
August 15 – September 13	Complete narrative portions of plan to correspond to proposed budget
September 10 - 13	Meet with Aldermen and share proposed plan
September 12 & 13	Hold second public input sessions and present draft plan
September 17	Read Plan into City Council with pending date for committee review of 10/24 and publish availability of plan for 30 day comment period
September 18	30 day comment period begins
September 18 - October 19	Additional discussions with Aldermen if needed
October 18	30 day comment period ends
October 22	Plan is discussed at Planning & Development committee
October 29	Committee discussion continued if needed
November 5	Receive City Council approval
November 13	Submit to HUD
December 15	Publish request for release of funds

CAPER Preparation Schedule

April 1- 15	Complete quarterly IDIS updates
July 1 – 15	Complete quarterly IDIS updates
October 1 – 15	Complete quarterly IDIS updates
November 15	Print IDIS reports and route for staff review

November 19 – 30	Conduct review and ensure all #s served are entered. Complete accomplishment screens for completed projects marked complete with slow projects identified and addressed. Insert next program year for continuing projects. Enter information on beneficiaries
December 3	Provide letters to HOME program recipients indicating date for final year end billing
December 13	Provide letters to CDBG program recipients indicating date for final year end billing
December 27	Process all HOME pending draws
December 30	Run IDIS reports PR12 and PR25
January 2 – 16	Finalize data for year end up dating
January 16	Run IDIS reports and assign narrative sections to be completed
January 31	Begin narrative preparation
February 6	Begin weekly status meetings
February 6 – 13	Perform IDIS clean up as needed
February 13	Hold status meeting, run IDIS reports as needed
February 20	Hold status meeting, run IDIS reports as needed
February 27	Hold status meeting, run IDIS reports as needed
March 6	Hold status meeting
March 6	Complete narrative preparation
March 6	Assemble draft report
March 6	Publish notice of 15 day comment period
March 7	15 day comment period begins
March 24	15 day comment period ends

March 25 – 26	Make final adjustment and address citizen comments
March 26	Submit CAPER to HUD

Citizen Participation

1. Provide a summary of citizen comments.

Program Year 4 CAPER Citizen Participation response:

The City of Rockford did not receive any formal written citizen comments during the public comment period which began on March 7, 2014 and ended on March 24, 2014.

2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 4 CAPER Citizen Participation response:

The following represents the total amount of grant funds available for each formula program including any estimated program income, the total amount of funds committed during the report period and the total amount expended during the report period. Please also see the maps tab in the appendix as it illustrates the geographic distribution of these funds.

Program Funds Received

	CDBG	HOME	HESG	TOTAL
Entitlement Grants	\$2,054,135.00	\$819,929.00	\$139,919.00	\$3,013,983.00
Program Income	\$ 51,726.92	\$ 13,585.71	\$ 0.00	\$ 65,312.63
Total Funds Received	\$2,105,861.92	\$833,514.71	\$139,919.00	\$3,079,295.63

Program Funds Committed in 2013 (PR-01)

	CDBG	HOME	HESG	TOTAL
Entitlement Grants	\$1,955,348.63	\$204,982.25	\$129,425.07	\$2,289,755.95
Program Income	\$ 51,726.92	\$12,010.50	\$0.00	\$63,737.42
Total Funds	\$2,007,075.55	\$216,992.75	\$129,425.07	\$2,353,493.37

Program Funds – Drawn Amount in 2013 on 2013 Projects

	CDBG	HOME	HESG	TOTAL
Total Funds Drawn in 2013 on 2013 Projects	\$1,972,112.05	\$90,357.50	\$0.00	\$2,062,256.55

Entitlement funds were distributed among Rockford’s Census block groups with high concentrations of lower income households and high concentrations of minorities. Also funded were the priority needs identified in the 2010-2014 Consolidated Plan.

Institutional Structure

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

Program Year 4 CAPER Institutional Structure response:

As the institutional structure relates to housing, the City of Rockford continues to have a good rapport with lenders and the Rockford Area Board of Realtors. This last year, the City worked in tandem with 4 lenders and the Federal Home Loan Bank in its provision of the Focus Area Rehabilitation program.

Staff serves on boards and committees of several non-profits. Staff provides guidance and information related to programs, best practices, and funding availability. We also obtain and disseminate information that might be beneficially to other staff members and the community at large.

The City partnered with NW HomeStart achieving two grants in 2013. We will work closely and jointly administer a housing acquisition rehabilitation program as well as a roof replacement/repair program utilizing the two funding sources.

The City also works closely with a relatively new group - the Economic Development, Education and Entrepreneurship Network (EDEEN) and monitors their budget, work plan, and accomplishments. The governance designates a leadership group including the Director of Community and Economic Development, Chairman of Planning and Development Committee, CEO of the Rockford Area Convention and Visitors Bureau, President of the RAECD and CEO of the Rockford Housing Authority.

The City has been working with former CHDOs no longer eligible due to the changes in the HOME regulations to create a “master” CHDO. A Memorandum of Understanding has been executed but by-laws and Articles of Incorporation have not been drafted. This project has been stalled due to the inability to “share” staff between the non-profit and the public housing authority. It is the goal to have this “master” CHDO or at least one other CHDO up and running by the end of this next fiscal year. Staff is working closely with HUD technical assistance to help ensure success.

As the institutional structure relates to economic development; City of Rockford continues to foster relationships with the Rockford Area Economic Development Council (RAEDC), Chamber of Commerce, Rockford Region Economic Development

District, Rock Valley College SBDC, and various neighborhood business organizations. City staff serves on boards and committees of several non-profits. Staff provides guidance and information related to programs, best practices, and funding availability. We also obtain and disseminate information that might be beneficially to other staff members and the community at large.

There are also City of Rockford internal departments coordinating to provide additional assistance when needing to relocate businesses due to federal, state or local road projects.

In addition, a City of Rockford Comprehensive planning coordination was started in 2013 for long-term planning that will describe our community's goals and future shape. It will be used when reviewing development proposals, designing infrastructure expansions and planning new facilities. The Consolidated Plan for 2015-2019 will be consistent with the Comprehensive Plan.

Monitoring

1. Describe how and the frequency with which you monitored your activities.

Program Year 4 CAPER Monitoring response:

The specific tasks that comprise the monitoring efforts for the three formula funded programs covered under the Consolidated Plan are carried out in part and/or as a whole by a number of individuals who share in the overall program implementation. These individuals are various members of the Community and Economic Development Department staff from the areas of neighborhood development and economic development within the specific disciplines of finance, construction, along with compliance. The compliance staff assumes the lead role in this process as well as the overall responsibility for ensuring the regulatory compliance for each of the formula funded programs. Additionally, the monitoring of these programs involves a coordinated effort with three other city departments: Legal, Human Services and Finance.

The level of monitoring along with the frequency of monitoring is almost always determined by the program or development agreements which are executed by the City and the recipient of the funds regardless of whether these funds are provided in the form of a grant or a loan or in some limited instances, a combination of both. This includes all sub-recipients and always occurs prior to any money being disbursed. Funding is disbursed in a variety of increments which is also determined by the program or development agreement. When each request for disbursement is received, a "mini" monitoring or desk monitoring is performed in order to approve and authorize the disbursement or to disapprove and reject all or part of the request.

The desk monitoring also serves as the basis for analyzing progress being made in the project in relationship to its stated performance goals. The level of detail, consistency and accuracy of the requests for pay are all taken into account when determining if and when additional monitoring should be performed. Such additional monitoring often involves site visits with program observation and more detailed file review while on site.

2. Describe the results of your monitoring including any improvements.

Program Year 4 CAPER Monitoring response:

The City of Rockford continues to document above average results from the bulk of its monitoring efforts. Enhancements of policies and procedures remains a constant point of emphasis and coincides with the views of the Legal Department which focus on the incorporation of stronger language in all legal documents as a means of strengthening the city's legal position. Additionally, communications with technical assistance providers has provided a strong benefit to the overall effectiveness program implementation and the subsequent monitoring that follows.

It must be noted however, that questions remain regarding the expenditure rates for homeless dollars as a whole. Such questions exist as a result of inconsistent drawdown rates. More coordinated communication including weekly status reports has been implemented in hopes of alleviating this concern. These efforts were initiated prior to 2013 and will continue in 2014 and beyond.

3. Self Evaluation

- a. Describe the effect programs have in solving neighborhood and community problems.

Program Year 4 CAPER Monitoring response:

The substantial cuts in CDBG and HOME could not come at a worse time and make solving neighborhood and community problems difficult.

Rockford's foreclosure crisis, combined with other factors, has created a concentration of severely deteriorated, vacant and abandoned residential structures for which there is no cost effective solution other than demolition and whose presence exacerbates the blight that already existing in Rockford's most distressed and fragile neighborhoods. These structures exist in such large numbers that they have overwhelmed the City's ability to fund their removal using only local resources, despite the existence of our active demolition program. The demolition program funded through CDBG has had the greatest impact in neighborhoods but runs short on meeting the need to remove dilapidated housing from our neighborhoods and commercial districts.

The entitlement Federal programs provided access to the homes of 5 families and HOME improved the living conditions of families saving housing costs associated with utilities and insurance and provided decent and safe housing for the owners and their families.

Economic Development assisted the Rockford community with the availability of goods and services in low-income neighborhoods and/or the businesses that serve them, job creation that will assist in providing a livable wage for families, and the availability of job training and entrepreneurship training opportunities. Rehabilitation Assistance provided interior rehab and equipment assistance that is needed by current business owners and startups that cannot obtain a traditional bank loan, or has a shortage of funds to complete their proposed project. There were four (4) projects completed in 2013 and another (1) that was started in 2013 is scheduled for completion in 2014.

The Façade program addressed these same types of needs, but only for exterior improvements. In 2013, a portion of these funds were utilized to assist with a faster moving Rehabilitation and Development Assistance Program. The microenterprise program through the small business development center helped startups with writing a business plan and mentoring. It also assisted existing business owners with sustainability and profitability of their business. There were Twenty (20) people assisted; Fourteen (14) were Low to Moderate Income (LMI)) through the Self Employment Training program. There were 17 assisted through the Manufacturing SET program (9 were LMI persons).

Most of the funding for economic development programs was reprogrammed over the years to assist with Code Enforcement issues and its administration costs in the City of Rockford. All Economic Development (ED) programs could benefit from additional CDBG funding to complete more ED projects.

- b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

Program Year 4 CAPER Monitoring response:

The priority needs identified in the 2010-2014 Consolidated Plan Table 2A for housing needs included renter housing, owner housing, and elderly housing with all other housing including special needs having a median priority. Rockford has focused its HOME resources on owner housing including small, large, and elderly. CDBG has focused on home modifications for the elderly and physically disabled. Outcomes have been satisfactory considering the shortfalls in funding and changes in the HOME regulations.

Progress in meeting Economic Development priority needs are being achieved, but at a slow pace due to the current state of the economy and a reduction in budgeted funds for economic development. In addition, city Economic Development staff has been reduced to two staff members to work on economic development projects. Priority needs are still a high priority; it just takes longer to get to the end result under the current economic climate and staffing levels.

- c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

Program Year 4 CAPER Monitoring response:

Through the HUD assistance, all homes were brought up to local code and therefore provided decent housing and suitable living environments not only for the occupants but because exterior improvements were made, the immediate environment of others within the neighborhood.

The demolition of substandard housing also created suitable living environments by reducing blighted housing throughout neighborhoods in Rockford but primarily within the CDBG area. This substandard housing often times provides a base for assaults, drug deals, and other criminal activity and removal has reduced the threat to each neighborhood's stability and improved its image as perceived by both residents and non-residents.

Although Rockford has a surplus of commercial structures lacking in useful life, none were demolished in 2013 because of insufficient funds. Steps are being taken to use other City funds, State, and local charitable contributions to increase the number of demolitions in 2014.

Due to housing crisis, no new housing was started in 2013. Three homes constructed in prior years remain unsold. In total, the City of Rockford only issued 10 new housing construction permits in 2013. Rockford has missed out on any home price surge seen in other parts of the country and home values continue to be down.

The Economic Development Division has the following programs to assist with expanding economic opportunity for low and moderate-income persons:

- The Rehabilitation & Development Assistance program provided assistance to business owners that are low-income, hiring low-income persons, or located in a low-income neighborhood.
- There are two microenterprise programs that are structured to assist primarily low to moderate income persons that are seeking a business startup or need additional guidance with an already existent business.
- The Façade program has also been established to assist businesses that serve primarily low-moderate income neighborhoods.

Although not funded with CDBG funds, two initiatives have been put in place in 2013 to enhance rental housing quality standards.

1. Creation of the Landlord registry has proven that contacting landlords when problems first arise improves communication between the landlords and the City's regulatory departments. It has also made the landlords aware that the city has resources available to improve their existing properties.
2. The Rockford Housing Authority and the Winnebago County Housing Authority are working together and with the Police Department to decrease crime in their developments and improve their property inspection procedures. They jointly applied for a Choice Neighborhoods grant in the fall of 2013, which if awarded would improve both rental and owner housing.

d. Indicate any activities falling behind schedule.

Program Year 4 CAPER Monitoring response:

Housing rehabilitation has fallen behind due to the large number of denials of people interviewed for participation, decreased funding, and program adjustments needed to comply with changes in Federal regulations and those of a partnering funder.

There have been two economic development projects that fell behind this year:

The All Paws Beauty Salon (IDIS#2596) project is falling behind schedule due to project changes that the new building owner had suggested and then decided to keep the rehab as originally stated in the contract previous to his

ownership. This project is underway and should be completed in the first quarter of 2014.

Cj's Lounge (IDIS#2528) is the other project that fell behind schedule. This project was schedule to be completed by April 2014. In late 2012, the business owners had problems with completing their Façade rehab previously because of inclement weather and getting back bids from contractors. In the Spring of 2013, the owners had problems with their roof leaking and needed to use some of their owner equity funds to repair the roof instead of starting the Façade project. The business owners still plan to utilize funds for a façade project and will need to request an extension of their agreement; which will need to be approved by the City of Rockford City Council to move forward.

- e. Describe how activities and strategies made an impact on identified needs.

Program Year 4 CAPER Monitoring response:

CDBG funds as a whole were utilized to help arrest the decline in many neighborhoods through strategic code enforcement that in some cases was combined with demolition of structures beyond the point of rehabilitation. As was previously mentioned, nearly 5,500 such violations were identified and were an important instrument in helping to stabilize neighborhoods.

CDBG funds for Economic Development activities were able to assist four (4) businesses through the Rehabilitation and assistance program. In addition, there were 20 persons assisted through the Self Employment training program to assist startup and existing businesses with business plans and review and monitoring of financial records. There were also 15 persons assisted through the Manufacturing Self Employment program to assist with the same skills, but in the manufacturing field. Some small businesses are still not able to receive traditional lending from area banking institutions. These CDBG funded activities have helped to make an impact on area needs by assisting applicants/participants with being able to open a business or start the process of writing a business plan with help through our services. Goods and services were provided to neighborhoods and skills received to startup a business.

- f. Identify indicators that would best describe the results.

Program Year 4 CAPER Monitoring response:

Indicators include:

- Number of units rehabilitated
- Number of homes demolished
- Number of people provided jobs
- Number of small businesses assisted
- Number of services provided to lower income people
- Number of code violations identified and addressed in the CDBG area
- Number of homeless provided shelter and other services

- g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

Program Year 4 CAPER Monitoring response:

One of Rockford's historic strengths has been its affordable housing stock and its high ranking in "affordability" or cost of living indexes. In real dollars, Rockford home prices peaked in 1991 and rose at an annual rate of less than 1% between 1985 and 2002 so although they appreciated substantially during the boom of the early 2000's that sent housing prices soaring nationwide, their low starting point and relatively modest increases, combined with their proximity to Chicago, made Rockford an affordable alternative for homebuyers unable or unwilling to pay Chicago's higher real estate prices. These factors sparked a local boom in new construction and created an influx of homebuyers who lived in Rockford and commuted to jobs in Chicago metro area. At its peak, the Rockford region was on pace to build 2,000 new homes, but in 2006, as the housing boom began to unravel nationally, new construction in Rockford came to an abrupt halt as buyers disappeared and it became clear that the market had been overbuilt. A downward spiral of falling home prices, rising foreclosure rates, rising unemployment rates, and declining per capita incomes was unleashed, creating economic and social changes that cemented Rockford's reputation as a gritty urban community with a poorly performing public schools system, high crime rates, high unemployment, and increasing high rates of poverty amount its residents. In 2006, 17.1% of Rockford's families and 22.5% of its residents lived in poverty, and by 2009 those figures had risen to 21.6% of it families and 26.9% of its residents.

Without a stable employment base to underpin the local economy and provide a bottom for real estate values, Rockford's foreclosure rate has continued to rise and its home values have continued to fall, losing approximately 30% of their value since 2008. Data released in September of 2013 by Lender Processing Services revealed that, in about 32% of the metro area's mortgages, the homes are worth less than the money owed. This is the highest percentage of an U.S. metropolitan area with at least 15,000 mortgages, leading the Wall Street Journal to declare Rockford the "underwater mortgage capital of America".

Specifically, as this question relates to funding, to the Department that administers the CDBG and HOME funds the barriers include inconsistent funding level and the timing of the release of funds; the decline in funding both in CDBG and HOME; and the complexity of the regulations and notices without clear direction.

Additional barriers to fulfill strategies and overall vision for economic development include:

- Limited amount of economic development tools that lend incentives to offer to businesses inquiring about locating to or expanding in the Rockford area.
- Lending Institutions have re-structured their lending procedures and guidelines in a way that has prevented most small business owners to obtain loans and/or increases in a line of credit or deleted their previous lines of credits.
- Economic Development financing deals need to become more creative and packaged in a way to make them financially feasible for both the community and the developer/business.
- Low education attainment and low to no job skills has produced a large workforce of unemployed or underemployed residents with low test scoring and decreased job readiness.

- h. Identify whether major goals are on target and discuss reasons for those that are not on target.

Program Year 4 CAPER Monitoring response:

Rockford would clearly like to demolish more dilapidated commercial, residential and shuttered former schools. The number of demolitions completed met its annual goal but not the community's need.

Many people applied for the City's Focus area rehabilitation program but were denied assistance for a number of reasons but primarily due to the Federal, non-federal funder, and homebuyer required contribution. Therefore, we did not reach our housing redevelopment goals.

Public Services and Facilities continued to decrease due to cuts which ultimately caused the elimination of the Healthy Neighborhoods program.

Economic Development goals set for job training are slightly off target, but a plan to receive additional Section 108 funding in 2014 to assist for-profit businesses with larger loan funds and job creation should assist with meeting the end goal. An annual decrease in funding is a barrier in meeting community needs, but annual goals (which have also been decreased) have been met.

- i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

Program Year 4 CAPER Monitoring response:

Once the goal for the Federal Home Loan Bank grant is met efforts will begin to implement a geographic program for homebuyer rehabilitation assistance that poses a great opportunity to be a successful. This program increases the amount of funding for homeowner and will be focused in the Coronado-Haskell area. The site selected will be in an area that also requires sanitation sewer that will be made part of the overall rehabilitation project.

The addition of funding to complete more activities or programs for assistance to the small business owner would be an improvement to economic development programs and help meet the area needs more effectively. In addition, streamlining the application process and structured program guidelines would enhance staff assistance to customers. Over the years, internal funds budgeted for economic development has been reduced; an increase in this budgeted line item would help to assist more businesses and create more jobs.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

Program Year 4 CAPER Lead-based Paint response:

Lead-based Paint response:

The City of Rockford continues to incorporate lead-safe work practices, interim controls, and lead abatement measures when assisting households through the CDBG and HOME-assisted housing rehabilitation programs. The following has been accomplished over the last year:

- Two staff persons continued to be state certified as Lead Risk Assessor's which helps to reduce the expenses relating to risk assessments and clearance testing.
- Conducted 64 property inspections for our rehabilitation programs. 18 total rehab projects with Lead abatement/mitigation activities were completed.
- Contractors are required to implement RRP/EPA Regulation for housing built before 1978. All workers provided Lead safe work practices during weatherization activities that were completed and are ongoing practices.

The Winnebago County Health Department (WCHD) serves as a delegate agency for the State Health Department to conduct lead risk assessments on properties identified as being occupied by a lead poisoned child. The most common source of exposure is from hazards associated with lead-based paint, which was banned for residential use in 1978. In Winnebago County, 67.4% of housing units—nearly 85,000 homes—were built prior to 1979, and potentially contain lead-based paint hazards. Within the city of Rockford, this number jumps to 77.8%, or more than 44,000 homes.

The WCHD's licensed lead inspectors conduct approximately six to ten inspections per month and insure that property owners comply with the Illinois State Lead Poisoning Prevention Act and Lead Poisoning Prevention Code. If necessary, the inspector will turn property owners over to the State's Attorney's office for further enforcement.

The WCHD is continuing with its Creating Lead Safe Rockford (CLSR) program, funded through the Department of Housing and Urban Development's Lead Hazard Reduction Demonstration grant. Since the CLSR program was first funded in 2007, more than 200 homes have received lead-based paint inspections and mitigation work. The CLSR program has received renewed funding in both 2011 and in 2013 and is expected to conduct lead mitigation work on more than 200 additional homes.

The Department has formed several partnerships to make the process smoother for the clients that we serve. A partnership was formed with Crusader Community Health, which is a non-profit health care provider that serves low-income and Medicaid patients. This partnership aims to teach first-time expectant mothers and their partners about lead poisoning prevention. WCHD has also formed partnerships with organizations such as Head Start (through the City of Rockford), the Rockford Housing Authority, and La Voz Latina. These agencies help further lead poisoning prevention education in our community, encourage lead testing, and generate referrals for the CLSR program.

Since the coordinated lead poisoning prevention efforts mentioned above began in 2007, overall childhood lead screenings in Winnebago County have increased by more than 46% and the number of children with lead poisoning (blood lead level greater than 10 µg/dL) have decreased by more than 20%.

Rockford, Illinois

Year	2006	2007	2008	2009	2010	2011	2012
Number of children screened in Winnebago Co.	4,279	5,124	4,169	6,101	6,478	6,251	6,748
Number of children lead poisoned (>10 µg/dL) in Winnebago Co.	129	135	109	112	103	103	103

Sources: Illinois Lead Program Annual Surveillance Reports 2007, 2009, 2010, 2011 and 2012