

HOUSING

Housing Needs

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

1. Describe Actions taken during the last year to foster and maintain affordable housing.

Program Year 3 CAPER Housing Needs response:

The City of Rockford continued its affordable housing programs (Focus Area Rehabilitation and CHDO - new construction and rehabilitation) offered through the HOME program. Barriers were removed from affordable housing through the construction of ramps through its CDBG funded RAMP program and by insuring that all newly constructed homes met the city's Visit-Ability ordinance.

We fostered affordable housing by having a presence at affordable housing related meetings, committees, and boards and also by convening meetings of the same nature. Also, worked with the Rockford Housing Authority, Human Resources Department, and NW Homestart, then known as the Rockford Area Affordable Housing Coalition, to seek participants for our programs.

From a public housing standpoint, the Rockford Housing Authority (RHA) continued its effort to produce new, quality affordable units completing 38 units of disabled supportive housing under a mixed finance agreement began work on 6 units funded by CDBG and HOME monies. In addition to the new units, RHA updated and educated on its policies and procedures to promote fair housing. An updated Administrative plan and ACOP (Admissions and Continued Occupancy Plan) have been completed and instituted. RHA has offered and performed fair housing training for its private, section 8 based landlords.

The Winnebago County Housing Authority (WCHA) completed a 5 million revitalization and mixed financing program for the 50 unit Johnston Garden. WCHA's nonprofit component, Winnebago Homes Association (WHA) purchased two foreclosed homes to lease back to the owner in place or new residents with affordable housing rents. WCHA is a 2012 HUD designated High Performer agency which allows it to receive an additional 3% capital fund award to be placed back into affordable housing maintenance. WCHA has partnered with the Rockford Housing Authority to align the Housing Choice Voucher programs. WCHA Board Chairman Fred Wescott was reappointed for a fifth term with the National Association of Housing and Redevelopment Officials (NAHRO) Commissioner's Committee to advocate for public housing, and WCHA Executive Director Alan Zais was reappointed for a sixth term with the NAHRO International Committee and a second term with the NAHRO Legislative Committee for the advocacy of public housing. WCHA Executive Director Alan Zais is a board member of the national, regional

and state NAHRO boards for the advocacy and fostering public housing. WCHA is accumulating a ten year Replacement Housing program grant to create affordable housing. WCHA participated as one of 60 PHAs chosen nationally by HUD for a study of its High Performer status in administering its HCV program, and subsequently chosen as one of five PHAs in the nation for the Beta test and for the 2013 second phase of the test.

The City of Rockford continued to provide over 400 units of affordable housing through the Illinois Housing Development Authority Rental Housing Support Program in 2012. Winnebago County Housing Authority took over management of the program, but will continue to house these families. City of Rockford Human Services caseworkers have worked hard to engage clients and provide follow-up support to ensure they are staying on track financially with their rent and utilities. Tenants are given information on how to work with landlords and encouraged to maintain frequent contact with them in case of issues with rent payments, needed repairs, etc. City staff also works to ensure that the units clients are living/renting are affordable by comparing them to local rent reasonableness and by making sure that the clients are not paying more than 50% of their income toward the rent. In the event of client-landlord issues, we make referrals to Prairie State Legal services to help mediate the situation. When working with clients who are on a fixed income (such as SSI), caseworkers make every effort to link them with local PHA's or other subsidized housing programs.

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

Program Year 3 CAPER Specific Housing Objectives response:

The table below outlines the 2012 proposed goals, as submitted in the 2012 Annual Plan, versus the actual number of units assisted in 2012 by type of housing activity. The goals may be different than indicated on the Performance Measurement (PM) charts found in this CAPER. This is because the PM goals were the five-year estimated goals submitted in the Consolidated Plan.

Goals versus Actual

| Type of Housing Activity | Proposed # of Units | Actual # of Units |
|---------------------------------------|---------------------|-------------------|
| Rehabilitation Units | 52 | 19 |
| Housing Projects (Non-Profits) | 7 | 6 |
| Homeless Programs | 6 | 6 |
| Homebuyer Assistance Programs | 8 | 1 |
| Construction of RAMPS | 6 | 6 |
| Get the Lead Out Match | 23 | 0 |

Rehabilitation Units:

The goal of 52 Rehabilitation Units included the following:

- 40 assisted units/Focus Area Rehabilitation Program (FAR)
- 12 assisted units/203(k) Loan/Grant Foreclosure Program

The City completed 19 units. These were units started in a previous year using the previous year's program design. An additional 7 units were started in 2012 using a new program design in which every unit assisted through the FAR program was funded with HOME and Federal Home Loan Bank of Chicago (FHLBC) grant funds. Ensuring the process from intake to reimbursement of the FAR program using the two funding sources took longer than anticipated. Although the HOME & FHLBC funds appeared to be very similar, analyzing income and the actual timing of the assistance to the homeowner was much more time consuming and restrictive.

Learning to combine the two funding sources is not the only factor which prevented the City from reaching the unit goal mentioned above. Another factor was the housing stock. It is more deteriorated than anticipated. Since FAR requires the property meet local code once the work is complete, homeowners are expected to provide their own funding to cover costs exceeding the \$25,272 program limit. Approximately 30% of homeowners denied in 2012 were denied because they were unable to provide funds.

Providing funds to cover costs is not the only reason why homeowners were denied assistance through the FAR program such as open liens, mortgages not current, and owner withdrawal. To assist 4 units, 10 applicants must be interviewed. The overall denial rate of 62% for 2012 but this is 18% less than the overall denial rate in 2011.

Also, funding sources have complex rules & regulations which make layering complicated. The 203(k) Loan/Grant Foreclosure Pilot Program was no exception. No final agreements to start the program were executed between the lender and City. The HOME funds anticipated for this program were redirected along with some Community Housing Development Organization (CHDO) 15% set aside funds to fund 533 Fisher, a 6 unit rental development also funded with Neighborhood Stabilization Program 1 (NSP) funds.

**Actual Rehabilitation Units
Beneficiary Area Median Income Tabulation**

| Program | Extremely Low Income (at or below 30% Area Median Income) | Low Income (between 30% & 50% Area Median Income) | Moderate Income (between 50 & 80% of Median Income) | Totals |
|------------|---|---|---|--------|
| FAR | 6 | 9 | 4 | 19 |

Housing Projects (Non-Profits):

Although the City assisted 6 units with HOME funds, only 1 unit was started and completed in 2012. Since the 1 unit was a CHDO single family home development, the beneficiary data is reported under Homebuyer Assistance Programs below.

The other 5 HOME assisted units were rental units. A non-profit started converting an 8 unit rental building to 6 units using HOME and NSP funds. 5 units were HOME assisted, 2 of the 5 units were NSP (tenants must have incomes at or below 50% of the area median income) assisted, and the 6th unit was only be NSP (tenants must have incomes at or below 120% of the area median income) assisted. No income data is currently available on these units as they are currently under construction. The City anticipates receiving beneficiary data mid-2013.

In 2011 a CHDO received HOME funds to rehabilitate a 4 unit building; 3 of which were HOME units. The rehabilitation was completed in 2012. The City anticipates receiving beneficiary data early 2013.

The City also awarded NSP funds to rehabilitate a single family home. The rehabilitation is 100% complete and the City anticipates providing NSP assistance to a homebuyer in 2013.

Although the City met 86% of its Housing Projects (Non-Profits) goal, the City continues to adapt to the 2012 appropriations which regulate the award of HOME funds to developers creating affordable housing units. The CHDO certification process as well as the development application process was reviewed and additional enhancements will be made in 2013.

Homeless Programs:

The City assisted 6 organizations; met 100% of its goal. For more detailed information about the homeless programs, please refer to the Homeless section of the CAPER.

Homebuyer Assistance Programs:

The goal was to award homebuyer assistance to 8 new development units. As mentioned above the City awarded and completed 1 unit during 2012.

The City also closed on 1 unit of which the homebuyer assistance was set aside for in previous years. See the chart below for the beneficiary data for both homebuyers assisted.

**Actual Homebuyer Assistance Units
Beneficiary Area Median Income Tabulation**

| Program | Extremel y Low Income (at or below 30% Area Median Income) | Low Income (between 30% & 50% Area Median Income) | Moderate Income (between 50 & 80% of Median Income) | Low Moderate Median Income (between 80 & 120% of Median Income) | Totals |
|---------------------------------|--|---|--|--|--------|
| Homebuyer Assistance | 1 | 0 | 1 | 0 | 2 |

RAMP (Construction of Ramps):

The City assisted 6 units; met 100% of its goal.

**Actual RAMP Units
Beneficiary Area Median Income Tabulation**

| Program | Extremely Low Income (at or below 30% Area Median Income) | Low Income (between 30% & 50% Area Median Income) | Moderate Income (between 50 & 80% of Median Income) | Totals |
|-------------|---|---|---|--------|
| RAMP | 3 | 3 | 0 | 6 |

Get the Lead Out Match:

The goal for Get the Lead Out was based on the receipt of state funds. Since the City was not awarded state funds, the CDBG funds budgeted for this program were redirected to other CDBG eligible activities.

- Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

Program Year 3 CAPER Specific Housing Objectives response:

The City of Rockford housing programs are designed to ensure all federally funded activities meet the Section 215 definition of affordable housing for

rental and owner households. Therefore, all the units indicated on chart above demonstrate our progress in providing Section 215 affordable housing.

3. Describe efforts to address "worst-case" housing needs and housing needs of persons with disabilities.

Program Year 3 CAPER Specific Housing Objectives response:

Although an attempt was made to seek additional Home Modification funds from the Illinois Housing Development Authority (IHDA) to help those households with a disabled family member, the City was not successful. Developers additionally had a difficult time obtaining low-income tax credits from IHDA. The city was also not included in one of IHDA's pilot programs for addressing foreclosures even though we have one of the highest foreclosure rates (7th in the United States; 1 in every 291 homes per Realty Trac).

Many of the households we serve under the Focus area rehabilitation are considered those with "worst-case" housing needs. They are households at or below 50% area median income with some households also with a disabled member of the family. Their homes do not meet local code and those with a physical disability; access is limited at the time of application. Their homes are brought up to code and modifications are made once assisted. Unfortunately, there are many with costs over our program maximum that go unassisted. Staff makes all attempts possible to layer funds with other possible assistance with referrals before denying an application.

The City's Human Services Department partners with several other agencies to address the "worst-case" housing needs and the needs of persons with disabilities. They are currently running a Housing Advocacy program for families and youth (ages 18-21) who are involved with Department of Children and Family Services. This program works with the clients who are usually homeless or inadequately housed to make sure they have safe, stable, and affordable housing so that they can remain housed and keep their families together.

Life and Safety Repair Program addresses critical habitability problems in low-income owner occupied single family residential units where property owners do not have the financial means to repair conditions that threaten the immediate health or safety of occupants.

There are also partnerships with the Shelter + Care Program and Ramp who both assist people with disabilities. Human Services also works closely with Remedies to ensure that victims of domestic violence can obtain safe housing away from their abuser. In some cases, Human Services is able to provide security deposits for families that have been offered units by either the Rockford Housing Authority or Winnebago County Housing Authority.

The City's Human Services Department is also planning to start an Ex-offender program that will work to stabilize individuals coming out of the

criminal justice system so that they will have a lower chance of going back to prison. This program will be instituted in 2013.

The following represents the efforts of both the Rockford Housing Authority (RHA) and the Winnebago County Housing (WCHA) authorities to address the "worse-case" and disability housing needs. RHA continued its effort to produce new, quality affordable units and as was previously mentioned, completed 38 units of disabled supportive housing under a mixed finance agreement. Additionally, RHA worked with the VA to utilize all of its VASH vouchers so that more veterans are taken from homelessness to housing. RHA also issued a RFI to project based veterans vouchers to extend additional units for veterans.

From an asset based platform, RHA has realigned its capital funds, its operational expenditures and its equity sources to improve the "worst case needs" of its public housing portfolio. The effort raised REAC scores 210 points across the portfolio from last year.

The programs for Collier Garden, Johnston Garden and WCHA are prioritized for persons with disabilities or persons over 62 years of age. The Project Based Section 8 units in Collier Garden, Johnston Garden and Champion Park may only be used by families with disabilities or over 62 years of age. WCHA administrates a Family Unification Program and a Family Self-Sufficiency Program, and a Resident Services Coordinator. WCHA also partners with the OSF School of Nursing to provide health programs. A percentage of the revitalized units for Champion Park, Collier Garden and Johnston Garden revitalization have been set aside as full ADA units. The housing authority component has acquired housing designed for persons with disabilities. In addition, WCHA provides preference points for disabled families.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

Program Year 3 CAPER Public Housing Strategy response:

As previously mentioned, RHA has realigned its capital funds, its operational expenditures and its equity sources to improve the "worst case needs" of its public housing portfolio. The effort raised REAC scores 210 points across the portfolio from last year. RHA has also re-examined all of its PNA's to focus improvements that provide the best return on investment and improve living conditions.

RHA now has active resident councils at all of its sites. The councils are receiving training and have access to resources previously not available to them. It is believed these resources will best help the residents achieve sufficiency via peer based support and leadership.

Specific to its Fairgrounds Development and the Choice Planning initiative nearly 90 initiatives from the community have been identified and focused

so that the residents of Ellis Heights receive equal and open access to these efforts. The City of Rockford has been partnering with RHA in this process.

Once again, WCHA completed a 5 million revitalization and mixed financing program for Johnston Garden. WCHA's nonprofit component, Winnebago Homes Association (WHA) purchased two foreclosed homes to lease back to the owner in place or new residents with affordable housing rents. WCHA works to maintain a resident council for all sites and is creating a Resident Advisory Board, has established a dedicated website with direct email contact, provides cell numbers for 24 hour access to primary WCHA staff and the Executive Director to all residents and the public. WCHA operates a computer technology center in partnership with the Rockford Park District at the Washington Park Community Center, Collier Garden, Johnston Garden and D'Agnolo Garden, which are available to the public. WCHA hosts a site for one of the community's largest food banks at the Collier Garden. WCHA partnered with RHA to include an anti-truancy program in both the public housing and HCV programs. WCHA participates and helps sponsor the annual Washington Park Back-to-School Drive.

Additional WCHA improvement initiatives include:

- Receiving \$132,952 in Family Self-Sufficiency funding and creating a new Public Housing FSS Coordinator position, increasing the FSS program by 75%.
- Creating a Resident Advisory Board.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

Program Year 3 CAPER Barriers to Affordable Housing response:

The programs have been evaluated to determine how to better market to the people we are trying to serve. Brochures were changed and mailed out to certain areas of the city. Also, hundreds of brochures were inserted into water bills and mailed.

A new program was developed to begin in 2013, the Homebuyer Advantage Program, which will offer lower-income homebuyer assistance for the purchase of vacant and foreclosure property.

As part of the new HEARTH regulations, a committee was established within the CoC to establish and implement a Coordinated Intake/Assessment process which will help eliminate barriers to affordable housing. Once developed, it is the goal to have all organizations funded by the CoC or ESG follow a uniform intake, program eligibility, program termination, and referral system. Also a 2-1-1 phone system has been

started that allows residents to call to get information on housing and other programs.

RHA continues to support initiatives and efforts to promote fair housing. The organization has engaged alongside the Rockford Metropolitan Agency for Planning (RMAP) to assist in the Regional Analysis of Impediments to Fair Housing. Additionally, based on several concerns of severe concentration of race, poverty and poor quality housing RHA has engaged a consultant to review these issues and determine if there is a need for deconcentration and support for new housing opportunities.

WCHA administrates a Housing Choice Voucher (HCV) program for the area and works to promote resident mobility to encourage access to employment, education, and social service opportunities. WCHA has partnered with the Rockford Housing Authority to align the HCV programs. WCHA is a partner and participants in RMAP.

HOME/ American Dream Down Payment Initiative (ADDI)

1. Assessment of Relationship of HOME Funds to Goals and Objectives
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

Program Year 3 CAPER HOME/American Dream down Payment Initiative Response:

Please see performance measurements tab in appendix of this document.

2. HOME Match Report
 - a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.

Program Year 3 CAPER HOME/American Dream down Payment Initiative Response:

Response is provided in HOME Match/MBE tab.

3. HOME MBE and WBE Report
 - a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).

Program Year 3 CAPER HOME/American Dream down Payment Initiative Response:

Response is provided in HOME Match/MBE tab.

4. Assessments
 - a. Detail results of on-site inspections of rental housing.

Program Year 3 CAPER HOME/ADDI response:

The City of Rockford conducted on-site physical inspections for sixty-five (65) rental units for calendar year 2012. The results of the inspections were all positive, and the property owners are continuing to provide affordable housing within program guidelines.

b. Describe the HOME jurisdiction's affirmative marketing actions.

Program Year 3 CAPER HOME/ADDI response:

The City of Rockford affirmatively marketed federally funded housing programs throughout 2012. Information was made available via internet and intranet, not only through the city web site, but the city site was often linked to other web sites such as the Rockford Area Affordable Housing Coalition (RAAHC), the Rockford Area Association of Realtors (RAAR), and Neighborhood Network. Organizations such as these also referred citizens to the city web site & various city programs in their e-mail blasts or newsletters.

Various marketing materials, all containing the Fair Housing logo, were on display throughout the community at organizations such as the RAAHC, RAAR, not-for-profits affordable housing offices, community centers, financial institutions, Realty offices, and at the City offices. City staff also made marketing materials available at various events throughout the year. These events included but were not limited to the following:

- Annual State of the city event
- All public hearings for the Annual Plan
- Broadway Covenant Church/Southeast Regional Neighborhood Meeting to introduce the 203(k) Loan/Grant Foreclosure Program
- A Rockford Area Association of Realtors Affordable Housing Committee event to explain all of the housing programs
- A Rockford Area Affordable Housing Coalition Membership Meeting to explain all of the housing programs
- National Night Out event
- Two (2) housing seminars were held at City Hall to explain the housing rehabilitation programs; and
- An Orchid neighborhood Group Meeting to explain all of the housing programs.

Besides the events mentioned above, several times throughout the year the city mass mailed marketing materials and applications. By month and program type, the mass mailings included:

- March/housing rehab – information mailed to approximately 300 single family owner occupied units within the program area on main thoroughfares.
- May/housing rehab – information mailed to approximately 500 single family owner occupied units within the program area.
- June/general housing programs – a general program information sheet was sent with City Water bills.

- Throughout the year/housing rehab – information was mailed to Winnebago County Health Department Lead Base Paint program participants residing within the program area.

The City also hand delivered housing rehab and homebuyer information to all types of residential housing units within the area surrounding a City funded single family housing development. City Code enforcement staff also has program information to hand out when managing open cases within the program area.

City representatives participated on various committees or attended meetings related to housing throughout the community. Since these committees or meetings are held regularly, they help ensure that information regarding programs was always available.

Besides the City affirmatively marketing the various housing programs, the City requires developers of all federally funded activities to affirmatively market their housing units. This includes but is not limited to having the equal opportunity logo on all applications and displayed at the site of the unit(s), a policy regarding review & acceptance of applicant(s) must be kept and followed by the developer, and the developer must maintain records of all their advertising efforts. The City also has a sign which states "In cooperation with the City of Rockford and HUD 987-5690," which may be used by the developers if not already incorporated in their own sign.

- c. Describe outreach to minority and women owned businesses.

Program Year 3 CAPER HOME/ADDI response:

Outreach to minority and women owned businesses included the following: 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.

The City's outreach standards, at a minimum, included:

- The promotion and encouragement of minority and woman-owned businesses and their participation in the city's procurement process as general contractors, subcontractors and suppliers of goods and services.
- The city's purchasing staff continued to seek quotes under \$10 thousand from Minority and Women Owned Businesses who were Certified by the city's Diversity Procurement Officer.
- Businesses certified as MBEs and WBEs were placed on the city's web site for internal purchasers and for the community-at-large to recruit MBEs and WBEs for products and services.
- A yearly statement was issued 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.

- Continued networking with local, state, federal and private agencies and organizations to enhance the contractual opportunities for minority and women business development.
- Administered the City Council approved 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 required Minority and Women Owned Business to certify their business as such and required 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 under this requirement.

- *Contractors/firms were required to provide a listing of subcontractors at the time of bidding.

- * Tracked MBE/WBE participation of all contracts awarded through bid & quote process.

- *Revamped measures to encourage minority and women-owned business participation.

- *Every City of Rockford bid package was e-blasted to minority and women businesses that are certified as MBEs and WBEs.

- The Diversity Procurement Officer of the City of Rockford conducted workshops for general and subcontractors that do business with the City of Rockford. Workshops included training on the Housing & Urban Development's (HUD) Section 3 requirement for reporting for low-moderate income people and introduced the new Section 3 forms used for reporting purposes.

Also, an in-house training program was developed and provided to city employees that are commonly the purchasers of goods and services. Instruction was given on how to locate certified businesses and how to report on the use of minority and women owned businesses. This included instruction on how to use the Intranet for reporting.

The Diversity Procurement Officer has met with Business groups such as Rockford Chamber of Commerce's Multi-Cultural Business Council, Salsa Business Network, RAMBA, SWIFTT, Hispanic Commerce of Commerce, and NIMCA. At which time members are explained the City's interest to certifying minority and women owned businesses in the Rockford area.