

COMMUNITY DEVELOPMENT

Community Development

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

1. Assessment of Relationship of CDBG Funds to Goals and Objectives
 - a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.

Program Year 4 CAPER Community Development response:

The highest ranked housing needs determined to receive priority in the 2010-14 Consolidated Plan were for small and large family renters and including both elderly and "all others" income categories. From an owner standpoint, all of the same categories were considered a high priority except "all others" was identified as a moderate need particularly for those living with physical disabilities.

In addition, the Housing and Community Development Objectives and Strategies for the said Consolidated Plan period included the following and remain applicable:

1. Reduce housing blight and blighting influences.
2. Increase redevelopment activities.
3. Increase the provision of quality affordable housing.
4. Repair and maintain streets and sidewalks
5. Enhance crime awareness and reduce the incidence of crime.
6. Create, expand and retain jobs.
7. Reduce chronic homelessness

The highest community development needs in the Consolidated Plan were and continue to be to attract new businesses, retain existing businesses, expand existing businesses, and while providing job training and/or re-training.

All of the CDBG programs delivered over the last four years, including 2013, were able to address the high housing priority needs as well as the objectives with regards to owners/homebuyers at varying levels. However, rental priorities were addressed on a limited basis due to lack of funds.

In 2013, demolition programming was expanded to further reduce neighborhood blight. The vast majority of housing redevelopment efforts designed to provide quality affordable housing was funded through the Home Investments Partnership program. Infrastructure for the most part was delivered by the Department of Public Works' programs and was not CDBG funded.

Neighborhood stabilization efforts funded with CDBG funds which included public services through the Healthy Neighborhoods program and Economic Development's funding of businesses that provide jobs both had an indirect effect on overall crime reduction.

Job creation goals were met this year even though there were Economic Development budget constraints. Additional funds and more of a variety of creative

economic development programs could allow for an increase in goal attainment and further achievements.

Homeless programming continues to be offered to service providers that implement activities that are in accordance with a ten year plan to reduce and ultimately end chronic homelessness. This effort is mostly driven by Homeless Supportive Housing and Shelter Plus Care dollars but supplemented with ESG and HESG funds.

- b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.

Program Year 4 CAPER Community Development response:

The performance measurements report located in the performance measurements tab of the appendix provides a comprehensive illustration of the overall affordable housing progress in terms of both numbers and percentage of completion. While the progress is considered acceptable, the goals do not reflect funding reductions that the City has experienced during the five year Consolidated Plan period and also a shift to fund the majority of affordable housing efforts with HOME funds and less with CDBG.

- c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.

Program Year 4 CAPER Community Development response:

Nearly ninety-two percent of all CDBG funds were expended on activities that directly benefitted extremely low-income, low-income and moderate income persons.

IDIS Report PR 23 for CDBG activities illustrates the various accomplishments associated with carrying out these activities including those by beneficiary type while listing completed counts as well as program year counts. This report is listed with all other IDIS reports see in the IDIS report tab of the appendix.

CDBG funds for Economic Development activities were able to assist four (4) businesses through the Rehabilitation and assistance program (2013 Budget of \$68,047). 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 (2013 budget \$55,000).

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. Funds for a Façade Rehab Program were also budgeted (2013 budget 49,720), but a portion of these funds were later used to assist applicants applying for assistance through the Rehab & Development program.

2. Changes in Program Objectives

- a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

Program Year 4 CAPER Community Development response:

Based on a study completed on the concentration of poverty and race in certain parts of the city, there will be a focus on programs that address the objective of de-concentration.

Based on our experience with our Focus Area Rehab program, changes will be made to decrease homeowner contribution in order to serve more people in a less restrictive manner. Also, housing rehabilitation may be concentrated in smaller areas within the larger focus area boundaries.

Lease-purchases may be considered a buying option under certain circumstances to introduce renters to homeownership. This will be tied to homebuyer counseling classes conducted by a HUD Certified counseling agency.

There is a need for an increase in funds to assist more economic development activities. We are currently very limited on budgeted economic development funds to make a significant change in the community and to assist with the large amount of low-skilled workers to obtain a job. No program objectives should be changed, but there does need to be a greater emphasis on job creation specifically for lower income persons, job training or re-training, sustaining or expanding programs that address youth, life skills, family support, and recreational activities.

3. Assessment of Efforts in Carrying Out Planned Actions

- a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.

Program Year 4 CAPER Community Development response:

The City pursued those programs made available and identified within the Consolidated Plan.

Resources were obtained from other public and private sources when accessible to address priority needs identified in the Plan for economic development activities. This would include Tax Increment Financing, Enterprise Zone and River Edge Redevelopment Zone benefits, bank financing, owner equity funds, IL Edge, and brownfield re-development funds.

- b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

Program Year 4 CAPER Community Development response:

Certificate of Consistencies requested were approved. The Certificate of Consistency form is on our website with complete instructions. Once submitted, they are reviewed by staff and then forwarded to Administration for final approval and execution.

- c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

Program Year 4 CAPER Community Development response:

The City did not hinder Consolidated Plan implementation by action or willful inaction. All citizens have access to the forms either via the website or coming directly to the office. If the form is completed appropriately and the work proposed is consistent with the plan, there should be no reason for inaction.

4. For Funds Not Used for National Objectives
 - a. Indicate how use of CDBG funds did not meet national objectives.

Program Year 4 CAPER Community Development response:

A request was made to the local HUD Field Office to cancel three projects with draws. Technical difficulties appear to be the issue and these properties remain "flagged" in IDIS.

- b. Indicate how did not comply with overall benefit certification.

Program Year 4 CAPER Community Development response:

The properties were acquisitions that failed to meet a national objective. The fair market value of each of the projects was repaid to the local account using non-federal funds.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property
 - a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

Program Year 4 CAPER Community Development response:

This is N/A to the 2013 program year but the City does have a plan in place to minimize displacement when using Federal CDBG, HOME, and ESG funds.

- b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

Program Year 4 CAPER Community Development response:

The City did not displace any tenants or owner occupants due to its rehabilitation or demolition activity. All residential properties were vacant that were demolished. The rehabilitation of property was done in a manner as to not displace the owner occupants. No CDBG or HOME properties rental properties were acquired in 2014 and therefore, no activities triggered relocation.

- c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

Program Year 4 CAPER Community Development response:

The City did not acquire any occupied housing nor did we cause the displacement of any individuals or families due to rehabilitation or demolition activities. Therefore, we did not take any steps this year to issue notices. But, we do have policies and procedures in place should displacement occur as a result of CDBG, HOME, or ESG activities.

6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons
 - a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.

Program Year 4 CAPER Community Development response:

Activities undertaken where jobs were made available, but not taken by low or moderate income persons are not applicable to our programs.

The City of Rockford economic development agreements providing CDBG funds for creating and/or retaining jobs customarily include a clause that 51% or more of created jobs must be held by low/mod persons. Also, job training programs must serve 51% of low income persons. Other assistance provided with these funds is structured to assist low-income business owners.

- b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.

Program Year 4 CAPER Community Development response:

Activities undertaken where jobs were made available, but not taken by low or moderate income persons are not applicable to our economic development programs.

- c. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.

Program Year 4 CAPER Community Development response:

No jobs were made available to low/mod persons that were requiring special skill, work experience or education. All job creation or retention activities must create or retain 51% of the jobs for low/mod persons. If jobs will require a special skill, work experience, or education that these individuals may not have; training is also provided for them by the assisted business.

7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit

- a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

Program Year 4 CAPER Community Development response:

All activities assisted required verifiable income documentation to determine eligibility and to ensure that at least 51% of those served were indeed low income. Low to moderate area activities were funded in areas that had 20 % or more poverty level and at least 70 % LMI residents were living within the census tracts. HUD Census LMI Data table information was used to determine the level of LMI residents in the area and that at least 51% were low-income. Zoning maps and local CDBG area map were included in the file; along with walk score information on how accessible the location and nature of the business is to residents in the neighborhood.

8. Program income received
 - a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.

Program Year 4 CAPER Community Development response:

Program income returned to a revolving loan fund was not applicable in 2013.

- b. Detail the amount repaid on each float-funded activity.

Program Year 4 CAPER Community Development response:

This is not applicable. Rockford provided no float loans in 2013.

- c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.

Program Year 4 CAPER Community Development response:

1708 W. State Street \$3,999.88 (economic development)

- d. Detail the amount of income received from the sale of property by parcel.

Program Year 4 CAPER Community Development response:

903 Acorn Street \$375.75
1811 S. Central \$350.00

9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:
 - a. The activity name and number as shown in IDIS;

Program Year 4 CAPER Community Development response:

912 Grant Ave.	IDIS# 2500
Rockford Area Affordable Housing Coalition	IDIS# 2351
113 S. Acorn St	IDIS# 775
1045 Mulberry St.	IDIS# 711
1061 Mulberry St.	IDIS# 712
10XX Mulberry St.	IDIS# 765
1811 S. Central Ave.	IDIS# 2197
1817 S. Central Ave.	IDIS# 1993
805 S. 5 th St.	IDIS# 2175
709 Lee St.	IDIS#2308

- b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;

Program Year 4 CAPER Community Development response:

The program year for all disallowed activities was 2013

- c. The amount returned to line-of-credit or program account; and

The amount returned was \$27,482.81

Program Year 4 CAPER Community Development response:

- d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.

Program Year 4 CAPER Community Development response:

The total amount reimbursed was \$27,482.81 and all of which occurred in 2013.

10. Loans and other receivables

- a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.

Program Year 4 CAPER Community Development response:

The City of Rockford did not provide any float funding during the reporting period.

- b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.

Program Year 4 CAPER Community Development response:

See Loans tab at Appendix of this document.

- c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.

Program Year 4 CAPER Community Development response:

See Loans tab at the Appendix of this document.

- d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.

Program Year 4 CAPER Community Development response:

See Loans tab at the Appendix of this document.

- e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.

Program Year 4 CAPER Community Development response:

See Acquired/Improved CDBG For Sale Properties 2013 tab at the Appendix of this document.

11. Lump sum agreements

- a. Provide the name of the financial institution.

Program Year 4 CAPER Community Development response:

N/A

- b. Provide the date the funds were deposited.

Program Year 4 CAPER Community Development response:

N/A

- c. Provide the date the use of funds commenced.

Program Year 4 CAPER Community Development response:

N/A

- d. Provide the percentage of funds disbursed within 180 days of deposit in the institution.

Program Year 4 CAPER Community Development response:

N/A

12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year
- a. Identify the type of program and number of projects/units completed for each program.

Program Year 4 CAPER Community Development response:

Please see the PR03 – CDBG Activity Summary Report in the IDIS reports tab in the Appendix for each type of rehabilitation program for which projects/units were reported as completed during the program year, including the number of projects/units completed for each program.

- b. Provide the total CDBG funds involved in the program.

Program Year 4 CAPER Community Development response:

Please see the PR03 – CDBG Activity Summary Report in the IDIS reports tab in the Appendix for each type of rehabilitation program for which projects/units were reported as completed during the program year, including the number of projects/units completed for each program.

- c. Detail other public and private funds involved in the project.

Program Year 4 CAPER Community Development response:

Please see the PR03 – CDBG Activity Summary Report in the IDIS reports tab in the Appendix for each type of rehabilitation program for which projects/units were reported as completed during the program year, including the number of projects/units completed for each program.

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies
- a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

Program Year 4 CAPER Community Development response:

N/A

Antipoverty Strategy

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

Program Year 4 CAPER Antipoverty Strategy response:

The 2013 Community Action Plan (through the City of Rockford Community Services Division), prescribes how we will combat poverty in our area throughout that year. The plan utilizes all grants including CSBG, IDHS, FEMA, and EFSP. The plan utilized

case management, financial literacy, and energy conservation classes to increase families' self-sufficiency and thereby lifting them out of poverty.

The Rockford Housing Authority (RHA) continues with its ROSS and FSS programs. Both programs have been historically successful in reducing poverty. The Winnebago County Housing Authority (WCHA) received a Housing Choice Voucher Family Self Sufficiency (FSS) grant, a Public Housing FSS grant and a Resident Services grant to help residents achieve self-sufficiency.

RHA celebrated a very successful year with its ramped up Re-Build program. The first 16 week Re-Build cohort graduated 5 participants. By the third cohort, class size had doubled from the first and included the teaching of soft skills and employment preparedness to resident participants. At the end of the 3rd cohort, there were 25 graduates. Currently, we have 20 participants in the fourth cohort and a waiting list of people ready to participate. WCHA has also made many strides in supporting their residents' personal growth and desires for success by providing educational scholarships for families. These programs provide the opportunity for residents to get closer to reaching their goals and for RHA and WCHA to let the residents know that they believe in them as well.

WCHA has partnered with RHA to explore application of the Purpose Built Communities program. RHA and WCHA have provided support and will take part in the Strong Cities Strong Communities program.

Additionally, under the RHA's Choice Planning process for Ellis Heights, more than 25 initiatives have been identified and are being fostered as a means to reduce poverty.