

APPENDIX I: ANNUAL ACTION PLAN

GENERAL

Executive Summary

This Annual Plan outlines the activities the City of Rockford proposes to undertake during the program year that begins January 1, 2010 and ends December 31, 2010. It represents a concerted effort to bring together various public and private resources and to direct the utilization of such resources to address as many housing and community development needs as such resources will allow. In 2010 it will focus on eight objectives and will: reduce blight; increase redevelopment activities; increase the provision of affordable housing; repair and maintain streets and sidewalks; enhance crime awareness; create, expand and retain employment; assist public facilities and provide services, and reduce chronic homelessness.

A combination of many factors seems to have left Rockford with a burdensome amount of blighted and dilapidated housing. The current City administration has adopted the vision of a city that demonstrates and subsequently displays "EXCELLENCE EVERYWHERE." Therefore, Rockford must focus on and work to recapture and revitalize deteriorated neighborhoods and reduce low-income concentrations. Rockford plans to reduce blight through a number of actions, including rehabilitation, demolition of both residential and older vacant commercial and industrial property, and in-fill housing. The City will invest its current federal financial resources while seeking to obtain and leverage additional resources to demonstrate that properly channeled efforts can and will over time bring the vision to reality.

Rockford's Community & Economic Development Department will continue its efforts to partner with other City Departments and other public entities to control and in some cases remove the blighted influences that plague many of the City's older neighborhoods. Rockford will continue code enforcement in conjunction with the Police Department's efforts to create a more holistic approach. This holistic approach will not only seek to place a major emphasis on code enforcement, but will also use it to supplement the city's "fast track" demolition process and acquisition/demolition or redevelopment program to remove vacant/abandoned properties. All of these efforts encompass several of the activities designed to meet one of the identified objectives of creating *decent housing availability/accessibility, affordability and sustainability*.

Additional housing related activities are proposed to increase the *provision of decent housing through availability/accessibility, affordability, and sustainability* of decent housing for homeowners, renters and individuals/families who are either homeless or in eminent danger of becoming homeless. These activities include the removal of architectural barriers and environmental conditions, providing down payment and closing cost assistance, supporting pre/post purchase counseling, providing homeless rental assistance, supporting homeless shelter operations, enhancing permanent supportive housing for the homeless and activities designed to prevent homelessness.

From an economic development standpoint, Rockford continues to strive to bounce back from the loss of manufacturing jobs resulting from the relocation of many companies to foreign lands and, of recent, as a result of the economic meltdown. Unemployment rates in Winnebago County have nearly doubled, from 6.2 percent in 2007 to 12.0 percent at the end of 2008, while average earnings per job have also been lagging and the poverty rate has been increasing from 14 percent in 2000 to an estimated 20 percent of late. In January of 2005, the start of the last Consolidated Plan, Rockford's unemployment rate was 7.7 percent. In June of 2009, the unemployment rate in Rockford was 14 percent. While opportunities exist in the service industry, such opportunities often do not pay a "livable wage" or a wage at least comparable to their manufacturing counterparts. In addition, the current workforce is often unable to assume technical and other skilled positions due to lack of training and education. Together, all of these factors weigh heavy on the City's ability to create economic opportunity.

However, armed with the belief that the City should display "EXCELLENCE EVERYWHERE," the city will once again take a holistic approach to creating more economic opportunities. The City will do so by seeking to maximize its current resources and looking at creative ways to bring in outside resources. This will include the appropriate use of such tools as Tax Increment Financing (TIF) and Section 108. Incentives will be provided when necessary and feasible to bridge gaps and bring projects to closure. The City will also eliminated older vacant commercial and industrial properties lacking a useful life and those that can be converted to a useful purpose. Proposed activities are designed to achieve the objective of *expanding economic opportunities through sustainability and availability/accessibility*. Such activities include the increasing of job training opportunities, promoting the creation and retention of jobs, rehabilitation and the improving of infrastructure for businesses in lower income neighborhoods.

Evaluation of Performance

The goals and objectives for the 2009 reporting period were based on priority needs indentified in the 2005 – 2009 Five-Year Consolidated Plan. The Five-Year Plan also recognized the funding areas that correspond to the vision of the city of Rockford's 2020 Plan.

The Neighborhood Development Division efforts have been focused not only on activities that specifically relate to housing, but also on the elements that contribute to the overall health on the neighborhoods that are primarily residential in nature. To that end, extensive resources have been devoted to improve the quality of and access to housing for this area's homeless population. The majority of these resources are not covered under the Consolidated Plan (Supportive Housing, Shelter Plus Care and Rental Housing Support), however they provide a direct supplement to Emergency Shelter Grant funds and have been largely successful in helping achieve the decent housing and suitable living environment goals.

In addition, a significant number of dilapidated properties have been acquired and demolished in an attempt to reduce the blighting influences of residential neighborhoods. The City also expanded its efforts to enforce quality of life, zoning and property standards violations and increased such violations by more than 100 percent.

These efforts provided a significant augmentation to housing related activities over the course of the last program year. The activities incorporated providing homebuyer assistance for first time homebuyers. This included providing down payment and closing cost assistance along homebuyer counseling achieving success in both, but considerable success in the latter. The City also devoted resources to helping to support making homes constructed prior to 1972 lead safe also achieving success in this area. Addressing the needs of mobility challenged residents has and continues to remain an important aspect of the housing related activities for the City of Rockford. Consequently, goals related to this activity have been met with reasonable success during the past year and throughout the five-year plan period.

The specific housing related activities of creating homeownership opportunities through new construction and rehabilitation of existing structures also achieved moderate success. In both instances, these efforts were carried out specifically in low-income focus areas of the city.

The Economic Development Division has over the past five years continued to target CDBG-funded economic development activities within strategic areas. These strategic areas include the Community Development Block Grant (CDBG) area, thirty (30) Tax Increment Financing District areas; the current Illinois State certified Enterprise Zone, and the River Edge Redevelopment Zone.

In addition to targeting these areas with the use of CDBG and City resources, the City has created and retained jobs that pay above the median hourly wage for Winnebago County. Employers paying above 80 percent of the median wage for Winnebago County may locate city-wide and be eligible for assistance.

We have also provided assistance to primary employers and retail/service businesses by providing “gap” financing so that only what is necessary to make a project viable is offered.

Local and State incentives available because of the state-designated Enterprise Zone, River Edge Zone, as well as Tax Increment Financing, has also been an attractive tool to stimulate private investment.

In addition, CDBG funded training programs were offered to eligible participants; and has assisted business startups, existing businesses, and training for participants in a construction trade training program.

The City of Rockford was able to attain a goal of 58 percent for enhancing the availability and accessibility of economic opportunity and promoting job creation through creating and retaining jobs. The last few years have been challenging due to the current economic downturn. We attribute this outcome to the recession which has caused job layoffs, company closings and stringent bank lending practices.

The recession has also caused some laid off employees and employers to pursue job training and new entrepreneurship opportunities. The availability and accessibility of economic opportunities through the provision of job training obtained at a rate of 86 percent. Last year, both of our training programs suffered a decrease in their enrollment of participants. They have recently restructured their marketing and advertising and added more educational topics to reach new a broader audience and increase enrollment numbers.

The city of Rockford was able to identify a number of blighted structures that were demolished for reuse in current and future anticipated CDBG projects. Also, there were two utility/public use improvement projects completed. The City was able to improve the infrastructure of lower-income neighborhoods and provide goods and services to certain geographical areas by assisting businesses over the last five years at a rate of 150 percent.

The collective impact of all these activities resulted in substantial improvements to the lives and neighborhoods of Rockford's low and moderate-income residents. Please see the performance measurements chart beginning on pages 242-245 for a numerical illustration of actual accomplishments as they relate to the expected numbers. All of such activities relate to providing decent housing, improving suitable living environments and expanding economic opportunities for each year of the five-year Consolidated Plan period including year to date numbers for the current year of 2009.

Summary of Citizen Participation Process

The Citizen Participation Plan is critical to ensuring that valuable input is obtained from the community as well as various community organizations in designing programs that will best meet the needs of the low and moderate income populations.

As required by the Department of Housing and Urban Development (HUD) regulations, the City of Rockford complies with regulation 24 CFR 92.105, Citizen Participation Plan for local governments. Further discussion about the Citizen Participation process including efforts to broaden participation for the creation of the 2010 Annual Plan, along with public comments and the City's responses is included in the Managing the Process and Citizen Participation sections of the Plan.

Available Funds

	CDBG	HOME	ESG	TOTAL
FY2010 Entitlement	\$2,101,638	\$1,081,339	\$92,310	\$3,212,287
Estimated 2009 Program Income	\$107,000	\$15,000	\$0	\$122,000
Unexpended Prior Year Funds	\$205,680	\$524,500	\$0	\$730,180
Estimated Total Funds Available	\$2,414,318	\$1,620,839	\$92,310	\$4,127,467

Also available in 2010 is the remaining allocation through the Neighborhood Stabilization Program (NSP). The City submitted an application late in 2008 for the grant funds in the amount of \$2,287,004. It was received on March 20, 2009. See other sections of this Plan for further details. Funds through 2008 CDBG-R in the amount of \$562,555 were received in late summer and funds may be available yet in 2010.

	CDBG	HOME	ESG	TOTAL
Other Federal Funds	\$562,555 (2008 CDBG-R)	\$0		\$562,555
Other State Funds	\$	\$120,000 (State Home Modification) \$5.3M (State NSP1)	\$	\$120,000
Local Funds	\$40,000 (Healthy Neigh Match)		\$92,310	\$132,310
Estimated Total Matching Funds	\$602,555	\$120,000	\$92,310	\$814,865

	CDBG	HOME	ESG
FY2010 Entitlement	\$2,101,638	\$1,018,339	\$92,310
2010 Program Income	\$107,000	\$15,000	\$0
Administrative Cap Allowance	20%	10%	5%
Administrative Cap	\$441,727 (estimate -based on expenditures)	\$103,334	\$4616

The 2008 allocation of NSP funds allows for 10 percent toward Administration. This equates to \$228,700. This will more than likely be distributed to administrative costs over a 4-year period.

CDBG Public Service Activity CAP	
	CDBG
FY2009 Entitlement	\$2,101,638
2009 Estimated Program Income	\$107,000
Administrative Cap Allowance	15%
Public Service Cap	\$331,296

HOME CHDO Set-Aside Calculation	
	HOME
FY2009 Entitlement	\$1,018,339
Minimum CHDO Set-Aside	15%
Minimum CHDO Set-Aside	\$152,750

The following table outlines the city of Rockford’s expenditures in compliance with these regulatory requirements for the 2010 program year. Not included is the 70 percent expenditure requirement for LMI. This is based on expenditures which are not available, but compliance will be monitored throughout the 2010 program year.

Requirement	Required	Planned
CDBG Administrative Cap	\$441,727	\$221,249
CDBG Public Service Cap	\$331,296	\$203,232
HOME Administrative Cap	\$103,334	\$101,833
ESG Administrative Cap	\$4,616	\$4,616
HOME Set Aside (15% overall minimum)	\$152,750	\$220,000

Summary of Priorities, Goals, Budgets and Anticipated Accomplishments

The table below outlines the priority need categories that HUD has found to be eligible to be supported with Consolidated Plan program funds. The chart describes the amount and percentage of total Consolidated Plan funds that will be spent on each priority need category during the 2010 program year covered by this plan.

	2010 Funding	2010 Percentage
Housing	\$1,117,593	27.5%
Homebuyer Assist.	\$129,500	3.2%
Pubic Facilities and Services	\$203,232	5.0%
Acquisition	\$70,000	1.7%
Infrastructure (demo)	\$196,323	4.8%
Homeless	\$92,310	2.3%
Economic Development	\$218,160	5.4%
Program Administration (Includes Consolidated Plan, Section 108 and Fair Housing)	\$303,901	7.5%
ED/ND Services	\$752,507	18.5%
CHDO Operating	\$45,579	1%
Code Enforcement	\$479,420	11.8%

Description of Activities and Projects

2010 Proposed Projects/Activities

- A. Administration - \$117,749 FY 2010 CDBG, \$53,500 FY 2010 Program Income, \$50,000 CDBG Carryover Reprogrammed, \$101,833 FY 2010 HOME and \$4,616 FY 2010 ESG

The City will also utilize 10 percent of its allocation from the Neighborhood Stabilization Program representing \$228,700 over the expenditure over 4 years. This equates to approximately \$57,175 per year.

1. The City of Rockford will continue to utilize CDBG, HOME and ESG funds for the successful planning and implementation of programs and strategies that are directly implemented by the city or supported by the city.
 2. Standby Section 108 Loan Debt Service - \$81,152 FY 2010 CDBG.
The City will provide stand-by cash infusion to support debt service payments on the Section 108 loan created for the shopping center development along S. Main Street.
 3. Fair Housing - \$1,500 FY 2010 CDBG. Funds available for the activities conducted by the Fair Housing Board.
- B. Rehabilitation Services – \$674,007 FY 2010 CDBG, \$53,500 Program Income, and \$25,000 CDBG Carryover Reprogrammed

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.

- C. Homeowner – Single Family Housing – Existing and New – Focus Area and Strategy Area Rehabilitation Programs: \$76,770 FY2010 HOME, \$15,000 FY2010 HOME Program Income, and \$400,000 FY 2009 HOME Carryover Reprogrammed.

Rehabilitation assistance will be provided to 18 existing owner occupants.

1. Focus and Strategy Area Programs will assist low-income homeowners who own and occupy property within the HOPE VI Revitalization Area, College Avenue-Seminary, Ellis Heights Weed and Seed, South Main, Gilbert Avenue, Blaisdell neighborhood, and Kishwaukee Corridor areas. Eligible improvements include interior health and safety code items and work needed to remove lead hazards. As a secondary priority, funds will be made available to households anywhere within the CDBG target area once focus/strategy area residents are served. The maximum subsidy will be increased from \$25,000 to \$32,000 when it is considered “funding of last resort”, necessary to complete the rehab, and lead costs alone do not exceed \$25,000. Homeowners will be required to provide a portion of the cost based on their income.

The Gilbert Avenue program will be completed in the spring of 2010 under a State grant through the Illinois Housing Development Authority.

Assistance to these areas may also include acquisition and demolition activities.

2. Repair Program for Senior Citizens and/or Physically Disabled - \$269,157 FY2010 HOME

Program will provide assistance for the rehabilitation of property owned and occupied by persons that are 62 years of age or older and/or physically disabled. Goal is to leverage funds with a grant from the Illinois Housing Development Authority Home Modification Program and partnering with RAMP and Northern Illinois Area on Aging Agency.

3. The City also intends to continue its programs/projects under the Housing and Economic Recovery Act of 2008 and it's Neighborhood Stabilization Program which began March 20, 2009. Activities include downpayment and closing cost assistance for the purchase of abandoned or foreclosed property, acquisition and rehabilitation of abandoned or foreclosed property, operating costs involved with land banking, demolition of blighted structures, and the redevelopment of demolished or vacant properties.

D. Multi-Family Rehabilitation – Rehab of Church School - \$200,000 FY 2010 HOME and \$100,000 FY2009 Carryover Reprogrammed

The City intends to provide leverage to the rehab of the former Church School and create 44 housing units for elderly persons and a community center. This project is contingent upon Federal NSP funding, Illinois Housing Tax Credits and site control. Should funds not become available and or site control not obtained, the dollars will be reprogrammed to other housing activities.

NSP will also conduct rental rehabilitation activities.

E. Code Enforcement Program - \$479,420 FY 2010 CDBG

This activity will include the payment of salaries and overhead costs directly related to the enforcement of state and local codes. This program will be targeted at deteriorated or deteriorating lower income strategy areas within the CDBG geographic boundary. The code enforcement, together with other improvements such as rehabilitation, demolition, and public improvements, is expected to arrest the decline of the area and result in approximately 9,600 code violations. This funding will support inspectors as well as zone coordinator positions and clerical support that provide staff support to the CDBG area. NSP1 and NSP2 funds may also be utilized to support NSP code enforcement activities i.e. operations associated with maintaining foreclosed property.

F. Homebuyer's Assistance Programs

Many people in Rockford who dream of becoming homeowners face a steep challenge especially in light of the foreclosure crisis. The city of Rockford has created programs to help those families, and in offering this assistance, will boost the rate of homeownership in Rockford, help stabilize neighborhoods affected most by the foreclosure crisis and assist in the de-densification of lower-income neighborhoods.

All program participants must complete homebuyer counseling classes and the property must meet local code and the unit cleared through a lead inspection at project completion.

1. Down HOME Program - \$75,000 FY 2010 HOME

Funds made available under HOME will assist low-income families that currently do not own a home become homebuyers. The Down HOME program provides a loan in the form of a mortgage, forgiven over 5 years for 6 percent of the purchase price. The targeted to opportunity areas as outlined in the Down HOME map in Appendix II. Approximately 12 families will be assisted.

2. Emerson Subdivision/Petry Subdivision – (Prior year funding)

Emerson Subdivision is a 38.8 acre single-family, affordable housing development proposed at Springfield and School Street which, once fully developed, was to provide approximately 84 single-family housing sites. Phase I, consisted of 27 homes and is complete. Phase II, the construction of 41 homes of which 20 will be HOME-assisted, began in 2006. The infrastructure is complete and 6 homes have been constructed and sold. The housing crisis halted the project and the divided parcels were sold to another developer. With 16 HOME-assisted units left to be constructed of the 35 remaining, the new developer is proceeding cautiously starting with 5 homes. The assistance will be transferred to the new developer under similar terms i.e. \$14,999 to the homebuyer forgiven over five (5) years.

3. CHDO Homebuyer Assistance - \$30,000 FY 2010 HOME

It is anticipated that funds will be provided to 3 home buyers purchasing units developed by CHDOs.

4. Reach Illinois – Employee Assistance Program - \$24,500 FY 2008 CDBG Carryover Reprogrammed – Although the Memorandum of Understanding has expired, this program is expected to continue in 2010. Funds will provide down payment and closing cost assistance to lower income employees of the city of Rockford and county of Winnebago. County funds will be used for those persons with incomes at 80-120 percent of area median income. Eligible applicants must purchase a home within one mile of downtown Rockford or within a Tax Increment Financing District (some restrictions apply). It is anticipated that 4 households will be assisted.

5. Fountain of Life Project/224 Foster – Prior Year Funding

Funds will provide assistance to the homebuyer of this property. One household will be assisted from a prior year commitment.

G. Assistance to Community Housing Development Organizations (CHDOs)

1. Operating - \$45,579 FY 2010 HOME

The City continues to seek the involvement of non-profit organizations to further enhance and complement our efforts. Non-profits that meet the eligible criteria may become a Community Housing Development Organization (CHDO) and receive operating funds. Funds will be awarded to CHDOs through an application process. We currently have 5 eligible CHDOs and all could potentially be provided assistance.

2. Homebuyer and Rental CHDO Projects - \$60,000 FY 2010 HOME

Funds will be made available to eligible CHDOs on a first come basis to subsidize the gap needed to produce affordable housing homebuyer and rental projects within their strategy areas. The City anticipates assisting a minimum of 1 unit of affordable single-family and/or multi-family housing for low/moderate income individuals.

3. Youthbuild - \$160,000 FY 2010 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 complete the construction of the three homes in 2010, one of which will be constructed using 2008 NSP1 funds.

4. Additional funding may be provided through the Neighborhood Stabilization Program through the Housing and Economic Recovery Act of 2008. The City will target the funds to census tracts with the greatest need.

H. Get the Lead Out! (GLO) Program - \$26,666 FY 2010 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 \$26,666 represents year 2 of a 3-year commitment. The program is offered citywide and only made available to low-moderate income households. The City anticipates assisting 15 households in new funds plus there may be unanticipated carryover at the end of the year that will be kept in this activity until the State grant is fully expended.

I. Public Service and Facilities Programs

2. Healthy Neighborhoods Program \$128,232 FY 2010 CDBG

Funds will be awarded to neighborhood groups and/or other non-profits to facilitate projects that address identified needs in specific neighborhoods. Priority will be given to projects serving the City's designated focus, strategy areas, and TIF districts. The City will review requests for proposals on a monthly basis and anticipates providing assistance to 4 projects. The program concept will remain consistent with that of 2009.

a. Twenty-First Century After School Program - \$50,000 FY2009 CDBG – Year 3 of 10. This program supports an after school program at Lathrop and Nashhold Elementary schools.

2. RAMP Program - \$30,000 FY 2009 CDBG

Funds will be provided to the Regional Access Mobility Program to construct ramps for persons physically challenged. It is anticipated that approximately 12 ramps will be constructed for persons of lower income. This project will be eligible as single family or multi-family rehabilitation.

3. Rockford Area Affordable Housing - \$25,000 FY 2009 CDBG

The Rockford Area Affordable Housing Coalition will provide credit counseling, home-ownership counseling and pre-purchase and post-purchase services to consumers to ensure that they are fully informed about the home buying process as well as what to expect after they purchase a home. It is anticipated that 400 households will be assisted.

The funds will be provided to pay for operational costs incurred by the RAAHC to administer these programs and assist with the dramatic rise in need for foreclosure counseling.

J. Acquisition, Relocation, and Disposition

1. Acquisition, Relocation & Disposition - \$70,000 FY 2010 CDBG

Community Development Block Grant funds will be used to acquire properties with structures and vacant lots (approximately 3) for use in one of its programs or for other redevelopment/revitalization efforts. Three properties are proposed to be acquired.

Acquisitions will be concentrated within focus and strategy areas, the Neighborhood Stabilization area (primarily with NSP funds), and TIF designated areas. The relocation of occupants may be necessary in some acquisitions following the City's anti-displacement plan.

K. Demolition - \$146,232 FY 2010 CDBG, and \$50,000 FY 2010 Carryover Reprogrammed.

Blighted structures that are not suitable for rehabilitation will be demolished through this program. The City will focus on properties in focus/strategy areas, including the

NSP census tracts and deteriorated properties located near schools, on major thoroughfares, and strategically located scattered sites. The City anticipates the demolition of 16 residential and non-residential structures.

Demolitions will also be conducted utilizing funds through the Neighborhood Stabilization program in the geographic areas designated.

- L. Homeless ESG Activities - \$15,802 FY 2010 ESGP Funds for Essential Services, \$49,198 for Operating, \$22,694 for Homeless Prevention activities, and \$4,616 for Program Administration (already noted in #1 of this section).

Through the Federal Emergency Solutions 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 Mayors' Community Task Force on the Homeless as the review and approval committee. The City anticipates funding four non-profit homeless service providers. The program continues to be administered by the City's Human Services Department. It is anticipated that 4 agencies will be awarded funds.

M. Relocation

Funds will be used to relocate tenants of buildings acquired for the purpose of acquisition 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.

- N. Rehabilitation & Development Assistance - \$82,480 FY 2010 CDBG and \$80,680 in 2009 Reprogrammed Carryover

- 1. Job Creation for Low- to Moderate-Income Persons will continue to provide assistance to commercial and industrial businesses or developers making investments within designated target areas or creating/retaining permanent jobs, with a minimum of 51 percent of those jobs being held by low-to-moderate income persons (as defined by HUD). To maintain City assistance for as many projects as possible, our goal would be to keep the assistance at or below \$2,000 per job created. It is anticipated that two projects will be assisted.

- 2. The Public Improvement Assistance Program will continue to assist businesses and help stabilize CDBG low-to moderate-income neighborhoods by installing public improvements. Assisted business will be located in a targeted area or creating/retaining permanent jobs, with a minimum of 51 percent of those jobs being held by low-to-moderate income persons. It is anticipated that one project will be assisted.

O. Construction Management Training Program - \$25,000 FY 2010 CDBG

A Minority and Women Construction Management Training Program was created this year as an educational based program designed to provide attendee's with entry level construction and business management skills. Participants learn to manage the daily business operation needs of a small to mid-sized construction firm. Next year's program will consists of 10 weeks in-depth training that is designed to help minorities and women to compete successfully in the construction industry. It is anticipated that 50 persons will be assisted during the Fall 2009- Spring 2010 term.

P. Microenterprise Assistance – SET Program - \$30,000 FY2010 CDBG

The city of Rockford will continue to support the creation of new business, particularly by low/ moderate-income residents of the city. The City will 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, two informational classes per month will be held with general information about starting a business designed to self-screen candidates for SET classes. SET classes will be held with a minimum attendance of 10 participants. A total of at least three sessions, eight weeks in length, will be offered. It is anticipated that 50 persons will be assisted through the program.

Q. Economic Development Services - \$134,200 FY 2010 CDBG

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."

R. Commercial/Industrial Acquisition & Demolition

The City is pursuing the potential for commercial or industrial development in designated economic development target areas. It is desirable to acquire, demolish and dispose of such substandard properties as deemed necessary to remove blight and facilitate redevelopment. Relocation assistance will be provided as necessary.

S. Neighborhood Stabilization Program

On July 30, 2008, President Bush signed into law a massive housing bill. HUD developed a formula based on factors reflected in the legislation and has announced the eligible jurisdictions. A Substantial Amendment to the 2008 Annual Plan was completed and submitted to HUD. An award was made in the amount of \$2,287,004. A description of the program can be found under aj. in General Questions #4.

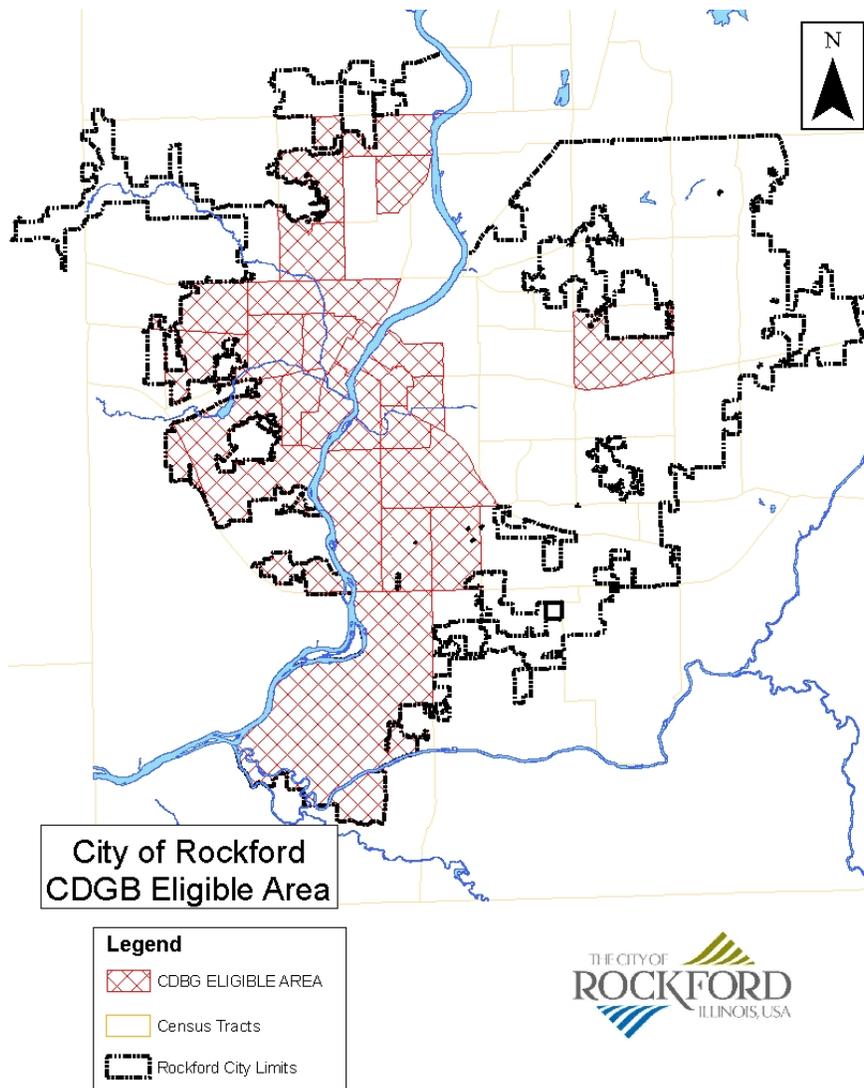
General Questions

1. *Describe the geographic areas of the jurisdiction (including areas of low-income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.*

Rockford, Illinois is located in north-central Illinois, about 20 miles from the Wisconsin border. With a census 2000 population of 150,115, it is the third largest city in Illinois. Its three-county metropolitan areas have a population of 371,236 and a five-county area of influence with a population of 456,227. Rockford is about 75 miles from Chicago, 85 miles from Milwaukee, and 65 miles from Madison. The greater Rockford region is intersected by transcontinental railroad lines and interstate roadways. The Greater Rockford Airport is a major cargo facility with its United Parcel Service hub, and to the south of Rockford, Union Pacific has one of the country's largest intermodal yards. The major physical attributes of Rockford are its gently rolling, beautifully forested urban landscape and the Rock River, which flows right through the heart of downtown and past the eastern edge of the city.

Rockford has been experiencing significant growth in its minority populations. The largest and fastest growing include the African-American and Asian population. Between 1990 and 2000, Rockford's African-American population increased 24.9 percent and the Asian population rose 54.5 percent. 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.

As of the 2000 U.S. census, Rockford was home to nearly 75,000 residents who earn less than 80 percent of the area median income and are therefore classified as low-or moderate-income by the Department of Housing and Urban Development (HUD). This figure represents 49.6 percent of the citywide population for whom household income could be determined. The following map illustrates the block groups with the heaviest concentrations of low-income and moderate-income residents in Rockford. Consolidated plan funds will generally be targeted toward these low-income and moderate-income neighborhoods.



The city of Rockford 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 3.0. They are also outlined on the maps in the data presented in the Plan on 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 i.e. the Community Development Block Grant area with one exception. Our Down HOME program will be offered in “opportunity areas,” areas with a poverty rate of less than 14 percent.

The Focus Area planning process was put into place in 2003, which has resulted in a significant change in the geographic distribution of funds annually. This trend will continue in 2010 to assist in the revitalization of neighborhoods. This strategy was

developed to achieve significant results in a shorter period of time, encourage private investment, increase confidence in the areas designated, and increase property values.

A Focus Area Plan is an important neighborhood revitalization strategy that concentrates resources in small areas. 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.

The City will also focus its activities near schools and on major thoroughfares within these areas. Code enforcement tactics are used to help ensure success.

The Kishwaukee Corridor Plan was developed with a consultant in 2008. Implementation began in 2009 with the start of a new housing program which was enhanced through code enforcement and demolition activities. This area was also included as part of NSP1 and NSP2.

The housing target areas have a high concentration of rental property and vacant boarded-up properties. It continues to be the City's goal to provide renters with decent, affordable housing while creating vibrant neighborhoods through rehabilitation. Since rehab funds are limited, this will be addressed through Illinois Housing Development Authority's (IHDA) Rental Housing Support Program administered through the City's Human Services Department and public housing. We also anticipate using funds from the new Neighborhood Stabilization Programs.

Existing owner-occupied housing will be assisted primarily through HOME entitlement funds. Funds will be targeted to the focus and strategy areas but properties outside those areas, but within the CDBG target area, will also be assisted given a second priority and require a referral by a partnering agency or City official.

Blighted housing suitable for rehab and vacant properties will be used to create home ownership opportunities through Rockford's Tax Incentive Program funded via Tax Increment Financing and we continue to consider opportunities to create a residential loan pool. Properties located within the boundaries of the Neighborhood Stabilization Program may be rehabilitated by the City or through partnerships with non-profit or for-profits. Others will be acquired and demolished or simply demolished through the fast track process utilizing CDBG funds and the Neighborhood Stabilization Program.

The City's economic development targets areas 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- to moderate-income residents. Work near home jobs as well as non-geographically targeted jobs will be created and retained.

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.

2010 Focus Areas (See Maps in Appendix II):

- The South Main area (bounded on the south by Marchesano, the Rock River to the east, and on the west by West Street and includes Morgan, Kent, Blake, Cunningham and Houghton Streets to Corbin), the South Rockford TIF, and the River Oaks TIF;
- The Mulberry Forest Weed and Seed neighborhood strategy area bounded by Kent Creek, Royal Avenue, School Street, with Chestnut Street as the southerly boundary and expanded to include the Weed and Seed Focus area which extends to Johnston;
- The HOPE VI strategy area consisting of the areas at or around Champion Park/Concord Development;
- The College-Seminary area which includes the Brewington Oaks Development, and Ingersoll; and
- The Neighborhood Stabilization Program's (NSP1) ten census tracts of greatest need (CT 10, 12, 13, 21, 22, 25, 26, 28, 31, and 32). The NSP2 competitive grant also identifies 10 census tracts including 10, 11, 12, 18, 20, 21, 25, 26, 31, and 32.

Other Strategy Areas:

- All existing Tax Increment Financing Districts (TIF) and 2009/2010 proposed TIFs.
- The West End, 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 North West area which includes the area at and surrounding the former Garrison School and the Main & Auburn Business District which includes the

commercial area around N. Main/Eddy Avenue, and the N. Main/West Riverside District;

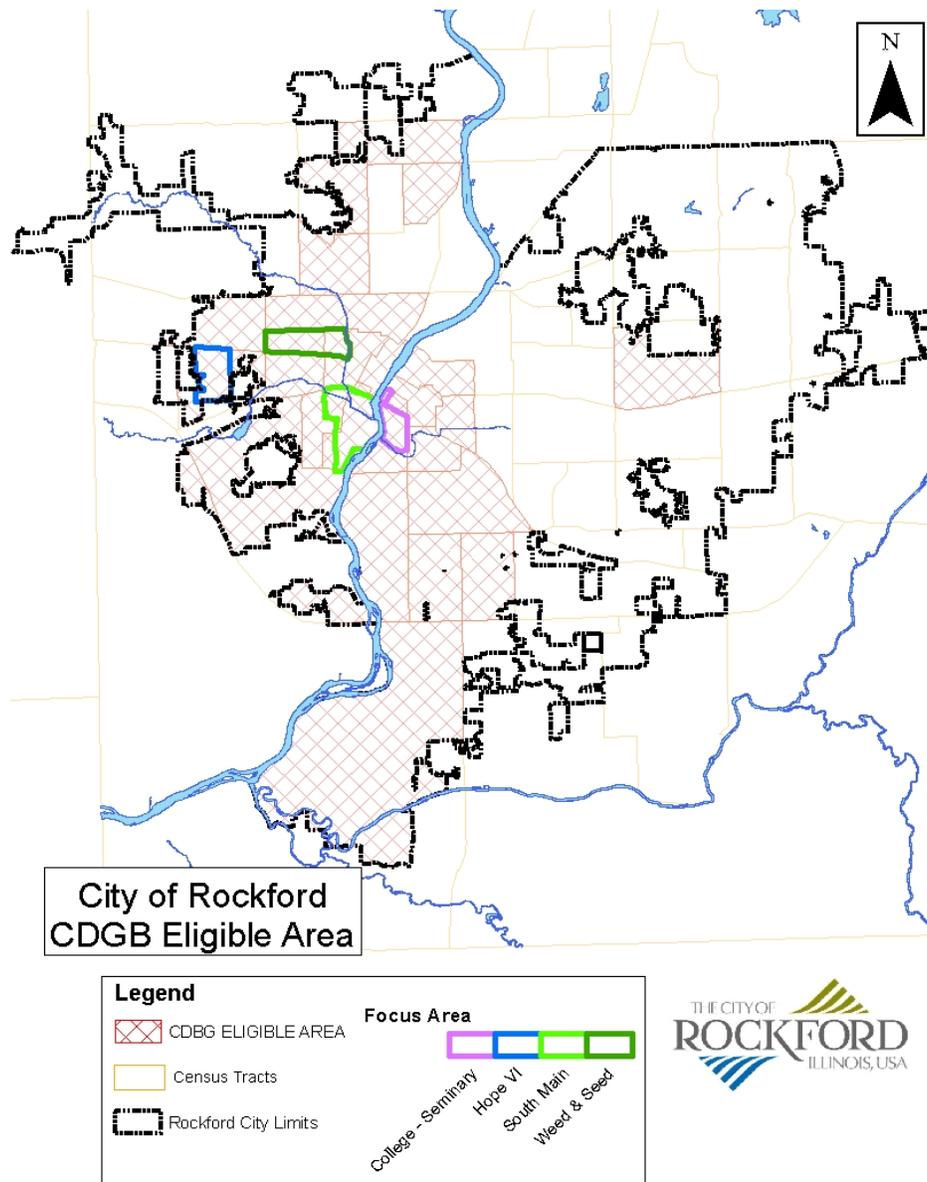
- The Kishwaukee Corridor – The housing program is bounded by Kishwaukee Street, 16th Avenue, 7th Street, and 23rd Avenue to the south;
- The Blaisdell target area, as expanded; and
- “Opportunity areas” for Homebuyer assistance.

Except for the opportunity areas, the areas continue to sustain high unemployment rates and have high concentrations of rental units, poverty, structure and infrastructure deterioration, and a high incidence of vacant and boarded properties, as well as general disorder. The residents lack needed goods and services to address their needs. The areas include major entryways to the city and encompass schools.

In 2007, the neighborhood zone concept was developed in which teams are assigned to three zones covering the entire city of Rockford. The zones were determined with the use of census information, police patrol zones, and dot density mapping showing where in the city are the most calls for service. This concept became fully operational in 2008 with data collected through the Hansen software system. Reports are generated monthly and reported out at accountability Rockstat meetings. This is expected to continue in 2010.

2. *Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a) (1)) during the next year and the rationale for assigning the priorities.*

Because the primary national objectives of the Consolidated Plan programs are to benefit low and moderate-income residents, Rockford’s block grant program funds will be targeted to low- and moderate income neighborhoods and low- and moderate-income households. A majority of the Consolidated Plan activities will occur within the city of Rockford in the CDBG area, specifically Focus and Strategy areas, during the 2010 program year – see following map.



A majority of the funds will be provided to address the housing in Rockford – either the maintenance of current structures, the provision of newly constructed housing specifically for lower income, direct homebuyer assistance and code enforcement.

The Neighborhood Stabilization Program was targeted to census tracts with individuals and families whose income does not exceed 120 percent of the area median income and indicating the greatest need including those:

- with the greatest percentage of home foreclosures;
- with the highest percentage of homes financed by a subprime Mortgage related loan; and

- identified by the City as likely to face a significant rise in the rate of home foreclosures.

3. *Describe actions that will take place during the next year to address obstacles to meeting underserved needs.*

The city of Rockford will continue to support non-profit agencies, the local public housing authorities, homeless providers and special needs groups in their goal to meet the underserved persons in the community. The City will maintain an open dialogue with these groups to remain responsive to their needs as they change or grow. Consequently, the City will offer technical assistance, when applicable to providers in the pursuit of Federal, State and other funding sources.

The primary obstacle to meeting underserved needs of low and moderate-income populations continues to be the availability of funds. Organizations serving these populations continue to experience significant reductions in funding from both governmental and private sources. The city of Rockford's Consolidated Plan program funding levels have been stagnant. Reductions in State aid to agencies in the city of Rockford and the local budget have prohibited the City from being able to cover this funding gap, leaving many worthy and valuable programs unfunded or under-funded. This challenge is beyond the capacity of the local jurisdiction to satisfactorily address. But, the City has been very active in pursuing dollars under the Federal Stimulus programs.

4. *Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.*

The City of Rockford intends to utilize a variety of 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:

a. Community Development Block Grant (CDBG)

The City of Rockford expects to receive \$2,101,638 million in new Community Development Block Grant funds in 2010, 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 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.

b. Home Investments Partnership Program (HOME)

The city of Rockford expects to receive \$1,018,339 in FY 2010 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 of Rockford has successfully administered the HOME program with a ranking within the top 50 percent in the United States. The city of Rockford plans to continue its housing programs which include the rehabilitation programs in various focus and strategy areas throughout Rockford, supporting new construction developments with developers' subsidy and homebuyer assistance, and providing downpayment assistance to buyers purchasing homes located within designated areas.

c. Emergency Solutions Grants Program (ESG)

The city of Rockford has received direct allocations of the federal Emergency Solutions Grants program annually since 1987 and expects to receive \$92,310 this next fiscal year. The Community Development will handle the fiscal responsibilities while the City's Human Services Department will be responsible for program administration.

Grants are made available to improve the quality of existing shelters and increase the number of developing shelters. Funds can be used to cover the costs associated with rehabilitation of shelter facilities, the delivery of essential services to those seeking shelter in such facilities, operating costs for facilities, activities designed to prevent homelessness and the overall administration of the Emergency Solutions Grants Program. As in previous years, the city anticipates distributing its funds to eligible homeless providers. Each agency must demonstrate their ability to provide matching funds at the time of their application to the city. An applicant agency may satisfy their match requirements by including 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 along with local private contributions.

d. 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 project(s) Sources and Uses are submitted. Float loans have not been used for several years but that does not preclude agencies from being considered for float loans during this Consolidated Plan period.

e. 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. Most recently, a Section 108 loan was granted in August, 2005, which was funded in 2006. Permanent financing for the project, Mega Manufacturing/W. A. Whitney, was completed in October of 2006. This local manufacturing company (W.A. Whitney) is located in a low- to moderate-income neighborhood and was acquired by a competitor in another state (Mega Manufacturing). The company provides a historical presence and stability in a declining area. The purchaser, who allowed the company to remain at their present location and increase employment, received gap financing for the cost of acquisition.

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 would be required to 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.

It is anticipated that the Section 108 Loan Guarantee Program would be utilized to fund larger projects, principally economic development projects, which cannot be assisted in whole with funding through the annual entitlement.

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. 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- to moderate-income residents of the city and other eligible activities. It is expected that two to three economic development projects will be assisted in 2010 with a goal to create low- and moderate-income jobs.

f. 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 eleven Shelter Plus Care grants between 1993 and 2008 totaling just over 5.5 million dollars. The most recent new grant awarded (2006) continues for five years from the start date and will ultimately provide from 90-128 units of rental assistance on any given day throughout its five year term.

g. 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 Careers Inc (formally 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. Since then, the City has been very successful in being awarded renewal grants and in some cases new grant awards. Consequently, the City has been awarded an additional 3.9 million dollars since its initial grant in 1995 through 2008. No announcement has been made on the 2009 awards as of the date of the preparation of this plan.

h. Low Income Housing Tax Credits

This program provides incentives to for-profit or non-profit 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, Tax Increment Financing (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, local housing non-profits, and public housing authorities.

i. 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 anticipated to be used in any City program will be sold or donated with preference given to adjacent property owners, discounted and transferred to housing non-profits, used for an economic development project, land banked (non federally acquired property or NSP), or sold for redevelopment through a Request for Proposal process.

The City of Rockford has considered selling properties through an auction process but is concerned with purchasers follow through on the appropriate end use. Properties not sold at fair market value must meet one the CDBG National Objectives. 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.

j. YouthBuild Rockford

Comprehensive Community Solutions (CCS) was awarded one of the first grants from the U.S. Dept. of Labor for the YouthBuild Rockford program, following transfer of the program from HUD to DOL in 2006. The program's original goals remain – to educate, provide construction training and employ at-risk youth in their communities – while a greater emphasis is being placed on offering postsecondary

education and forging stronger links with the One-Stop Career Center system and the nation's community colleges. CCS has been operating the YouthBuild Rockford program since its inception in 1995.

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 3,400 applicants, has served 570 young people, and placed approximately 85 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 16-28. 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, a one-year Graduate Program, and an Alumni Club.

Structured classes are conducted to introduce youth to skilled apprenticeships such as bricklayer, cabinetmaker, cement mason, carpenter, plumber, electrician, insulation worker, among others. They learn and practice construction skills and earn a nationally-recognized credential 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 (developers subsidy), technical assistance and homebuyer assistance.

k. 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 was the developer for the shopping center in the 1200, 1300, and 1400 blocks of South Main Street – Gray’s IGA. The grocery store was sold and is now the Familia grocery store. In 2007, the City took ownership of the vacant land to continue the development of the remaining parcels. The RLDC has assumed the City’s Small Business loan portfolio funds. They have also taken ownership of properties acquired as part of a flood mitigation plan.

l. Partnerships with Community Organizations

The City partners with local non-profit community 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’s Promise Inc. CDC, play an important role in the City’s efforts to revitalize weaker market areas. The City plans to develop partnerships with additional organizations and neighborhood residents in areas of need to strengthen and build their capacity.

Sustainable economic development and growth require the coordinated efforts of both public and private organizations. To stimulate such economic development in the form of new capital investment and the creation of jobs, including those for low- and moderate-income people, the City coordinates, collaborates and partners with many public and private organizations. The number of the organizations involved will vary due to the nature and magnitude of the activity, e.g. educational attainment; workforce development; infrastructure development; industrial, commercial and tourism development; promotion and marketing, etc.

On regular and continuing bases, the City coordinates its activities and partners with several organizations. This includes the School District 205, Rock Valley College, Rockford Area Economic Development Council, Winnebago County, Rockford Local Development Corporation, Chamber of Commerce, Convention and Visitors Bureau, Rockford Area Association of Realtors, builders and developers, Illinois State agencies, and Illinois Development Council.

m. Hope VI and Public Housing

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) revitalization of the sites on which severely distressed public housing projects are located, and 3) lessening of isolation and reduction of the concentration of low-income families and provision of community services.

The City will continue to work with the Rockford Housing Authority to strategize to facilitate the redevelopment of Concord Commons, the Champion Park site, Brewington Oaks, Fairgrounds, and other distressed sites which may or may not require HOPE VI assistance.

The Rockford Housing Authority (RHA) submitted a HOPE VI demolition grant in 2006 for the Jane Addams development. The grant was approved and demolition was completed and now provides the neighborhood with a park-like setting for community events. Seventy-seven units will be replaced by the Housing Authority as a result of the demolition. The City will assist in identifying replacement housing and the financing mechanisms. The City is also working with the RHA to determine match and leverage for a proposed 2009 HOPE VI grant.

n. 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 minimum of ten percent 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 to assist with the program marketing. The CSBG economic development loans may be used for machinery and equipment, inventory, and working capital.

o. CDBG Neighborhood Revitalization Strategies

As part of last year's Annual Plan, the City may submit a request to the Department of Housing and Urban Development for at least one of our distressed neighborhoods to be designated as CDBG Neighborhood Revitalization Strategy (NRS) areas. Upon HUD approval 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.

p. Other 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.

- 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. Alpine Bank, Amcore Bank, Union Savings Bank, Blackhawk Bank and Wells Fargo Home Mortgage are all participating lenders in the Rockford area.

- Habitat for Humanity International: Habitat is a nonprofit organization that builds and sells homes to low-income families at-cost. As of August 2009, Rockford Area Habitat for Humanity built 84 homes. After participants show “need,” a willingness to partner, and an ability to pay mortgage, they are required to volunteer 300 hours of “sweat equity” toward the construction of their home or others. The work varies from general construction, family selection to assisting at the local office. They plan to build 5 more homes in 2010.
- Illinois Housing Development Authority (IHDA): IHDA is a State entity that offers below-market interest rates on conventional loans for new and existing homes.

The City of Rockford received a grant for \$80,000 to assist with the implementation of the Gilbert Avenue Rehabilitation Program through IHDA’s Affordable Housing Trust Fund. Spring of 2010, is the final year of this program. The City most recently received an award of \$120,000 under IHDA’s Home Modification program.

The IDHA is also offering a downpayment assistance program to aid first-time homebuyers. The program allows qualified first-time borrowers to receive 3 percent of the purchase price of a home to a maximum of \$6,000 to be used toward a downpayment in the form of a ten-year, zero percent, non-amortizing loan. It will be forgivable at a rate of 1/120th per month over ten years. The loan will be due upon sale or refinancing of the property. The program was effective October 26, 2009.

- Lease-to-Own Homeownership: Although this program is currently not being administered, lease-purchase is a component of the City’s NSP2 application.
- q. 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.
- r. State of Illinois Department of Commerce and Economic Opportunity – Build Illinois Bond Fund

The City of Rockford has made significant progress in design for the Riverwalk project, which received a \$1.75 million Illinois Transportation Enhancement Program (ITEP) Grant in 2006. It is expected that the project will go to construction in 2010, pending final design approval by IDOT.

The City has also received \$4.3 million in Economic Stimulus funds through IDOT for re-surfacing / maintenance of several sections of IL Rte 2, US 251, and US Business Rte 20. IDOT was the lead on these projects. These projects were constructed in 2009. The City has also received \$3.3 million through Economic Stimulus funds for the resurfacing / maintenance of portions of seven arterial / collectors within the City. These projects are expected to be constructed in 2010.

The City has received approximately \$24 million in Major bridge funds through IDOT for the replacement of the Morgan Street Bridge crossing the Rock River. One of eight major river crossing bridges in Rockford, the Morgan Street Bridge serves as a major connection point between the southeast and southwest sides. This project is expected to go to construction in 2012-2013.

The City has received approximately \$9 million in Surface Transportation - Urban funds through IDOT to reconstruct Harrison Avenue between 20th Street and 11th Street. The project is in the early stages of Phase II design and should move towards construction in the near future.

The City is the recipient of approximately \$60 million in IL Capital Program Funds for the reconstruction of IL Rte 2, South Main (between Airport Drive and Cedar Street), the North Main & Auburn Roundabout, and North Main (between Auburn and Riverside). All three projects are in project design and are expected to be constructed within the next five to seven years.

The funding for West State Street is approximately \$19 million.

s. U.S. Environmental Protection Agency (USEPA)

Since 1999, Rockford has received over \$3 million in federal Brownfield's grants, including \$1.2 million announced in mid-2007 for assessment grant (\$400,000), cleanup grants (\$600,000) and a revolving loan fund (\$200,000). An additional \$500,000 was announced in early 2008 for another revolving loan fund. An additional \$500,000 was announced in 2009 for sites contaminated by petroleum. A cleanup grant of \$200,000 was announced for the Ingersoll site in May of 2009.

t. Illinois Environmental Protection Agency (IEPA)

The City initially received two grants totaling \$240,000 for Brownfield's redevelopment. These IEPA grants were used for environmental assessments of properties involved in redevelopment activities, including the Federal Courthouse

site and portions of the Barber Colman site. More recently, the City has received a line item in the state's capital plan award of \$2.0 million in IEPA River Edge grant funds to be used for brownfield redevelopment projects at City-owned brownfield sites within the River Edge Zone.

u. U.S. Economic Development Administration (EDA)

The City has assisted the region in developing a CEDS Comprehensive Economic Development Strategy application which will allow the region to be eligible for EDA grant dollars. Additional EDA funds will be sought for either economic development planning activities or for actual economic development projects within the city of Rockford.

v. IHDA's Rental Housing Support Program

The program was established to help localities address the need for decent, affordable, and permanent rental housing. The program allows the Illinois Housing Development Authority (IHDA) to make grants to local administering agencies in order to provide subsidies to landlords, which enables them to charge rent that is affordable to very low and extremely low income households. Direct assistance is also available for long term operating support for the development of affordable rental housing. The City, through its Human Services Department, submitted and was awarded a grant under the Rental Housing Support Program. In the spring of 2008, the City applied for additional funds to provide the program to rural residents of Boone County. The City will also submit another application for additional funding to support areas not currently served by the program later in the year.

w. Reach Illinois – Employer Assisted Housing

REACH Illinois is a two-part incentive package for Illinois employers who implement an employer-assisted housing program which includes state matching funds and state tax credits. The city of Rockford, in partnership with Winnebago County, has put a program in place to assist City and County employees. Community Development Block Grant and HOME funds are leveraged with the private and State funds. Swedish American Health Systems, William Charles, Ltd. and Brian Grainger Construction also offer a program for their employees.

The State's Illinois Affordable Housing Trust Fund acts as leverage for the employer's investment. For direct financial assistance from employer to employee that may be used for down payment or closing costs, the state matches dollar for dollar up to \$5,000 for income qualified employees.

Eligible employees who are interested in using the down payment funds must complete an approved homebuyer education curriculum offered by an approved local non-profit housing counseling agency. Employees learn how to establish or improve their credit score, develop a household budget and savings plan,

understand the home-buying process and home ownership experience, and shop for good mortgages.

To offset the total cost of the program, which include down payment assistance, rental assistance, counseling, and administrative costs, the state also provides a 50-cent tax credit for each dollar invested by the employer in its employer-assisted housing program.

x. IHDA Home Modification Program

IHDA, through its Affordable Housing Trust Fund, grant organizations funds to provide home modification repairs and improvements to housing owned or occupied by income-eligible elderly persons and persons with disabilities. The overall goal is to prevent and end unnecessary institutionalization of senior citizens and persons with disabilities.

The City has applied for the 2009 IHDA Home Modification Program grant with Regional Access Mobilization Project (RAMP) and Northwestern Illinois Area Agency on Aging (NIAAA) as partners \$120,000 was awarded in the fall of 2009 to assist eight (8) extremely low income seniors (60 years of age or above) and/or physically disabled individuals. The City will match HOME funds to ensure each participant has a home which meets the city of Rockford local code and the necessary modifications are made to the home to avoid unnecessary institutionalization.

The City plans to apply for future IHDA Modification grants in 2010.

y. Rockford Area Economic Development Council

Rockford Area Economic Development Council was formed in 1980 by an energetic partnership of private and public sector leaders. More than twenty-five years later, their mission of "helping employers create and retain quality jobs" still guides them in sustaining and strengthening the economic health of the Rockford Region. There is a collaborative environment and they work closely with the city and many other partners to learn what existing and new employers need to grow - and match those needs with the correct resources. They provide one-stop economic development assistance, help clients conduct site analysis based on their unique requirements, lead them to the right incentive programs, create and conduct business educational programs such as Continuous Improvement/Lean Manufacturing and identify and help develop future markets. The Rockford region is truly a wonderful area that is particularly well-suited to the following types of businesses: logistics and distribution, aerospace engineering and manufacturing, transportation equipment manufacturing, metals fabrication, back office/call centers, among others.

z. Illinois Housing Trust Funds Program

The purpose of the Trust Fund is to assist in providing affordable, decent, safe, and sanitary housing to low-and very-low income households up to 80 percent and 50 percent of the area median income in Illinois. The program is funded by the dedication and use of 50 percent of the State portion of all real estate transfer fees. Applicants for funding may be for-profit or nonprofit organizations or units of local government. Funds may be used for acquisition and rehabilitation of existing housing, adaptive re-use of non-residential buildings for residential use, new construction, construction financing, single family down payment and closing cost assistance, and special needs housing. Both rental and owner-occupied housing developments are considered.

The City applied for and received a grant for \$80,000 in 2007 for the Gilbert Avenue rehabilitation program for owner-occupants. This two-year program was leveraged with Federal and conventional financing and is expected to assist 20 households.

Unfortunately, the subprime mortgage crisis is having repercussions for all involved in the financing and development of affordable rental housing and homeownership opportunities for low and moderate income households. Since the Trust Fund resources are generated from 50 percent of the Illinois real estate transfer tax, a decline in real estate transfers has resulted in a drastic decrease in the resources available under the Fund.

While IHDA is actively seeking out creative solutions to address the shortage of funds in all aspects of the housing market, it was necessary to impose certain procedures on existing and future commitments of Trust Fund resources. Projects were prioritized, a hold was placed on application reviews, and just recently applications were being accepted.

aa. Illinois Historic Tax Credits

The Federal Historic Preservation Tax Credit Program provides federal income-tax incentives for the rehabilitation of historic income-producing properties. The Illinois Historic Preservation Agency, Preservation Services division, administers it for Illinois properties.

Under the provisions of the Tax Reform Act of 1986, a 20 percent tax credit is available for the substantial rehabilitation of commercial, agricultural, industrial, or rental residential buildings that are certified as historic. The credit may be subtracted directly from federal income taxes owned by the owner.

ab. Donation Tax Credit Program

This tax credit allows individuals or organization to give a minimum of \$10,000 in cash, securities, personal property, or real estate to participating non-housing developers. If the non-profit applies successfully to IHDA, the donor will receive a 50-cents-on-the-dollar state credit. Meanwhile, the non-profit affordable housing developer uses its IHDA tax credit award to help finance projects providing reasonably priced housing.

ac. Federal Home Loan Bank of Chicago – Affordable Housing Program (AHP) & Downpayment Plus Program

The AHP is a subsidy fund designed to assist in the development of affordable housing for low- and moderate-income households. Owner-occupied and rental projects are eligible for funding. Funds can be used to finance homeownership for households at or below 80 percent of area median income, or to finance the purchase, construction or rehabilitation of rental housing in which at least 20 percent of the units will be occupied by and affordable for very low income residents. Financial institutions in Illinois that hold stock in the Chicago FHLB may apply for AHP.

The City may apply directly to the Federal Home Loan Bank in 2010 for assistance as well as support other for-profit and non-profit applications.

Downpayment and/or closing cost assistance to low income households purchasing in Illinois is available through the Downpayment Plus Program. Alpine Bank, AMCORE BANK, Blackhawk Bank, Riverside Community Bank, and Stillman Bank all are members of the FHLB and participate in this program.

ad. New Market Tax Credits (NMTC)

The NMTC Program is designed to foster economic growth in low-income communities. It permits taxpayers to receive a credit against Federal Income taxes for making Qualified Equity Investments in designated Community Development entities. The credit provided to the investor totals 39 percent of the investment and is claimed over a seven-year period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in Community Development entities prior to the conclusion of the seven-year period. NMTCs are allocated annually by the Fund under a competitive process.

ae. Tax Increment Financing Districts

The City has established thirty (30) 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. TIF and Federal funds may be used together to assist projects.

af. Rockford's River Edge Redevelopment Zone

The State of Illinois created the River Edge Redevelopment Zone program to stimulate the safe and cost-effective development of environmentally challenged properties near rivers through the use of tax incentives and grants. Used to its fullest extent, these state incentives can result in substantial savings for business owners. Rockford's zone is certified for 30 years and expires in 2037. Two of the incentives – the property tax abatement and sales tax exemption – are administered by City staff. The others involve deductions or credits that may be claimed on Illinois income taxes. There is also a Brownfield's component to be used for environmental assessment and cleanup of City owned sites within the zone. The City of Rockford was recently listed as a line item to receive \$11.5 million dollars in this program.

ag. Brownfields Economic Development Initiative (BEDI)

BEDI is a key competitive grant program that HUD administers to stimulate and promote economic and community development. BEDI is designed to assist cities with the redevelopment of abandoned, idles and underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination.

BEDI grant funds are primarily targeted for use with a particular emphasis upon the redevelopment of Brownfield's sites in economic development projects and the increase of economic opportunities for low-and moderate-income persons a part of the creation or retention of businesses, jobs and increases in the local tax base.

ah. Programs to Reduce Lead Paint Hazards in Homes

Creating Lead Safe Rockford Program is administered by the Winnebago County Health Department (WCHD). The program is dedicated to reducing lead hazards in Rockford. The City of Rockford via Community Development Block Grant funds partners with WCHD to mitigate lead hazards in its rehab programs. Unfortunately, in late 2009 this program ceased taking applications due to a lack of funding.

The City of Rockford Human Services Department works in conjunction with the WCHD and the City Community Development Department to administer the state of Illinois Get the Lead Out (GLO) grant program. The purpose of GLO is to reduce lead paint hazards to children. GLO targets children under the age of six. Rental or owner-occupied properties are eligible to receive assistance. Priority is given to households with children presenting high EBL levels.

ai. Sweep (Sharing Work for Excellence Everywhere Program)

The City of Rockford Human Services and Community Development Departments announced the start of a new program in 2008 to assist homeowners with code violations. SWEEP provides an option for those homeowners who are cited for a code violation but who are unable to make the repairs due to income, age or disability. SWEEP is funded by the Illinois Department of Commerce and Economic Opportunity. When eligible homeowners are cited for code violation(s) by the City, they receive an application for the program. The application is submitted to the Human Services Department for processing. This program shares space with the Rockford Urban Ministries Work Camp Program at 3012 Kishwaukee Street.

aj. The Housing and Economic Act of 2008 – Neighborhood Stabilization Program

This program provides targeted emergency assistance for state and local governments to respond to the foreclosure crisis. NSP funds are being treated by HUD as a Special Allocation of Community Development block Grant program. CDBG provides an existing regulatory framework to allow for the expedient implementation of NSP. The City of Rockford's allocation is \$2,287,004. It has 18 months to use the funds and 4 years to expend the funds. Ten percent may be used for program administration. The City intends to expend funds on all eligible uses including the:

- Creation of financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.
- Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop.
- Establishment of land banks for homes that have been foreclosed upon.
- Demolition of blighted structures.
- Redevelopment of demolished or vacant properties.

The program requires strict adherence to income targeting. NSP requires that 100 percent of the grant funds benefit households with income at or below 120 percent of the area median income (AMI). Twenty-five percent of NSP funds must benefit households at or below 50 percent of AMI.

This act established three specific targeting responsibilities for local governments implementing the Neighborhood Stabilization Program, including areas with the greatest need:

- With the greatest percentage of foreclosed homes;
- With the highest percentage of homes financed by a subprime Mortgage related loan; and
- Identified by the State of unit of local government as likely to face a significant rise in the rate of home foreclosures.

- ak. Homebuyer Counseling Services – Homebuyer counseling services are provided locally through the Rockford Area Affordable Housing Coalition and Family Credit Management. All of the City of Rockford’s Community Development downpayment and closing cost assistance programs require homebuyer’s to obtain pre-purchase housing counseling. Counseling helps to ensure families have been trained to undertake and maintain homeownership responsibilities.

- am. The Homeless Prevention and Rapid Re-Housing Program’s (HPRP) purpose is to provide homeless prevention assistance to households who would otherwise become homeless – many due to the economic crisis – and provide assistance to rapidly re-house persons who are homeless by HUD definition. The City of Rockford’s Human Services Department received \$861,000 in 2009. 60% of the funds must be expended within 2 years of the date of the grant agreement and 100% within 3 years.

- an. Neighborhood Housing Services (NHS). The City has been working with a NHS out of Freeport to deliver services here in Rockford. HNS of Freeport is a community-based non-profit organization that offers a range of home ownership services and financing opportunities.

Managing the Process

1. *Identify the lead agency, entity and agencies responsible for administering programs covered by the consolidated plan.*

The city of Rockford Community Development Department will continue to serve as the lead agency in regard to the proposed activities outlined in this plan. This will encompass coordinating and/or managing most, housing and publicly-funded economic development activities. In some instances, the Community Development Department will defer its lead role and share 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 (Rockford Housing Authority and Winnebago County Housing Authority). Home energy related activities including home weatherization and energy assistance along with social service activities will continue to be managed and coordinated by the city of Rockford’s Human Service Department. This entity will also continue to serve in the lead role in all homeless activities in 2010.

In addition, the City will continue to partner with housing non-profits 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.

2. *Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.*

The development of the Action Plan is a work in progress throughout the year culminating at the time of the public hearing. It represents a collective effort from a broad array of entities in the city of Rockford, ranging from the Mayor's Task Force on the Homeless (represented by some fifty (50) social service agencies) to numerous public and private economic development organizations. Private, public and non-profit organizations were reached through several means, including informal telephone conversations, e-mail correspondence, and meetings regarding specific issues. The Community Development Department staffs numerous City boards, commissions and task forces that provide guidance and data for the Plan preparation. The consultation process also included discussion and coordination with the Rockford Housing Authority and the Winnebago County Housing Authority. They also provide statistics and narratives related to their housing stock and plans they have for on-going enhancements to their affordable housing stock.

Annual Action Plan Citizen Participation Schedule

Date	Activity
July 2	Receive 2010 – 14 con Plan for review
July 6 – 10	Evaluate current programs
July 13 - 15	Hold ND/ED budget planning session(s)
July 16 – August 14	Develop draft of Annual Action Plan
August 31	Provide Annual Action Plan to WES
September 18	Receive combined Plan from WES
September 21-25	Present Plan to administration and aldermen most affected by programs
September 27	Read Plan into City Council with pending date for committee review of 11/2 & publish Plan for 30 day comment period
September 28	Read Plan into City Council with pending date for committee review of November 2
September 28 – October 23	Additional discussions with Aldermen as needed

October 6 – 8	Hold public input sessions (3 Districts)
October 27	30 day comment period ends and provide comments to WES
November 2	Plan is discussed at Planning & Development committee
November 2	Committee discussion
November 9	Committee discussion continued. If needed, rules suspension is required and receive City Council approval.
November 12	Submit to HUD
December 15	Publish request for release of funds

3. *Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.*

Public and assisted housing providers, private and governmental health, mental health, and service agencies are participants in the network described in this document. They also represent many of the organizations with which the City worked with to develop the Annual Action Plan, and are expected to continue to be active participants in the upcoming years. The City has a well-developed Continuum of Care system with a full-time staff member assigned.

The City of Rockford Community Development Department’s 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 to meet on a regular basis and to establish common 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:

- a. Coordinating and developing city-funded rehabilitation and homeowner programs with the assistance of local lenders, realtors and housing non-profits.
- b. Coordinating city-funded home ownership programs through the Rockford Homestead Board.

- c. Coordinating with housing non-profits by city representation on the coalition of housing interest groups.
- d. 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.
- e. Coordinating the housing rehabilitation efforts with the City Community Development and Human Services Departments
- f. Coordinating efforts to provide permanent housing opportunities with the local Public Housing Authorities.
- g. Coordinating efforts with the public health department to use their services for lead-risk assessments, clearance testing, and providing leverage for state and federal grant opportunities.
- h. Coordination with major stakeholders in focus areas in the sharing of resources.
- i. Partner with the local public housing authorities in the demolition of substandard housing and redevelopment of affordable housing in the community.

Homeless programs, emergency payment of rent and utilities, weatherization, rehab programs and lead hazard reduction programs are administered by the Human Services Department and, when possible, are coordinated with the City's Community Development Department. Additionally, low-income housing tax credit projects and state trust fund developments must be reviewed and approved by the City. Often times these projects are also require gap financing from the City.

Citizen Participation

1. *Provide a summary of the citizen participation process.*

As required by the Department of Housing and Urban Development Rules and Regulations, the city of Rockford complies with regulation 24 CFR 91.105, Citizen Participation Plan for local governments as outlined. Consequently, the City has adopted a citizen's participation plan that sets forth the City's policies and procedures for citizen participation.

Citizen participation is an important component of the Annual Action Plan development process. The citizen participation program is instrumental in obtaining

input from the community and organizations serving the community in designing programs that will best met the needs of low and moderate income population. This step of the process consists of a series of three public input sessions at which citizens provide input that will be used to help the City determine activities for the 2010-14 five-year Consolidated Plan and activities specific to FY 2010 in order to establish the five-year goals for in the Consolidated Plan. Their input, along with the assistance of the Citizen Participation Committee, helps to ensure that Rockford's Federal funds are appropriated allocated. Throughout the process, the Community Development's staff provides technical assistance to applicants and the Citizen Participation Committee members. The public input sessions were held one each in the newly established City Districts/Zones and varied in time from morning to afternoon to evening. These locations were all fully accessible facilities, and included ample available free parking.

2. *Provide a summary of citizen comments or views on the plan.*

No written comments were received.

3. *Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.*

The components of the citizen participation plan discussed above have been designed with the explicit intention of accommodating and encouraging participation by low-and moderate-income residents, residents of low- and moderate-income neighborhoods, members of minority groups, persons with limited English skills and persons with disabilities.

Plan development consultations included specific targeted outreach to service providers, sub-recipients, and their clients involved in the delivery of eligible program activities o eligible populations. These consultations necessarily involved the active participation of members of minority groups, low-income and moderate-income individuals, persons with limited English skills, and individuals with disabilities.

4. *Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.*

There were no comments that were not accepted.

Institutional Structure

1. *Describe actions that will take place during the next year to develop institutional structure.*

The central responsibility for the administration of the Annual Action Plan is assigned to the Community Development Department. The Department will coordinate activities among the public and private organizations' efforts to realize the prioritized goals of the Annual Action Plan. Extensive public-private partnerships have been established and organized to address the City's housing and community development needs. The Neighborhood and Economic Development Divisions will access, facilitate, and coordinate resource linkages and draw from the immediate sources of expertise the community to strengthen existing partnerships and develop new collaborative relationships.

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

- The City will continue to work with and strengthen neighborhood groups to achieve the goals of focus area plans working with the Neighborhood Network and other groups, such as both Weed and Seed groups.
- The City has established working relationships with a number of neighborhood business development organizations, such as South West Ideas For Today and Tomorrow, Inc. (SWIFTT), the Miracle Mile businesses (East State and Alpine), North End Commons, and Neighborhood Networks. 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 & 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 Mayors' Community Task Force on the Homeless.
- The City will continue its efforts to strengthen the existing non-profits by providing technical resources and access to resources while fostering the development of new entities to serve specific areas and populations. The City plans to co-sponsor at least one workshop in this period to help meet this strategy. Attendance at these workshops remains mandatory as a condition of receiving CHDO operating funds in 2010.
- City will continue to promote coordination between local realtors and lenders to more effectively serve low-income potential and existing homeowners. Such coordination has already resulted in the provision of our down payment/closing cost assistance programs. The City will work jointly with the lenders and other community development partners to address the foreclosure crisis and develop Rockford's strategic plan to distribute funds received under the massive housing bill

passed by President Bush in 2008 and additional economic stimulus dollars allocated in 2009.

- The City will work closely with its Neighborhood Stabilization Program developers to ensure a complete understanding of the regulations.

Monitoring

1. *Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.*

a. Recipient Monitoring

The city of Rockford recognizes that ongoing monitoring is an essentially important component of effective CDBG, HOME and ESG programs. Consequently, the city of Rockford Community Development Department has developed an internal management plan to assure the proper and timely implementation of the strategic plan and the annual plan. Procedures have also been put in place to assure property compliance with all program requirements for the CDBG, HOME and ESG entitlements. This also includes the funding provided through the Neighborhood Stabilization Program.

b. Rehabilitation Projects

Up until a project is completed, it will be the responsibility of the assigned Finance/Construction specialist to monitor the project. Once it is complete, it will be the responsibility of the compliance unit to ensure that all the requirements of the agreement are met. The city of Rockford will also ensure compliance with housing codes, consistent with the requirements of the Consolidated Plan programs. All properties assisted will be inspected prior to assistance by a trained Rehabilitation Construction Specialist for code compliance and require that violations be addressed as a condition of funding. The specialist will continue to monitor projects throughout construction.

Also:

- 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 projects 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.
- 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 will be held in a HUD 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, 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.

- Investor-owners that have received 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.
- 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.
- All projects assisted with CDBG and HOME funds will be monitored subsequent to completion consistent with the regulations of the program.
- Quarterly reports will be completed in the DRGR system (NSP) and IDIS (CDBG, HOME, ESG) and annually through the Consolidated Annual Performance and Evaluation Report (CAPER).

The Department also monitors the amount of available funding utilizing the IDIS and the City's financial management accounting system to assure that uncommitted and expended funding does not exceed allowable HUD-recommended levels yet meets the 1.5 percent expenditure HUD requirement.

The City's overall monitoring practices are designed to achieve the following goals:

- Improve program performance,
- Improve financial performance, and
- Assure regulatory compliance.

c. Sub-Recipient Monitoring

The City provides oversight of all designated sub-recipients of CDBG, HOME or ESG funds and conducts a Risk Assessment to determine the appropriate level of monitoring that is needed. Typical monitoring will include monthly desk audits of records and reports, yearly on-site visits and a comprehensive review, if there is warning signs of problems.

Monthly “desk audits” of the programs allows staff the occasion to track the timeliness of expenditures. On-site monitoring enables staff members an opportunity to ensure sub-recipients are in compliance with Federal regulations and are actively working to achieve the objectives outlined in their grant agreement and the Annual Action Plan. Site visits also allow sub-recipients to receive technical assistance and provide feedback about program administration.

The Risk Assessments will also take into account the following risk factors:

- Sub-recipients new to the CDBG, HOME and ESG program,
- Sub-recipients that have experience turnover in key staff positions or a change in goals or direction,
- Sub-recipients with previous compliance or performance problems such as untimely reports and pay requests or repeatedly inaccuracy,
- Sub-recipients carrying out high-risk activities, and
- Sub-recipients undertaking multiple-funded activities for the first time.

To help ensure success in meeting its goals, the City will:

- Select sub-recipients that share the vision of the Consolidated plan,
- Prescreen to determine capacity, eligibility and feasibility,
- Execute clear, complete and enforceable agreements,
- Provide training and technical assistance to improve performance, and,
- Ensure that there is an effective reporting and data gathering system will be in place.

d. Davis Bacon Compliance

The City of Rockford has a staff member assigned to overseeing any projects that require Davis Bacon compliance whose office is located in the City’s Legal Department. This position is responsible for conducting site visits, conducting employee interviews and checking the weekly payroll forms for accuracy and compliance.

e. Minority and Women Business Outreach Program

1. Minority and Women Business Outreach Efforts

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.

2. Outreach Standards

The City's outreach standards at a minimum will include:

- a. The promotion and encouragement of minority and woman-owned businesses and their participation in the City's procurement process as both general contractors, subcontractors and suppliers of goods and services.
- b. 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 women business development.
- c. Networking with local, state, federal and private agencies and organizations to enhance the contractual opportunities for minority and women business development.

3. Guidelines for a Minority/Women Business Outreach Program

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 Women 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 women business development and support group (NIMCA-Northern Illinois Minority Companies Association & RAMBA – Rockford Area Mexican Business Association).
3. Conducting specialized workshops for minority and women regarding contacting and subcontracting opportunities through City and other agencies.
4. Promoting and marketing minority and woman business through:
 - News stories,
 - Television talk shows,
 - Public service announcements,
 - Special video tapings,
 - Flyers to other interested businesses and organizations, and
 - Specialized advertising in magazines and newsletters.
5. Preparing an annual year-end report on the dollar amounts awarded to minority and women 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 women business community when contract or subcontract opportunities arise.

7. The sponsoring or co-sponsoring of:
 - Minority and Women Business Support Group meetings,
 - Northern Illinois Minority Companies Association (NIMCA),
 - Chicago Regional Purchasing Council,
 - Downstate Illinois Minority Enterprise Systems (DIMES),
 - Hispanic Chamber of Commerce of Northern Illinois (HCCNI),
 - Northern Illinois Black Chamber of Commerce (NIBCC),
 - Rockford Black Business Owners Association (RBBOA),
 - Ministers Fellowship,
 - National Association for the Advancement of Colored People (NAACP),
 - Rockford Area Minority Coalition Organizations (RAMCO) made up of several organizations for networking and the dissemination of information,
 - Rockford Area Mexican Business Association,
 - Business related education workshops, and
 - State, federal and private conferences, works shops and seminars.
8. Maintaining centralized records on the use and participation of minority and women businesses as contractors and sub- contractors in all HUD-assisted program-contracting activities through the Neighborhood Development Division and the Purchasing Department.
9. Maintaining a Procurement Policy that encourages the use of Minority and Women Owned Business in the City's procurement efforts:
 - As part of bid requirements the City of Rockford requires Minority and Women Owned Business to certify their business as such. Also, 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 reciprocated for this requirement.
 - Require contractors/firms to provide a listing of subcontractors.
 - Track MBE/WBE participation of all contracts awarded through bid process.
 - Revamped measures to encourage minority and women-owned business participation.
 - Set goals for minority participation

f. Other Projects/Actions

1. 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.
2. The Community Development Department is responsible for meeting identified goals and will complete year-end accomplishment reports. The reports will be reviewed at regularly scheduled quarterly staff 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.
 3. 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.
 4. The Mayors' Community Task Force on Homeless 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.
 5. 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.
 6. The Community Development Department will submit quarterly reports in the DRGR system for the Neighborhood Stabilization Program. Participating developers will submit quarterly and annual status reports.
 7. More clearly defined roles and improved cooperation has enabled federal grant fund draw downs to occur in a timely 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.
 8. Community Development staff works with the Finance Department to review grant disbursements. This 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.

9. The Community Development Department also meets monthly with the Finance and Human Services Department to review and discuss current financials and address any issues.
10. As of October 1, 2006, in place are HUD's requirements to institute performance measurements. Thus, the five-year goals and objectives that the city commonly develops for each Consolidated Planning period includes objectives and outcomes. Progress towards meeting the goals established in the each year's annual plan is tracked and assessed. All of this provides a solid framework for completing each year's Consolidated Annual Performance and Evaluation Report.
11. IDIS reports are reviewed regularly to evaluate program status.

Lead-Based Paint

1. *Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.*

The city of Rockford conducts actions to evaluate and reduce lead-based paint hazards in homes through several different entities. Those actions include:

- The provision of opportunities for training and lead certifications/renewals so that staff is trained to identify lead and supervise workers on projects serving lower income persons. Two persons within Community Development are certified; one person is certified as a lead supervisor and inspector and the second as a lead supervisor, inspector and risk assessor.
- The incorporation of lead-safe work practice, interim controls, and when required, lead abatement to all of its housing rehabilitation programs.
- The incorporation of language addressing the Federal lead requirements in its legal documents.
- The provision of technical assistance to all Continuum of Care sponsors.
- The provision of additional educational materials in Spanish.
- Offering training to increase the number of lead-based paint contractors, workers and supervisors.

- The Winnebago County Health Department (WCHD) received \$1,237,911 Lead Hazard Reduction Demonstration grant from the Department of Housing and Urban Development in 2007. The term of the grant is 3/1/07 to 2/28/2010. The Creating Lead-Safe Rockford Program is a result of that grant. The City of Rockford has partnered with the County in its administration of the program and CDBG funds are leveraged, when within the realm of our programs, for lead mitigation work in owner-occupied properties. The City also provides staff support in the coordination of City-funded rehabilitation work. It was anticipated that this program would continue through the 2010, but ceased taking applications in the fall of 2009.
- Through a Memorandum of Understanding between Head Start and the Health Department, the sharing of information has been made easier. By executing releases of information and sharing of information between the two agencies, more children are expected to be tested and the process has facilitated additional opportunities to complete follow-ups with lead poisoned children.
- The Health Department intends to continue to educate parents on the dangers of lead, how to prevent lead poisoning by proper nutrition of their child and alternative ways to clean while residing in a home that has lead hazards. Child blood testing will be offered, as was a lead toy screening by Innov-x. Innov-x will provide machines and technicians as it has done in past years.
- “Lead Smart” displays will be set up at home retail centers to educate customers how to remodel lead safe. Also events will be conducted to do lead testing simultaneously with dental screenings, applications for Head Start and provide free Blood Pressure screenings. People will be served and untold numbers will be reached due to media coverage on these types of events.
- The WCHD Lead Program purchased a blood lead testing machine which provides 3 minute results. This will continue to create opportunities to do on the spot education with those clients in the hard to reach areas, and will reduce the amount of children lost in the follow up process, due to the population served, moving on average, three times per year.
- Following the Lead-Based Paint Disclosure Rule when rehabbing property. Owners and occupants involved in rehabilitation projects are provided a disclosure of known information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978 to protect families from exposure to lead from paint, dust, and soil.
- The Rockford Area Affordable Housing Coalition addresses lead in its pre-purchase counseling course.
- Rockford’s Human Services Department will continue to work in conjunction with the Winnebago County Health Department to administer the State of Illinois Get the Lead Out (GLO) program. The purpose of GLO is to reduce lead paint hazards to children. GLO targets lower to middle income households with children under the age of six years old. Human Services will continue to actively identify LIHEAP households for at-risk occupants, namely children under six and expectant women. During the application process for LIHEAP, heads of households in this at-risk group

will be encouraged to apply for the Get the Lead Out program. For those wishing to apply for a GLO grant, at a minimum, their residence will be inspected for lead hazards by the Winnebago County Health Department risk assessor. Where hazards are identified, measures can be taken through GLO to ensure the residence is lead-safe. CDBG funds will continue to be used to support this program in 2010 by providing a 10 percent match. Twenty slots are currently available for the 2009-2010 program year.

- Winnebago County Health Department applied for a second grant from HUD in 2009. The Creating Lead-Safe Rockford Program² plans to provide lead-based paint hazard interim controls to 150 homes over the 3 years of the project. This grant was not awarded.
- Educate the public and train contractors on the US EPA law beginning April, 2010, that will require contractors that disturb lead-based paint in homes, child care facilities and schools built before 1978 to be certified and follow specific work practices to prevent lead contamination.

All of the above actions and varied funding sources come together to form working partnerships that enable Rockford to aggressively assist HUD in its goal to eliminate childhood lead poisoning as a major health problem.

HOUSING

Specific Housing Objectives

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

The following table outlines the specific accomplishment goals that the city of Rockford plans to achieve through projects supported during the 2010 program year. A more detailed enumeration of output and outcome objectives for individual housing projects was previously included.

ACTIVITY	GOAL	SOURCE
Rehabilitation of housing	67	CDBG and HOME
Construction of Housing	3	HOME
Lead-based Paint Interim Controls	15	CDBG and HOME
Homeownership Assistance	19	HOME
Code Enforcement	6400	CDBG

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

As outlined in the table above, Rockford intends to use Consolidated Plan funding from the CDBG and HOME program to support housing activities during the 2010 program year for eligible populations within the program jurisdictions. This funding will support almost all rehabilitation activities, the new construction of housing, demolitions, acquisitions, public facilities and services, code enforcement, lead programs, CHDO operating, homebuyer programs and economic development activities. Other Federal, state, local, and private funding sources will match these funds to achieve the accomplishment goals outline above. Although the city of Rockford has documented excess HOME required matching funds from prior years, Rockford will continue to identify funding from other sources during the program year.

Needs of Public Housing

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

The City has and will continue to work together with both the Rockford Housing Authority (RHA) and the Winnebago County Housing Authority (WCHA) to implement activities that encourage public housing residents to become more involved in management and to participate in homeownership opportunities.

The City of Rockford and the RHA will partner in the upcoming year to undertake two major redevelopment projects at the public housing developments known as Brewington Oaks and Fairgrounds Valley. Collectively, these two developments represent over 600 units of distressed public housing in the City and are prime candidates for revitalization. Private developers will be hired to lead these projects; however the successful redevelopment of each site will be a collaborative effort of public and private funds. Residents at both developments will be involved in both the master planning process and ultimate management decisions that come out of the redevelopment process.

The RHA also promotes homeownership to residents through it's homeownership programs. To date, nearly 100 public housing and Section 8 families have purchased homes under the Family Self Sufficiency Program. Additionally, the RHA intends to further expand the homeownership opportunities to residents in the upcoming year by implementing a Section 32 Homeownership program targeted to working families earning 50 to 80 percent of Adjusted Median Income. This homeownership program

was contingent upon the award of a \$10 million competitive HUD grant for single family scattered site housing submitted under the Public Housing Capital Fund Stimulus Program. The RHA received notification of that their grant was not approved. However, the RHA plans to expand homeownership opportunities utilizing the existing scattered site properties and a variety of available funding from both IHDA and HUD as well as other private and public resources.

In addition, the RHA continues to demonstrate a strong commitment to customer service and promotes resident input through regularly scheduled meetings with the Executive Director and other key staff people. Together, the City of Rockford and the RHA will continue to work together to encourage public housing residents to access community resources that can be used to address needs and improve the overall quality of life for all residents.

The City's Human Services Department continues to provide 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 propensity 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 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 2800 children annually and another 650 children are served through a snack program. Plans are to continue these efforts.

In addition, 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 abatement program that requires a 10 percent match provided with CDBG funds. Priority is given to housing authority units where a child or children with elevated blood levels reside.

The WCHA works collaboratively with RHA to further shared resources for the community by having RHA administrate WCHA's Family Self-Sufficiency Program, offering program leverage for RHA's HOPE VI and mixed finance revitalization programs, streamlining shared waiting list preferences to enhance program accessibility and understanding for applicants and shares reference information.

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

Neither the Rockford Housing Authority (RHA) nor the Winnebago County Housing Authority (WCHA) carries the designation of "troubled" by HUD. In the most recent evaluation period, fiscal year 2007, the RHA earned a score of 87 under the Public Housing Assessment System and thus is considered a "standard performer" only 3 points shy of the score of 90 that would garner "high performer" status. The WCHA received a score of 84 during the same evaluation period and is also considered a "standard performer" falling just 6 points shy of the 90 points required for the "high performer" status. Consequently, neither is considered a poorly performing entity and as a result, the City does not need to prescribe any financial assistance or other assistance to improve operations to remove such designations during the year.

Barriers to Affordable Housing

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

The city of Rockford is one of the most affordable cities in the United States (8th in the country) but 49.6 percent of Rockford's population earns less than 80 percent of the area median income. Therefore, there continues to be a need to address overall barriers to affordable housing, homeownership and maintenance of the current affordable housing stock.

Community Development will address these issues through the continuation of its homebuyers programs such as the American Dream Downpayment Initiative, REACH Employer Assisted Housing, and CHDO projects creating affordable housing, the Focus Area Rehabilitation and other strategy area rehabilitation programs.

In 2007, the Rockford City Council adopted a new Zoning Ordinance for the entire City that reflects the goals and objectives of the 2020 Comprehensive Plan. This ordinance promotes the concept of housing that is desirable, safe and affordable. Over the course of the 2009 program year, the City anticipates continuing to implement the provisions of this new Ordinance and evaluating its effectiveness at meeting the goals of the 2020 Comprehensive Plan. Attention will be paid to how the code impacts affordable housing projects.

Rockford's permit fees and development review process are also some of the least burdensome in the region. The City does not charge development impact fees or technical review fees and places no special permitting reviews on affordable housing

projects that would not be required of all developments. Finally, there are no court order or HUD sanctions in effect in Rockford.

Unfortunately, the primary barriers to the production of affordable housing in Rockford remain the high cost of construction and after-rehab or after-construction property values. These barriers are, for the most part, beyond the control of the local jurisdiction and are addressed the best means possible via gap financing.

Additional barriers include:

- a. 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. Neighborhoods are under distress from foreclosures, property flipping and subprime lending.

Strategy:

1. Sub-prime lenders are prohibited from participating in any city of Rockford programs.
2. ADDI program prohibits participation of a lender who costs exceed of 5 percent of the mortgage amount.
3. The Rockford Homestead Board, who oversees Rockford's homeownership programs, denies requests for subordination when sub-prime lenders are involved and counsels homesteaders on the negative effects of sub-prime mortgages. We also address "payday lending" through education via the Rockford Area Affordable Housing Coalition and the Rockford Homestead Board.
4. A portion of the City's Community Development Block Grant is budgeted to continue a pre- and post-purchasing homebuyer counseling administered by the Rockford Area Affordable Housing Coalition.
5. The Neighborhood Stabilization Program will address housing abandoned, foreclosed, vacant property, and blighted housing.

- b. Crime and safety continues to be a barrier.

Strategy:

1. 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.
2. 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 various divisions of the Community Development

- Department. The additional funding through the Neighborhood Stabilization Program will enhance our efforts.
3. The City continues to focus its 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.
 4. An inventory of property conductions will be done of each of Rockford's census tracts to determine where there are concentrations of vacant property, crime, rental units, lowest equalized assessed values and lower income. A base line goal will be determined and then those areas not meeting the goal will be the focus of certain CDBG and HOME eligible activities.
 5. Through the Weed and Seed efforts, improvements will be made to homes and through the weeding effort there is a greater police presence, including the deployment of undercover officers, and tighter enforcement of building codes and other steps to work against blight.
 6. Promote urban homesteading and the removal of vacant derelict property. Outside resources will be necessary to obtain success.
 7. Attract, strengthen and stimulate private market forces and other public resources to invest in inner-city communities.
 8. The City will encourage neighborhoods to organize against crime.
- c. There are developmental barriers to the creation of affordable housing, including 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.
- Strategy:
1. The City will make its vacant lots available to CHDOs and private developers for redevelopment.
 2. 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. The Full Urban Standards requirements, to a limited extent, 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.
 3. Financing and acquisition will be addressed in later strategies.
 4. Technical assistance will be provided to developers and homebuyers.
- d. 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 to 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.

Strategy:

1. Aged properties not suitable for rehabilitation will be demolished by Community Development or by providing direct assistance to property owners.
2. Community Development will work cooperatively with the Human Services Department and the WCHD, especially when there are identified lead hazards.
3. Increases in the cost of materials are anticipated and considered when analyzing the gap of special projects.

- e. 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.

Strategy:

1. 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 persons at fair market rents.
2. The City through the continuation of its homebuyer programs will address affordable housing.
3. 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 as well as participate in IHDA's programs.
4. The City will continue to market its home ownership programs to public housing tenants in an effort to provide them with additional housing choices.

- f. Acquiring properties poses an impediment, which hampers the City's acquisition-rehab efforts.

Strategy:

1. The City will foreclose on liens, acquire properties on a voluntary sales basis, and obtain HUD properties. Unfortunately, there are a myriad of barriers faced when acquiring property.
2. The City will continue to evaluate our strategies of acquiring property and work with others within our organization to identify streamline methods.
3. Properties will be demolished using the "fast track" method to avoid the lengthy process of acquisition – especially when the land is not needed for an upcoming project.

- g. 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. This affordability gap exacerbates the problem. Even though there are more sources available than in the past with more affordable financing due to CRA laws and public resources, the barrier is so great that public resources along cannot solve the problem. No one

player has the money or know-how to deliver all a community needs. Also, persons with special needs require assistance with making units accessible.

Strategy:

1. The Down Home program will be initiated, to fill the gap caused by the termination of the ADDI program, and will provide 6 percent of the sales price for homebuyers to use for down payment and closing cost assistance.
 2. New construction will continue which leverage private and federal funds to create affordable housing financing for lower income persons via developers.
 3. 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.
 4. A portion of the City's Community Development Block Grant will continue a credit-counseling course administered by the Rockford Area Affordable Housing Coalition.
 5. The City will submit an application for funding under HUDs Homeless Assistance for the Homeless program.
 6. 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.
 7. Ramps will be constructed for the physically disabled through the RAMP agency.
 8. The City's Tax Incentive Program will be marketed to prospective buyers of eligible properties.
 9. The City will administer its funds received through the State's Home Modification program to complement its new Elderly/Disabled housing rehab program.
- h. 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 unrehabilitated older unit and older renovated housing.

Strategy:

1. 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.
 2. The development of a loan pool continues to be explored to help cover the gap in financing.
 3. The City will increase the value of property in neighborhoods by focusing our resources. We will analyze our affect on neighborhoods annually.
- i. 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.

Strategy:

1. The city of Rockford will continue to provide technical assistance to help ensure that projects obtain the resources needed.
 2. Raising the awareness of available funding sources through networking and serving on boards and committees.
 3. 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.
 4. The City will continue to seek outside resources to assist with the redevelopment of our neighborhoods. New technology purchased by the City will aid in the identification of other resources.
- j. 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 speaking, the older the home the greater the lead 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.

Strategy:

1. Provide match for the State's Get the Lead Out! Program administered by the Human Services Department and the Winnebago County's lead program. The goal is to successfully control lead hazards in homes and create funding leverage for future grants.
 2. Continue to network with the Winnebago County Childhood Lead Poisoning Prevention Committee to determine ways to educate the public on lead hazards.
 3. Look at other cities and their approach to contracting for lead work.
 4. Increase the number of lead licensed contractors for more competitive bidding.
- k. Historically, both jobs and affordable housing were concentrated in Rockford's central city. This made sense in the early to mid-20th century when people tended to live close to where they worked due to limited transportation options. However, as most of those manufacturing jobs have either moved to the periphery of the city or left it altogether, the aging, affordable housing stock remains. As is in most of the country, employment growth has become increasingly dispersed and the outlying areas where job opportunities are most plentiful offer little housing that is affordable to low- or moderate-income households. The central city remains the primary source of affordable housing for the poor.

The clustering of affordable rental housing in Rockford's inner city neighborhoods has served to reinforce concentrations of poverty and exacerbate racial segregation. The concentration of poverty within certain tracts has led to a concentration of social ills in Rockford's inner city neighborhoods that includes higher crime rates, truancy and education failure, poor health, and higher fiscal burdens on the local government.

The funding available for affordable housing is a barrier in that it continues the concentration of low-income housing in low-income neighborhoods by assigning boosts or a scoring bonus for projects within certain qualified census tracts. This contributes to the concentration of poverty rather than enhancing access to opportunity.

The City is reviewing state, federal and local policies to determine a means to help de-densify our neighborhoods by ordinance or policy. Helping families relocate from high-poverty to low-poverty neighborhoods will lead to significant improvements in families' well being and long-term life chances.

HOME/ American Dream Down payment Initiative (ADDI)

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

The City does not intend to use other forms of investment not described in 92.205 (b).

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

24 CFR 92.254(a) (5) allows the participating jurisdiction to impose either resale or recapture requirements on properties sold or refinanced that have been assisted with HOME funds. The city of Rockford prefers to use the recapture method, but certain developments may require the use of the resale method. The resale method is required when a homebuyer does not receive direct homebuyer assistance.

Since 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.

To encourage the initial homebuyer investment and ongoing investment in the property and neighborhood, the city of Rockford has determined that incentives are needed. Therefore, we have structured programs in which homebuyers capture a significant percentage of equity accumulation. These incentives include forgiveness of the loans and the sharing of the net proceeds.

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 prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

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. The Homeowner investment includes the purchaser’s contribution to the down payment.

The net proceeds will be divided proportionally as set forth in the following mathematical formula:

$$\frac{\text{Homeowner Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net proceeds} = \text{Amount to Homeowner}$$

$$\frac{\text{HOME Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net proceeds} = \text{HOME recapture (not to exceed the original)}$$

HOME Investment + HOME investment)

Note: The City anticipates 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 i.e. not occupying the property as their principal residence, all HOME funds will be due and payable.

Example based on 2009 program design for down payment assistance:

Assumptions:

- Original value at the time of purchase: \$50,000
- First mortgage from private lender for purchase – 30 years at 6%: \$46,000
- HOME Assistance (down payment & closing costs): \$4,000 (\$3,000 downpayment & \$1,000 closing costs)
- Homeowner contribution (down payment) : \$1,000
- Sales Price \$55,000
- Sale occurring after the 3rd and prior to the 4th anniversary of the purchase date
- 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.

Besides the recapture conditions mentioned above, the city of Rockford will recapture HOME assistance if the homebuyer becomes non-compliant during the forgivable loan term or term of affordability, whichever term is greater. Examples of non-compliance may be, but are not limited to, criminal activity, and not maintaining the property to local code.

3. *If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:*

The City does not use HOME funds to refinance existing debt secured by multifamily housing being rehabilitated with HOME funds.

4. *If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:*

It is our understanding that the ADDI program has been terminated and therefore, the City does not anticipate the use of ADDI funds.

HOMELESS

Specific Homeless Prevention Elements

1. *Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.*

The Rockford, Winnebago/Boone County Continuum of Care (CoC) expects to receive approximately \$1.6 million from public and private sources, with 5 percent being directed primarily towards homeless prevention activities. The remaining 95 percent is earmarked to address the needs of the homeless including 56 percent or \$900,000 devoted specifically to the development of permanent supportive housing for homeless persons with disabilities (mental illness) and for homeless families. The remaining funds will be dedicated to a variety of homeless supportive services.

Just over \$92,000 in ESGP funds will be spent during the upcoming program year. 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 Solutions Grants program and the Emergency Community Services homeless program.

Rockford's Emergency Solutions Grant (formally known as Emergency Shelter Grant) funds have commonly been distributed to local agencies serving the homeless through a competitive grant process. This is expected to continue. Shelter Care Ministries, PHASE/WAVE, the Carpenter's Place and Careers, Etc. are current recipients of the ESG

program. More than likely these agencies will continue to be recipients in 2010. The American Red Cross has transferred ownership of the local emergency shelter to the Rockford Rescue Mission, which will not seek public funding to run the program. As such, the American Red Cross was not funded through the program this year. Those who are emergency shelter providers will also be encouraged to apply for the State's Emergency Solutions Grants program and other resources such as Federal Emergency Management Agency (FEMA) funds and grants through the Illinois Department of Human Services. Nearly \$150,000 is expected to be leveraged from these sources.

2. *Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.*

The Rockford, Winnebago/Boone County Continuum of Care identified the following priorities for the upcoming program year.

The Mayors Homeless Taskforce, an advisory body that guides the Rockford, Winnebago/Boone County CoC has completed a 10-year plan to end chronic homelessness in this area. The elements of the plan attempt to address the root causes of chronic homelessness. It is believed that these root causes are related to lack of employment (at livable wage), chemical dependency and mental illness. A sub-committee of the task-force has been charged with bringing the plan together in such a way as to identify and fill the gaps in support services necessary to implement the plan.

Another important priority is the development of permanent supportive housing for the chronically homeless with disabilities along with more support services. According to the Rockford/Winnebago, Boone Counties Continuum of Care, the current inventory of homeless facilities includes 237 emergency beds and 261 transitional beds for the homeless. There are currently 16 beds that are exclusively for the chronically homeless. The Continuum of Care currently has a few agencies that work with the chronically homeless population. The Carpenter's Place day drop-in center serves chronically homeless individuals by offering case management, employment training and counseling. The Homeless Mental Health Access Project targets individuals living on the street that need access to mental health and health services. Careers, Etc. provides employment training to homeless individuals, including a significant number of chronically homeless.

Obstacles to the homelessness approach include a continued high unemployment rate in our community combined with an increase in the number of foreclosures and loss of services and assistance resources for persons at risk of homelessness. The City is having to learn to address many more homeless with less resources and it presents a challenge but also allows for some creativity and efficiency-building in terms of agency collaboration to address the problem.

3. *Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.*

The current chronic homeless strategy includes outreach to identify those individuals who meet the definition of chronically homeless, followed by assessment, treatment and housing with supportive services. The continuum currently has 16 permanent supportive housing beds targeted specifically to the chronically homeless. In addition to the housing, the continuum currently has several agencies that work with the chronically homeless population. The Continuum's employment training program reports serving nine chronically homeless individuals during the past program year. Another supportive services project, the Homeless Mental Health Access Project, reported serving 20 chronically homeless individuals this past program year. As the continuum continues to add permanent supportive housing beds for the chronically homeless and focus on the specific services provided to the chronically homeless, it will be able to better analyze the data and outcomes of these programs to improve the strategy on working with the chronically homeless.

Supportive Housing projects this year included Promised Land Employment dba Careers, Etc. and Shelter Care Ministries. Careers, Etc. 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 approximately \$93,083 in each year in program renewals since 2002. The HMHAP Project is collaboration between Crusader Clinic, Janet Wattles Center and Carpenter's Place and was awarded \$466,704 in supportive housing grant funds to continue their work within the community in 2003 and has received renewal funding in the amount of \$155,568 each year since 2005. The Carpenter's Place received \$483,928 in 2003 to provide transitional housing to homeless individuals with additions and applied for and received renewal funding each year since 2005. In addition, the Carpenter's Place was awarded \$200,387 in 2006 for a permanent housing program to serve the chronically homeless and received renewal funding last year. Finally, Shelter Care Ministries has been awarded \$39,856.00 annually since 2002 for a transitional living program for homeless families. Although all projects requested renewal funding on the 2009 Continuum of Care application, 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 respond 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 nearly 134 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 non-profit 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 Mayors' (Boone and Winnebago County) Task Force on the Homeless via strategic planning and implementation. 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. The City will share funding opportunities with homeless providers. 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.

Barriers to addressing the chronically homeless are the same for the episodically homeless as described above. An additional challenge is the fact that many entities serving the homeless have implemented furloughs for staff as a means of balancing budgets. With less resources, including people directly serving the homeless, it is very difficult to move the homeless to housed as quickly as preferred.

4. *Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.*

Approximately \$80,000 of homeless financial resources will be devoted to activities designed to prevent homelessness. The planned action steps in carrying this out

involve employment and training programming for individuals who are unemployed and/or underemployed. It also includes financial assistance to help persons meet utility costs, rent payments and mortgages.

Such assistance is expected to be effective in reducing the number of individuals as well as families with children to avoid homelessness and move towards stability.

5. *Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.*

In regards to discharge processes, the continuum currently has two formal protocols implemented: youth being discharged from foster care and individuals discharged from state mental health hospitals. Currently, the continuum is developing a protocol for the health care system and is working with two local publicly funded hospitals on the issue. Regarding corrections, initial discussion on a discharge policy has initiated between the Illinois Department of Corrections, Winnebago County Jail, Rockford Police Department, Winnebago County Parole and Probation, and the Executive Board of the Continuum of Care. We are also working with the Corporation for Supportive Housing to define our discharge plans.

Emergency Solutions Grants

1. *(States only) Describe the process for awarding grants to State recipient, and a description of how the allocation will be made available to units of local government.*

The City of Rockford is not a State agency.

COMMUNITY DEVELOPMENT

Community Development

1. *Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.*

The table located in the City's Strategic Plan identifies the city of Rockford priority non-housing Community Development needs that support the thematic vision goals per the 2010-2014 Consolidated Plan.

2. *Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of*

the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

The City of Rockford is compliant with the statutory goals described in Section 24 CFR 91.1 and the primary objective to the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons. The following table demonstrates the City of Rockford's long-term and short-term community development objectives. The 2009 accomplishments represent year to date numbers.

PERFORMANCE MEASUREMENTS 2010 – 2014

In identifying the outcome/objective, the following outcome/objective numbers are as follows:

	Availability/Accessibility	Affordability	Sustainability
1. Suitable Living Environment	SL-1	SL-2	SL-3
2. Decent Housing	DH-1	DH-2	DH-3
3. Economic Opportunity	EO-1	EO-2	EO-3

Intended Program Objectives

Specific Object.. Number	Outcome/Objective and Specific Objective	Sources of Funds	Performance Indicators	Year	Expected Number Projects/P eople	Actual Number	Percent Completed
Objective #1: SL-1 Availability/Accessibility of Suitable Living Environment							
SL-1.1	Increase the access or availability of the suitable living environment through operations of emergency shelters.	ESG	<ul style="list-style-type: none"> Number of agencies and then the number of homeless persons provided emergency shelter. 	2010	2/1000		
				2011	2/1000		
				2012	2/1000		
				2013	2/1000		
				2014	2/1000		
				MULTI-YEAR GOAL			
SL-1.2	Increase the access or availability of the suitable living environment through the provision of <u>transitional</u> housing and services.	ESG	<ul style="list-style-type: none"> Number of agencies and the number of homeless households provided transitional housing and services annually. 	2010	1/60		
				2011	1/60		
				2012	1/60		
				2013	1/60		
				2014	1/60		
				MULTI-YEAR GOAL			
SL-1.3	Increase the access or avail- Ability of the suitable living environment by providing essential services designed to improve the quality of life of persons & communities	ESG	<ul style="list-style-type: none"> Number of agencies and the number of persons provided essential services. 	2010	1/1500		
				2011	1/1500		
				2012	1/1500		
				2013	1/1500		
				2014	1/1500		
				MULTI-YEAR GOAL			

Appendix I: Annual Action Plan

Objective #1: SL-3 Sustainability of Suitable Living Environment							
SL-3.1	Improve the sustainability of the suitable living environment by rehabilitating owner & tenant occupied properties for lower income persons living within certain geographic areas.	CDBG	<ul style="list-style-type: none"> Number of households assisted through the rehab program. 	2010	55		
		HOME		2011	60		
				2012	60		
				2013	60		
				2014	60		
MULTI-YEAR GOAL					295		
SL-3.2	Improve the sustainability of the suitable living environment by assisting public facilities and agencies that provide needed services to neighborhood residents.	CDBG	<ul style="list-style-type: none"> Number of agencies that will provide services and number of people to be served by the activity. 	2010	7/400		
				2011	7/400		
				2012	7/400		
				2013	7/400		
				2014	7/400		
MULTI-YEAR GOAL					35/2000		
SL-3.3	Improve the sustainability of the suitable living environment by acquiring and demolishing or demolishing via "fast track".	CDBG	<ul style="list-style-type: none"> Number of dilapidated structures demolished 	2010	16		
				2011	20		
				2012	20		
				2013	20		
				2014	20		
MULTI-YEAR GOAL					96		
SL-3.4	Improve the sustainability of the suitable living environment through the acquisition of substandard property.	CDBG	<ul style="list-style-type: none"> Number of properties acquired. 	2010	3		
				2011	5		
				2012	5		
				2013	5		
				2014	5		
MULTI-YEAR GOAL							
SL-3.6	Improve the sustainability of the suitable living environment by enforcing quality of life zoning and property standards violations.	CDBG	<ul style="list-style-type: none"> Number of violations addressed annually by code enforcement. 	2010	9600		
				2011	9600		
				2012	9600		
				2013	9600		
				2014	9600		
MULTI-YEAR GOAL					48000		

Appendix I: Annual Action Plan

Objective #2: DH-1 Availability/Accessibility of Decent Housing						
DH-1.1	Address the need for improved access to decent housing for the physically challenged.	CDBG	<ul style="list-style-type: none"> Number of ramps constructed for lower-income and physically challenged. 	2010	12	
				2011	11	
				2012	10	
				2013	10	
				2014	10	
		MULTI-YEAR TOTAL			53	
DH-1.2	Address the need of decent housing by making housing lead safe	CDBG	<ul style="list-style-type: none"> Number of units assisted that become lead safe. 	2010	15	
				2011	15	
				2012	15	
				2013	15	
				2014	15	
		MULTI-YEAR TOTAL			75	
Objective #2: DH-2 Affordability of Decent Housing						
DH-2.1	Address the need for affordable decent housing by rehabilitating and constructing lower-income homeownership units.	HOME	<ul style="list-style-type: none"> Number of newly constructed units purchased and occupied by very-low income. Number of units code compliant. Number of units made accessible. 	2010	3	
				2011	3	
				2012	3	
				2013	3	
				2014	3	
		MULTI-YEAR GOAL			15	
DH-2.2	Address the need for affordable decent housing by offering downpayment assistance to low income households.	HOME	<ul style="list-style-type: none"> Number of low-income households assisted Number of first time homebuyers Number receiving counseling Number receiving downpayment/closing costs 	2010	19	
		CDBG				
				2011	19	
				2012	19	
				2013	19	
		2014	19			
		MULTI YEAR GOAL			115	
DH-2.3	Address the need for affordable decent housing through homeless <u>prevention</u> activities and help low-income persons preserve their	ESG	<ul style="list-style-type: none"> Number of agencies awarded funds and low-income households assisted. 	2010	1/50	
				2011	1/50	
				2012	1/50	
				2013	1/50	

Appendix I: Annual Action Plan

	housing and/or make it more affordable.			2014	1/50		
				MULTI-YEAR GOAL		250	
Objective #3: EO-1 Availability/Accessibility of Economic Opportunity							
EO -1.1	Increase the availability and accessibility of economic opportunity through the provision of entrepreneur assistance.	CDBG	<ul style="list-style-type: none"> Number of low-income provided entrepreneur assistance 	2010	50		
				2011	50		
				2012	50		
				2013	50		
				2014	50		
				MULTI-YEAR GOAL		250	
EO-1.2	Enhance the availability and accessibility of economic opportunity through the provision of job training	CDBG	<ul style="list-style-type: none"> Number of low-income provided job training 	2010	50		
				2011	50		
				2012	50		
				2013	50		
				2014	50		
				MULTI-YEAR GOAL		250	

Objective #3: EO-3 Sustainability of Economic Opportunity							
EO-3.1	Enhance the sustainability of economic opportunity by improving the infrastructure of lower-income neighborhoods and assisting businesses providing goods and services to certain geographical areas.	CDBG	<ul style="list-style-type: none"> Total number of improvements made. Total number of commercial structures demolished. 	2010	1		
				2011	1		
				2012	1		
				2013	1		
				2014	1		
				MULTI-YEAR GOAL		5	
Objective #3: EO-3 Sustainability of Economic Opportunity							
EO-3.2	Enhance the sustainability of economic opportunity by promoting job creation and by retaining jobs.	CDBG	<ul style="list-style-type: none"> Total number of jobs. New businesses assisted Current businesses assisted 	2010	3		
				2011	3		
				2012	3		
				2013	3		
				2014	3		
				MULTI-YEAR GOAL		15	

Guidance for Table

Objectives (purpose of the activity)

Objective 1: Creating Suitable Living Environments – This objective relates to activities that are intended to address a wide range of issues faced by low- and moderate income persons, from physical problems with their environments, such as poor quality infrastructure, to social issues such as crime prevention, literacy, or health issues. This objective is specifically tied to activities for the purpose of ensuring that a particular geographic area as a whole becomes or remains viable.

Objective 2: Providing Decent Housing – This objective focuses on housing activities whose purpose is to meet individual family or community housing needs. It does not include programs where housing is an element of a larger effort to make community-wide improvements.

Objective 3: Creating Economic Opportunities – This objective applies to activities related to economic development, commercial revitalization, or job creation.

Outcomes (change or result seeking)

Availability/Accessibility: Applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low and moderate-income people. This includes physical barriers and basics of daily living.

Affordability: Applies to activities that provide affordability in a variety of ways to low- and moderate-income people.

Sustainability: Applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas.

Indicators (means to measure progress)

Appendix I: Annual Action Plan

Common Indicators:	<ul style="list-style-type: none"> • Homeownership units constructed or acquired with rehabilitation
<ul style="list-style-type: none"> • Amount of money leveraged 	<ul style="list-style-type: none"> • Owner occupied units rehabilitated
<ul style="list-style-type: none"> • Number of persons, households, businesses, units or beds assisted 	<ul style="list-style-type: none"> • Direct financial assistance to homebuyers
<ul style="list-style-type: none"> • Income levels of persons or households by 30%, 50%, 60%, or 80% 	<ul style="list-style-type: none"> • Tenant based rental income
<ul style="list-style-type: none"> • Race, ethnicity, and disability data 	<ul style="list-style-type: none"> • Homeless shelters
Specific Indicators:	<ul style="list-style-type: none"> • Emergency housing
<ul style="list-style-type: none"> • Public facility or infrastructure 	<ul style="list-style-type: none"> • Homeless prevention
<ul style="list-style-type: none"> • Public service 	<ul style="list-style-type: none"> • Jobs created
<ul style="list-style-type: none"> • Target revitalization 	<ul style="list-style-type: none"> • Jobs retained
<ul style="list-style-type: none"> • Commercial façade treatment or business building rehabilitation 	<ul style="list-style-type: none"> • Business assistance
<ul style="list-style-type: none"> • Brownfield's remediated 	<ul style="list-style-type: none"> • Businesses providing goods or services
<ul style="list-style-type: none"> • Rental units constructed 	<ul style="list-style-type: none"> • Rental units rehabilitated

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-Homeless Special Needs

1. *Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.*

The table below outlines the non-homeless special needs populations’ priority needs based upon information provided in the Five-Year Consolidated Plan.

<u>Special Needs Category Services</u>	<u>Housing</u>	<u>Support</u>
Elderly	High	High
Persons w/severe mental illness	High	High
Disabled	Medium	Medium
Persons w/alcohol or other drug additions	High	Medium
Victims of Domestic Violence	High	Medium
Persons w/AIDS	Low	Low

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

The City proposes to address the identified high priority needs of housing for persons with special needs through the HUD Continuum of Care (CoC) Super NOFA application and possibly an application to the State for the Neighborhood Stabilization grant funds.

In each of the most recent CoC applications, funding for programming and services to address these needs were listed as the highest priority for this area’s continuum of care system. These will again be priorities in the upcoming notice of available funding opportunity. In addition, Emergency Solutions Grants dollars will also be allocated when appropriate.

The entities who will more than likely be slated for funding are Janet Wattles Mental Health Center (housing and support services), The Carpenter’s Place (housing and support services) and PHASEWAVE domestic violence center (housing).

Housing Opportunities for People with AIDS

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

1. *Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.*
2. *Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.*
3. *Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.*
4. *Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.*
5. *Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.*
6. *Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.*
7. *Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.*
8. *Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.*
9. *Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.*

The City of Rockford is not a HOPWA grant recipient.

Specific HOPWA Objectives

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

The City of Rockford is not a recipient of HOPWA funds.

OTHER NARRATIVE

Include any Action Plan information that was not covered by a narrative in any other section.

None