



Second Program Year Action Plan

The CPMP Second Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 2 Action Plan Executive Summary:

- a. **Summary of Objectives and Outcomes in Plan.** This Action Plan outlines the activities, of which the City of Rockford proposes to undertake during the program year that begins January 1, 2011 and ends December 31, 2011. 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 2011, Rockford will continue to focus on seven objectives: 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, and reduce chronic homelessness.

The Great Recession has left Rockford with a burdensome amount of blighted and dilapidated housing, vacant commercial and industrial buildings, food stamp use is up, 23% of the community is on Medicaid and unemployment is hanging in the double digits. Positive economic signs are out there, but the magnitude of the recession is making them hard to realize amid the dingy economic reports.

The current City administration has adopted the vision of a city that demonstrates and subsequently displays "EXCELLENCE EVERYWHERE". 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, some in-fill housing, and code enforcement. 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 stabilize 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 augment 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. The use of HUD's 203(k) program is also anticipated to help increase the number of households served. 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 continue to climb and have increased to alarming highs. In January of 2005, the start of the last Consolidated Plan, Rockford's unemployment rate was 7.7%. The annual unemployment rate in 2007 was 6.4%, increased to 8.8% in 2008, and skyrocketed to 15.0% in 2009. As of September 2010, it decreased slightly to 14.8% but was a significant decrease from our high of 19.7% in January of 2010.

The average earnings per job have also been lagging and the poverty rate has increased from 14% in 2000 to an estimated 20% today.

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.

There are some bright spots. The local auto industry reported a 7% year-over-year increase in sales in August. Also, nationally, manufacturing companies grew faster in August with the industrial sector continuing to lead the recovery. This is good news for Rockford. While homes sales dropped after the government tax credits expired and the credit market is still frozen, the interest rates have dropped to under 5% making buying a home more affordable.

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), Enterprise Zone (EZ), River Edge Redevelopment Zone (RERZ) and Section 108. The City will also continue to look at other resources to expand the number of people provided assistance by leveraging the Federal entitlement funds with funds from the State of Illinois and local partnerships.

There is also a new proposed Economic Development Façade Improvement Program that will assist business owners with improving their storefronts.

Incentives will be provided when necessary and feasible to bridge gaps and bring projects to closure. The City will also eliminate older vacant commercial and industrial properties lacking a useful life. Those that suitable for rehabilitation will 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.

- b. **Evaluation of Performance.** The goals and objectives for the 2010 reporting period were based on priority needs identified in the 2010-2014 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 City of Rockford’s housing efforts have been focused not only on activities that specifically relate to housing development and redevelopment, but also on the elements that contribute to the overall health of neighborhoods through the provision of public services. In addition, a significant number of dilapidated properties have been demolished in an attempt to reduce their blighting influences in our neighborhoods. The City also continued its efforts to address quality of life issues in the CDBG area through code enforcement activities.

Additional efforts provided a significant augmentation to housing related activities over the course of the last program year. This included the provision of homebuyer assistance in the form of down payment and closing cost assistance for first time homebuyers as well as homebuyer pre- and post-purchase counseling. The City also devoted resources to help support making homes constructed prior to 1972 lead safe with success. 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.

Homeownership opportunities were created with meager success due to the economy and housing crisis. These efforts were carried out specifically in low-income focus and strategy areas of the city with new construction carried out solely by housing non-profits with these entitlement funds.

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 Solutions (Shelter) Grant funds and have been largely successful in helping achieve the decent housing and suitable living environment goals.

CDBG-funded economic development activities continued within our strategic areas. These strategic areas included: 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% of the median wage for Winnebago County may locate City-wide and be eligible for CDBG assistance; if they create jobs and 51% of those jobs employ low to moderate income persons.

We also provided assistance to primary employers and retail/service businesses by providing "gap" financing.

Local and State incentives available because of the state-designated Enterprise Zone, River Edge Zone, as well as Tax Increment Financing, has also been a tool used 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 last few years have been challenging due to the current economic downturn. The recession 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. Both of our assisted training programs are on track with 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 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 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 2010.

c. **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 2011 Action Plan, along with public comments and the City's responses is included in the Managing the Process and Citizen Participation sections of the Plan.

d. **Anticipated Available Funds for 2011.** Using 2010's allocation of Federal funds, the following is a list of available entitlement funds anticipated in 2011.

Other Funds	CDBG	HOME	ESG	TOTAL
Anticipated FY 2011 Entitlement	\$2,284,581	\$1,015,047	\$92,065	\$3,391,693
Estimated 2011 Program Income	\$107,000	\$15,000	\$0	\$122,000
Unexpended Prior Year Funds	\$400,000	\$472,825	\$0	\$872,825
Estimated Total Funds Available	\$2,791,581	\$1,502,872	\$92,065	\$4,386,518

Also available in 2011 is the remaining administrative commitment through the NSP1. The City submitted an application in the later part of 2008 for the grant funds in the amount of \$2,287,004. Funds through 2008 CDBG-R in the amount of \$562,555 were received in late summer of 2009 and funds may be available yet in 2011.

The 2008 allocation of NSP1 funds allowed 10% Administration costs. This equated to \$228,700. There will be approximately \$50,000 in 2011 and then again in 2012 to administer NSP activities over the remaining life of NSP1 (March 20, 2013).

Matching Funds

Fund Type	CDBG	HOME	ESG	TOTAL
Other Federal Funds		\$70,000 203(k)	\$	\$
Other State Funds		\$420,000 (IHDA Home Modification)	\$	\$
Local Funds	\$100,000	\$80,000	\$92,065	\$192,065

	(Healthy Neigh. Match)	Neighborhood Housing Services	(Private & Public)	
Estimated Total Matching Funds	\$100,000	\$570,000	\$92,065	\$762,065

Compliance Requirements

	CDBG	HOME	ESG
FY2011 Entitlement	\$2,284,581	\$1,015,047	\$92,065
2011 Program Income	\$107,000	\$15,000	\$0
Administrative Cap Allowance	20%	10%	7.5%
Administrative Cap	\$478,316 (Grant Funds + Program Income)	\$101,504	\$6,985

CDBG Public Service Activity CAP - 2011

	CDBG
FY2011 -Entitlement	\$2,284,581
2011 Estimated Program Income	\$107,000
Administrative Cap Allowance	15%
Public Service Cap	\$358,737

HOME CHDO Set-Aside Calculation - 2011

	HOME
FY2011 Entitlement	\$1,015,047
Minimum CHDO Set-Aside	15%
Minimum CHDO Set-Aside	\$152,257

The following table outlines the City of Rockford's expenditures which are in compliance with the regulatory requirements for the 2011 program year. Not included is the 70% expenditure requirement for low- to moderate-income (LMI). This is based on expenditures and therefore compliance will be monitored throughout the 2011 program year.

Requirement	Required	Planned
CDBG Administrative Cap	\$478,316	\$280,044
CDBG Public Service Cap	\$358,737	\$175,000
HOME Administrative Cap	\$101,504	\$101,504
ESG Administrative Cap	\$6,985	\$6,985
HOME Set Aside (15% overall minimum)	\$152,257	\$215,500

e. **Summary of Priorities, Goals, Budgets, and Anticipated Accomplishments**

The table below outlines the priority need categories that HUD has found to be eligible and are supported by the 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 2011 program year covered by this plan which includes new funds, program income, and previous year's funds carried over.

	2011 Funding	2011 Percentage
Housing	\$1,415,066	31.7%
Homebuyer Assist.	\$104,995	2.3%
Public Facilities and Services	\$175,000	3.9%
Acquisition	\$58,588	1.3%
Infrastructure (demo)	\$299,653	6.8%
Homeless	\$92,065	2%
	2011 Funding	2011 Percentage
Economic Development	\$351,412	8%
Program Administration (Includes Admin. Costs, South Main Planning, and Fair Housing)	\$280,044 CDBG \$101,504 HOME \$6,985 ESG	8.8%
ED/ND Services	\$901,716	20.5%
CHDO Operating	\$36,500	.08%
Code Enforcement	\$489,010	11%

f. **Brief Description of the Activities and Projects.**

1. 2011 Proposed Projects/Activities

- a. Administration - \$125,044 FY 2011 CDBG, \$53,500 FY 2011 CDBG Program Income, \$101,504 FY 2011 HOME and \$6,985 FY 2011 ESG

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.

- b. Standby Section 108 Loan Debt Service - \$79,492 FY 2011 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.
- c. \$100,000 in CDBG new funding will be made available to plan for the redevelopment of the Barber Coleman site. This will include such tasks as environmental assessments, conceptual designs, community planning and the development of a financial package.
- d. Fair Housing - \$1,500 FY 2011 CDBG
Funds available for the provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act by making

all persons without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in an area containing a high proportion of low- and moderate-income persons. Activities are commonly conducted by the Fair Housing Board.

The City also anticipates utilizing a portion of its remaining committed Administration funds available through the Neighborhood Stabilization Program in 2011.

2. Rehabilitation Services – \$711,336 FY 2011 CDBG and \$53,500 FY 2011 CDBG Program Income

This project funds operating costs and staff positions that are primarily responsible for financing, underwriting, loan packaging, construction inspections, case tracking, intake, work write-ups, and quality assurance for all housing rehabilitation programs.

3. Homeowner - Single Family Housing – Existing and New

- a. Focus Area and Strategy Area Rehabilitation Programs: \$463,650 FY 2011 HOME, \$15,000 FY2011 Program Income HOME, and \$19,250 FY 2010 HOME Carryover Reprogrammed

Rehabilitation assistance will be provided to 32 existing owner occupants through the programs noted in a. and b. of this section.

Focus and Strategy Area Programs will assist low income homeowners who own property within the HOPE VI , College Avenue-Seminary, Ellis Heights Weed and Seed, South Main, Blaisdell and Furman, Kishwaukee Corridor and, added this year, the Garrison/Coronado-Haskell area. Eligible improvements include interior health and safety code items and work needed to remove lead hazards. Assistance to these areas may also include acquisition and demolition activities.

As a secondary priority, funds will be made available to households within the CDBG target area.

The City will also be analyzing potential resources to begin a loan program utilizing the services of local lenders. This will include HUD's 203(k) loan program and Neighborhood Housing Services (NHS) of Freeport who has agreed to extend their services to Rockford. These funds may be used to help support a small grant to leverage with the loan funds.

- b. Repair Program for Senior Citizens and/or Physically Disabled - \$194,893 FY 2011 HOME and \$115,107 FY 2010 HOME Carryover Reprogrammed.

Program will provide assistance for the rehabilitation of property owned and occupied by persons 60 years of age or older and/or physically disabled in need of a home modification which enables them to continue living in their home. Goal is to leverage funds with a grant from the Illinois Housing Development Authority (IHDA) Home Modification Program. The Regional Access Mobilization Project (RAMP) and Northwestern Illinois Area Agency on Aging (NIAAA) will be the referring agencies.

- c. The City also intends to continue its programs/projects under the Housing and Economic Recovery Act of 2008 and its Neighborhood Stabilization Program which began March 20, 2009 resulting from program income or de-obligated funds.

4. Rental Rehabilitation

- a. Match IHDA HOME Modification and Targeted Rental Program - \$80,000 FY 2011 CDBG and \$40,000 2010 CDBG Carryover

The City anticipates developing a program that will provide assistance for the rehabilitation of property rented and occupied by persons 60 years of age or older and/or physically disabled in need of a home modification. This program will enable people to continue living in their home while receiving assistance from the partnering agency. Goal is to leverage funds with a grant from the Illinois Housing Development Authority (IHDA) Home Modification Program. The Regional Access Mobilization Project (RAMP) and Northwestern Illinois Area Agency on Aging (NIAAA) will act as referring agencies. This is dependent upon the City receiving funds from IHDA.

Also, a program will be developed that will assist rental property owners in the same manner as the Focus Area/Strategy Area homeownership program when properties are strategically located or on main thoroughfares.

- b. Rehab of Church School - \$200,000 FY 2010 HOME Carryover Reprogrammed

The City intends to provide leverage to the rehab of the former Church School and create 27 to approximately 44 housing units. This property may be established primarily for elderly persons or for small families and may include a community center. This project is contingent upon private, State and possibly other federal funding.

5. Code Enforcement Program - \$489,010 FY 2011 CDBG

The Code Enforcement Program will include the payment of salaries and overhead costs directly related to the enforcement of state and local code within the CDBG eligible area. This program will be targeted at deteriorated or deteriorating lower income strategy areas. 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 addressing over 3,455 code violations over the next

year. This funding will support neighborhood standards inspectors as well as 1 zone coordinator position, a portion of the supervisor, a Senior Building Inspector and clerical support.

6. 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 help stabilize 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, if applicable, at completion.

a. Down HOME Program - \$0

Although Down Home will not be offered in 2011, instead funds will be made available through IHDA's Homebuyer Assistance program awarded to the Rockford Area Affordable Housing Coalition and Neighborhood Housing Services (NHS) of Freeport.

If HOME funds become available through slow moving projects, the City does intend to provide the Down Home Program giving priority to assisted new construction or rehabilitation projects to help boost sales.

HOME funds made available through the Down Home program will assist low-income families that currently do not own a home become homebuyers. The program provides a loan in the form of a mortgage, forgiven over 5 years for 6% of the purchase price. The eligible areas are outlined on the Down HOME map in the appendix in addition to the assisted projects.

b. Springfield Corners Subdivision – \$74,995 FY 2010 HOME Carryover Reprogrammed.

Springfield Corners Subdivision is a 38.8 acre single-family, affordable housing development at Springfield and School Street which, once fully developed, will provide approximately 84 single-family housing sites. Phase I, consisted of 27 homes and is complete. Phase II, the construction of 41 homes of began in 2006. The infrastructure was completed and 6 homes were 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 holding off redevelopment for a change in the market. The assistance will be transferred to the new developer with the same terms i.e. \$14,999 to the homebuyer that is forgiven over five (5) years. Assistance for 5 households has been budgeted for 2011 in hopes that the market will begin to show improvement.

Should these funds not be needed, the funds will be used in the Focus Area Rehabilitation program.

- c. CHDO Homebuyer Assistance - \$10,000 FY 2011 HOME and \$20,000 FY 2010 HOME Carryover Reprogrammed.

It is anticipated that funds will be provided to 3 home buyers purchasing units created by Community Housing Development Organizations.

Lincolnwood Estates phase II – prior year funding has been committed to the final lot available through phase II of Lincolnwood Estates, a Comprehensive Community Solutions, Inc. eighteen (18) unit subdivision development.

- d. Reach Illinois – If funding becomes available and there is program interest, the REACH program may be funded on a project by project basis. Funds would provide homebuyer's 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% of area median income. Eligible applicants must purchase a home within one mile of downtown Rockford or within a Tax Increment Financing District.
- e. 224 Foster – Prior Year Funding Committed
Funds will provide assistance to the homebuyer of this property. One household will be assisted from a prior year commitment.

7. Assistance to Community Housing Development Organizations (CHDOs)

- a. Operating - \$36,500 FY 2010 HOME (committed prior to December 31, 2010 and 2011 expenditures) and \$36,473 in FY 2011 (committed prior to December 31, 2011 with 2012 expenditures).

The City continues to work with local housing 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). CHDOs may receive operating funds as well as existing CHDOs. Funds will be awarded to CHDOs through an application process. There are currently five (5) eligible CHDOs within Rockford and all could potentially be provided assistance.

- b. Homebuyer and Rental CHDO Projects - \$208,500 FY 2011 HOME and \$7,000 FY 2010 HOME Carry Over Reprogrammed

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 7 units of affordable single-family and/or multi-family housing for low- to moderate income individuals.

- c. Additional funding may be provided through the Neighborhood Stabilization Program through the Housing and Economic Recovery Act

of 2008 deobligated or program income funds. The City will continue to target these funds to census tracts with the greatest need.

8. Get the Lead Out! (GLO) Program - \$26,666 FY 2011 CDBG

A 10% 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 3 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.

9. Public Service and Facilities Programs

a. Healthy Neighborhoods Program \$100,000 FY 2011 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 2010 with more of an emphasis on participant match for scoring purposes.

b. Twenty-First Century After School Program - \$50,000 FY2011 CDBG – Year 3 of 10.

This program supports an after school program at Lathrop and Nashhold Elementary schools.

c. RAMP Program - \$30,000 FY 2011 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.

d. Rockford Area Affordable Housing Coalition - \$25,000 FY 2011 CDBG

The Rockford Area Affordable Housing Coalition will provide home-owner pre-purchase and post-purchase counseling services to consumers to ensure that they are fully informed about the home buying process, what to expect after they purchase a home, and to assist those facing foreclosure. It is anticipated that 1200 households will be assisted.

The Coalition also provides homeownership counseling relating to ongoing maintenance of property. All City rehabilitation program participants are required to attend.

The funds will be provided to pay for operational costs incurred by the RAAHC to administer these programs.

10. Acquisition, Relocation, and Disposition

- a. Acquisition, Relocation & Disposition - \$58,588 FY 2011 CDBG Carryover Reprogrammed.

Community Development Block Grant funds will be used to acquire properties with structures and vacant lots 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, and TIF designated areas. If relocation of occupants is necessary, the City will follow its anti-displacement plan.

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 a Federally assisted rehabilitation or a natural disaster. Relocation will be funded under the individual activities.

The City also plans to implement a "side lot" program in order to dispose of vacant lots it currently owns and no longer plans to redevelop. A majority of the lots were improved with less than \$25,000 in CDBG funds and therefore the City can negotiate a fair deal for the buyer while it saves money on the ongoing maintenance costs paid by the city's general fund. Properties owned by the City but with improvement costs of more than \$25,000 will be sold at the current market value or will meet one of the Community Development Block Grant program's national objectives.

11. Demolition - \$99,653 FY 2011 CDBG, and \$200,000 FY 2010 CDBG 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 25 residential and non-residential structures.

Demolitions will also be conducted utilizing funds through the Neighborhood Stabilization¹ program that are de-obligated or considered program income in the geographic areas designated and properties meet the NSP1 definition of blighted.

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12. Homeless ESG Activities - \$27,000 FY 2011 ESGP Funds for Essential Services, \$31,080 for Operating, \$27,000 for Homeless Prevention activities, and \$6,985 for Program Administration (already noted in #1 of this section).

Through the Federal Emergency Solutions (Shelter) Grants Program, local homeless agencies will be assisted. Rehabilitation, essential services, operating, and homeless prevention activities are eligible activities. Funds will be distributed through a competitive process utilizing the Mayors' Community Task Force on the Homeless as the review and approval committee. The City anticipates funding 5 non-profit homeless service providers. The program continues to be administered by the City's Human Services Department.

13. Economic Development Assistance Programs

- a. Rehabilitation, Development, & Improvement Assistance- \$100,000 FY 2011 and \$101,412 FY 2010 CDBG Carryover Reprogrammed. The City will continue to provide assistance to Commercial & Industrial businesses or developers making investments within CDBG targeted areas and/or creating or retaining permanent jobs for low- and moderate-income persons. To maintain City assistance for as many job creation projects as possible, our goal would be to keep the assistance at or below \$3,000 per job created. It is anticipated that 2 projects will be assisted.

- b. Façade Improvement Program – \$100,000 FY 2011 CDBG. This new program will provide assistance to businesses to make façade improvements in lower income neighborhood commercial districts. The Program will assist businesses which provide goods and services to the neighborhood and help stabilize CDBG low-to moderate-income neighborhoods. Improvements will be limited to exterior improvements. It is anticipated that 2-4 businesses will be assisted this first year of the program and will be restricted to 1 neighborhood initially. It is anticipated that this will be a multi-year program with different eligible districts designated each year.

14. Construction Management Training Program - \$22,000 FY 2010 CDBG Carryover

A Minority and Women Construction Management Training Program was created 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. The program consists of 10 weeks of 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 spring and fall of 2011. This program will help benefit lower income residents and Section 3 business concerns.

15. Microenterprise Assistance – SET Program - \$30,000 FY 2011 CDBG

The City of Rockford will continue to support the creation of new businesses, particularly owned by low/ moderate-income residents and Section 3 business concerns 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.

16. Economic Development Services - \$136,880 FY 2011 CDBG

The City will utilize CDBG funds to provide economic development services to entrepreneurs, business- and property-owners, developers, Community Based Development Organizations (CBDOs), and other interested parties in order to facilitate development and provide more goods, services, and jobs to low/moderate income neighborhoods.

17. Commercial/Industrial Acquisition & Demolition (see #10 & #11 above)

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.

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

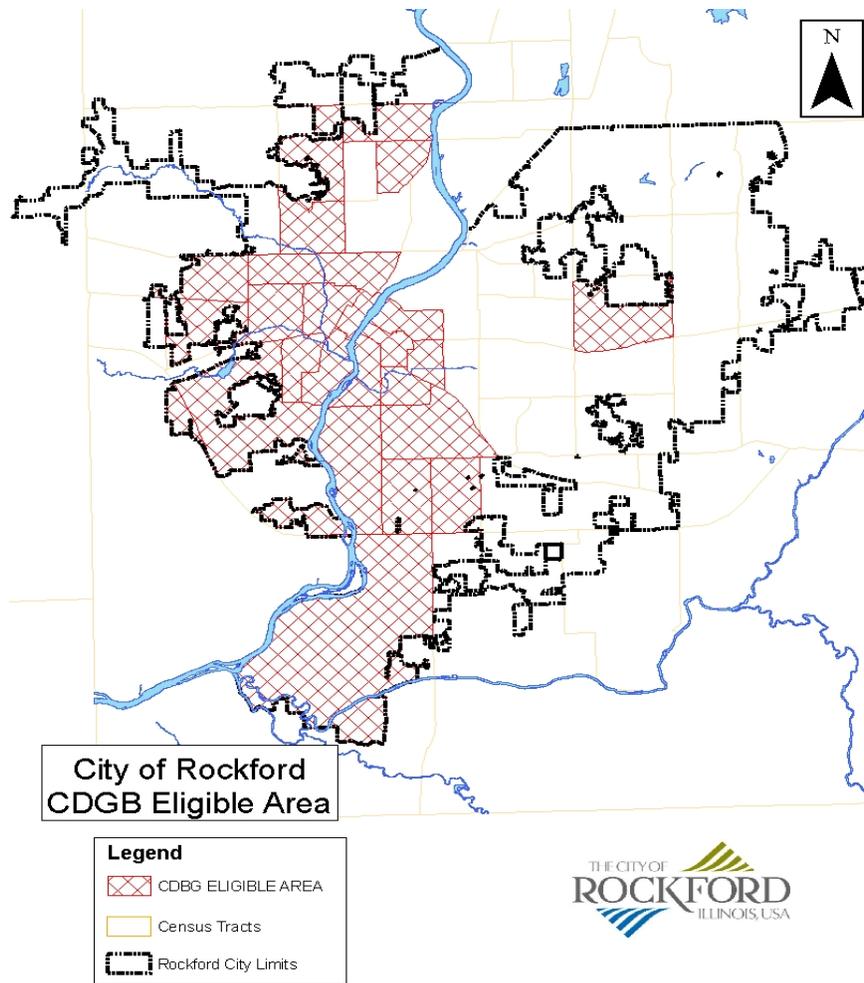
Program Year 2 Action Plan General Questions response:

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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.

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% 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% 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 primarily 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. They are outlined on the maps in the data presented in the 5-year Consolidated 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% of median i.e. the Community Development Block Grant area which is shown in the map above.

The Focus Area planning process was put into place in 2003, which has resulted in change in the geographic distribution of funds annually. This will continue in 2011 in order to concentrate our limited funds. A majority of the HOME funds for rehabilitation are spent in the focus areas as well as acquisition and demolition CDBG funds and Code Enforcement activity.

The focus area process or strategy was developed in an effort to achieve significant results in a shorter period of time, encourage private investment; increase confidence in the areas designated, and increase property values. This strategy has shown success until recently. The Great Recession has created more challenges including a high number of foreclosures and vacancies in all part of the city with these areas hit particularly hard. Homes have been abandoned left in a dilapidated state. Vacant lots are not being attended to placing a

financial burden on the City already hit hard by falling home prices and decreased sales taxes that could crimp our local budget for years to come.

But, we continue to believe that the focus area approach is an important neighborhood revitalization strategy and that concentrating resources in small areas results in the best use of limited funding. 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 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.

2011 Focus Areas (See Maps in Appendix):

- The College-Seminary area which includes the Brewington Oaks Development, and Ingersoll.
- The HOPE VI area generally bounded by West State to the north, Springfield/Harrison to the west, Liberty to the south, and South Pierpont to the east.
- The South Main area generally bounded by Curve Street to the north, West Street to the west, Marchesano to the South, and the Rock River to the east. This includes the South Rockford TIF, and the River Oaks TIF.
- The Weed and Seed area generally bounded by School Street to the north, Johnston to the west, West State to the south, and Ogden Avenue to the east.
- All existing Tax Increment Financing Districts (TIF) and new TIFs.

The difference between a focus area and a strategy area is that a focus area has a defined plan developed either by Rockford's Planning Division or a consultant outlining strategies and action steps. For example, two planning processes were initiated to help direct activities in two of the focus areas. The Kishwaukee Corridor Plan was developed working with a consultant in 2008 with implementation beginning in 2009. A South Main corridor plan has been initiated in 2010. The HOPE VI Plan and the College-Seminary Plan were both developed in house.

Strategy areas are areas of concern but, primarily due to lack of staff and money, no official plan has been developed or adopted.

Strategy areas include:

- Blaisdell / Furman Area bounded by Fairview Avenue to the north, N. Central Avenue to the west, Blaisdell Street to the south and Talcott Page Park to the east.
- The Garrison/Haskell-Coronado Neighborhood bounded by Reynolds to the north, Winnebago to the west, Park to the south, and Church to the East.
- The Neighborhood Stabilization Program's (NSP1) ten census tracts of greatest need which includes census tracts 10, 11, 12, 18, 20, 21, 25, 26, 31, and 32.

- 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 Rehabilitation Program area bounded by 16th Avenue to the north, Kishwaukee to the west, 23rd Avenue to the south, and 7th Street to the east.
- The City of Rockford's Enterprise Zone and River Edge Redevelopment Zone.

The only change from last year's Action Plan is the addition of the Garrison/Haskell-Coronado area as a housing strategy area. This area was the main "impact" area of the NSP1 funds. We feel it is important to continue the momentum initiated through NSP1 by complementing and enhancing the program with CDBG and HOME funding to redevelop property.

Programs, activities, and the Entitlement funding sources under this Action Plan i.e. Community Development Block Grant (CDBG), Home Investments Partnership Program (HOME) and the Emergency Solutions Grant (ESG) can be found as part of this Action Plan (see budget spreadsheet insert). This includes the amount of money designated for the focus and strategy areas. Over 50% of the HOME funds will be available for the rehabilitation of housing in focus and strategy areas. Additional CDBG and HOME funds will be used to provide services, address code enforcement concerns, and stabilize the neighborhoods by removing substandard properties.

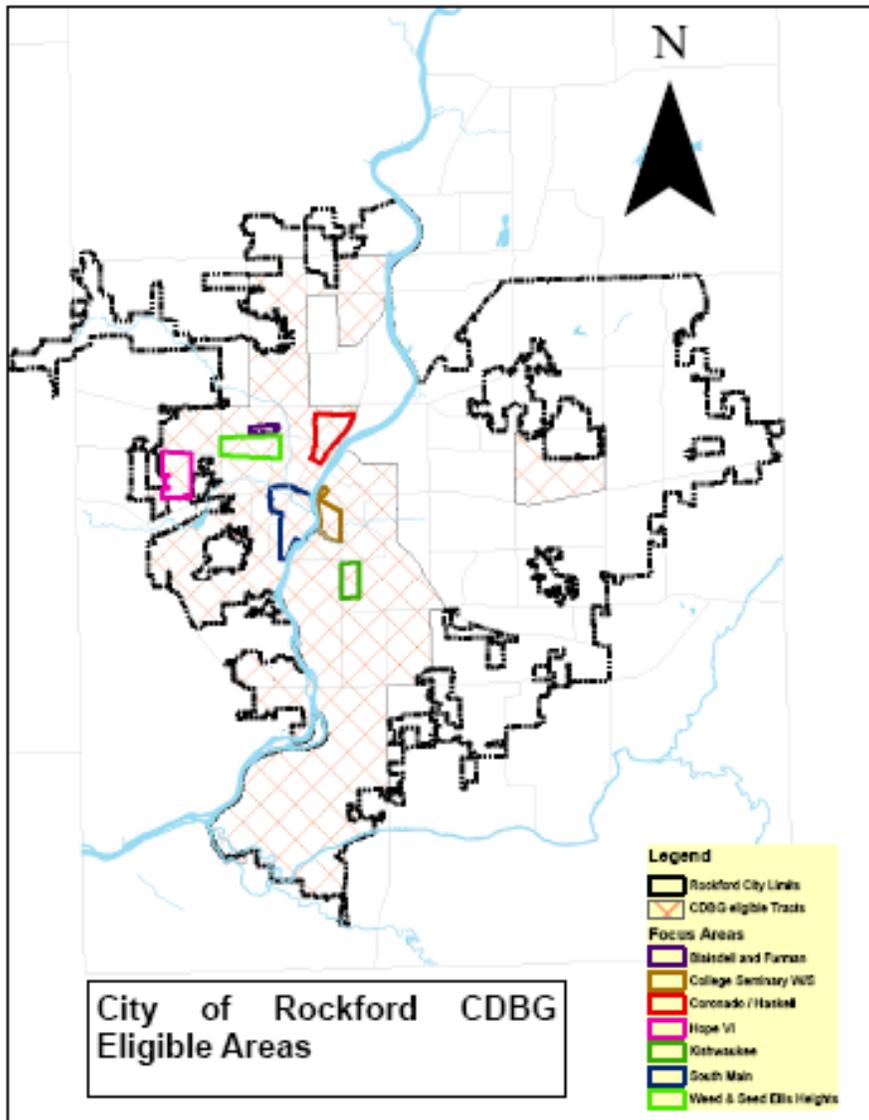
The City's economic development areas are located in the most severely distressed areas of the City and, in many cases, overlap portions of the City's housing target areas. These areas have experienced significant economic disinvestment, resulting in the loss of businesses, loss of jobs, physical deterioration, 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 these areas by stimulating and assisting private business investment, especially for projects that provide needed goods and services and/or job creation activities targeting low/moderate-income residents. It is our goal to create or retain work near home jobs as well as non-geographically targeted jobs.

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.

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, commercial districts in 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 2011 program year – see following map.

All of the areas continue to sustain high unemployment rates; have high concentrations of rental units, poverty, structure and infrastructure deterioration, 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. The City will focus its activities near schools and on major thoroughfares within these areas when possible. Code enforcement tactics are used to help ensure success.



A majority of the funds will be provided to address the maintenance of housing in Rockford, the provision of services, code enforcement in the CDBG area and demolitions. There will be less of a focus on the new constructed housing due to the housing slump and potential buyer's access to credit.

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

The greatest obstacle to meeting underserved needs is the lack of funding. In this economy, the only means to overcome this obstacle is to apply for grants that address the needs of our community, leverage private and other public dollars, and collaborate with others to avoid the duplication of services and meet additional needs.

Currently, there are several grants outstanding in which the City or other partnering agencies have applied or will be applying for in the 2010/2011 grant year. They include HOPE 6, Choice Neighborhoods, the Department of Housing and Urban Development's lead funding, and IHDA's HOME Modification programs. We are hopeful that our combined efforts will be successful in grant awards and achievement in meeting additional needs of our community.

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 IHDA's Home Modification Program and a relatively small amount through CDBG in 2011 for rental rehabilitation.

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 if funds are available. They will be considered a second priority and will require a referral by a partnering agency or City official.

Blighted housing suitable for rehab and vacant properties may be acquired to create home ownership opportunities through CDBG funds or Rockford's Tax Incentive Program (TIP funded with Tax Increment Financing (TIF)). We continue to consider opportunities to create a loan fund, particularly a 203(k) type mortgage product which provides for the acquisition and rehabilitation of property.

To help stabilize neighborhoods, properties will be acquired and demolished or simply demolished through the fast track process utilizing several possible funding sources sometimes in conjunction with private funds. Funding sources include: CDBG funds, program income through the Neighborhood Stabilization Program, and TIF funds.

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.*

Besides Community Development Block Grant, HOME Investments Partnerships Program, and the Emergency Solution Grant funds described in this plan, the City of Rockford expects the following resources to be available to address priority needs and specific objectives identified in the Consolidated Plan:

- a. Neighborhood Stabilization Program (NSP): This program provided 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 in 2009 was \$2,287,004. It had 18 months to use the funds and 4 years to expend the funds. All of the funds were

obligated within the 18 months and the City intends to continue expending the funds until fully disbursed. 10% may be used for program administration.

The program required strict adherence to income targeting. NSP required that 100% of the grant funds benefit households with income at or below 120% of the area median income (AMI). Twenty-five (25%) percent of NSP funds were required to benefit households at or below 50% of AMI.

b. Illinois Housing Development Authority (IHDA): When feasible the City of Rockford intends to apply for grants available through IHDA. To review the grants available, request a copy of the Illinois State Action Plan from IHDA or go to their website at www.IHDA.org. Below lists some of the commonly utilized IHDA programs:

- Low Income Housing Tax Credits: IHDA is the state's designated housing tax credit agency. Tax credits are incentives for for-profit or non-profit investors to invest in affordable housing for lower income families. 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 may 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.
- IHDA Home Start is a state program, available through local financial institutions, offers below-market interest rates on conventional loans for new and existing homes. First time homebuyers may also qualify for 3% of the purchase price up to \$6,000 for down payment assistance. Assistance is provided as a 10%, zero interest rate second mortgage. Homebuyer must provide \$1,000 toward the transaction. There are income and purchase price restrictions.
- The City, Northwestern Illinois Area Agency on Aging (NIAAA), and Regional Access Mobilization Project (RAMP) applied for and received an IHDA Home Modification grant totaling \$120,000 to assist persons 60 years of age or older and/or physically disabled in need of a home modification which enables them to continue living in their home.

The City, NIAAA, and RAMP applied for additional IHDA Home Modification Program funds for the 2011 program year. If awarded, in 2011 the program will not only assist homeowners, but renters too.

- The City, the Rockford Area Affordable Housing Coalition (RAAHC), and Neighborhood Housing Services (NHS) of Freeport applied and was awarded \$200,000 through the IHDA Homebuyer Assistance Program. The program administered through RAAHC & NHS of Freeport will provide \$3,000 - \$5,000 (based on household income) to be used as homebuyer assistance. Low to moderate income households may purchase single family dwelling located throughout Stephenson and Winnebago Counties. It is anticipated that the two (2) year grant will assist 57 households.
- The City, through its Human Services Department, when feasible applies for IHDA programs to serve the Winnebago and Boone Counties. For

programs serving Winnebago County, which Rockford is a part of; the Community & Economic Development Department collaborates to address the need for decent, affordable, and permanent rental housing.

- 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. CDBG, HOME, and Winnebago County host fees from the landfill are leveraged with the private and State funds. Harris, formerly Amcore, Swedish American Foundation, William Charles, Ltd. also offer a program for their employees.

Eligible employees who are interested in using the homebuyer assistance 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 may include homebuyer 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.

- c. American Dream Mortgage available through U S Bank. This program provides fixed rate, repair escrows, and up to \$3,000 Entry Cost Assistance to be used as closing costs, prepays or down payment for homebuyers purchasing 1-2 unit dwellings. Income restrictions apply.
- d. Habitat for Humanity International is a nonprofit organization that builds and sells homes to low-income families at-cost. As of September 2010, Rockford Area Habitat for Humanity built 89 homes. After participants show "need", 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 2011.
- e. 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% of area median income, or to finance the purchase, construction of rehabilitation of rental housing in which at least 20% 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 through a local member of the Federal Home Loan Bank in 2011 for assistance as well as support other for-profit and non-profit applications. Local members are Alpine Bank, Blackhawk Bank, Harris

(formerly AMCORE), Midwest Bank, Riverside Community Bank, and Stillman Bank.

Local members also have access to Downpayment Plus, a program administered through FHLB. The Downpayment Plus program provides downpayment and/or closing cost assistance to low income households purchasing in Illinois.

- f. Youthbuild/Comprehensive Community Solutions, Inc. (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 4,300 applicants, has served 763 young people, and placed approximately 78% 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), 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. They learn and practice construction skills, including green building, and earn a nationally-recognized credential through the construction of new homes, 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.

- g. Housing Choice Voucher Program (Section 8 funds): This program is designed to help low-income families obtain affordable housing and increased housing choices. Two (2) public housing authorities, the Winnebago County Housing Authority and the Rockford Housing Authority, administer the program serving the Rockford community.

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- h. The Community & Economic Development Department uses its Capital Improvement Program (CIP) funds to fund the Water Hook-up program, a program available to low-income households for hooking up to City water.
 - i. 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 & Economic Development homebuyer assistance programs require the homebuyer to obtain pre-purchase housing counseling. Counseling helps to ensure families have been trained to undertake and maintain homeownership responsibilities.
 - j. HUD’s 203(k) – The Section 203(k) program is the Department of Housing and Urban Development primary program for the rehabilitation and repair of single family properties. Lenders have successfully used the Section 203(k) program in partnership with state and local housing agencies and nonprofit organizations to rehabilitate properties and assist borrowers. This program can be combined with CDBG and HOME funds. The 203(k) program allows borrower to get one mortgage loan, at a long-term fixed (or adjustable) rate, to finance both the acquisition and the rehabilitation of the property. To provide funds for the rehabilitation, the mortgage amount is based on the projected value of the property with the work completed, taking into account the cost of the work. To reduce the risk to the mortgage lender, the mortgage loan is eligible for endorsement by HUD as soon as the mortgage proceeds are disbursed and a rehabilitation escrow account is established. The lender then has a fully-insured mortgage loan.

The program can be used to accomplish rehabilitation of an existing one-to-four unit dwelling in one of three ways:

1. To purchase a dwelling and the land on which the dwelling is located and rehabilitate it.
2. To purchase a dwelling on another site, move it onto a new foundation on the mortgaged property and rehabilitate it.
3. To refinance existing liens secured against the property and rehabilitate.

- k. Tax Increment Financing (TIF) is an important economic development tool used to finance certain types of development costs. TIFs are used by the City to provide public infrastructure improvements, attract private development, spur employment growth and increase the municipal tax base. There are 30 TIF districts scattered throughout the city which include commercial, industrial, residential and mixed use neighborhoods.

TIF Financing allows a developer or property owner to receive a portion of the increased real estate taxes generated from a rehabilitation or new construction project.

- l. The River Edge Redevelopment Zone promotes the safe and cost effective development of environmentally challenged properties near rivers through the use of tax incentives and grants. The River Edge purpose is to create and retain jobs and to stimulate business and industrial retention and growth.

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- m. The Enterprise Zone assists in the revitalization of distressed areas by offering financial and tax incentives to stimulate business growth and neighborhood improvement.
 - n. The New Markets Tax Credit (NMTC) Program was established in 2000 as part of the [Community Renewal Tax Relief Act of 2000](#). The goal of the program is to spur revitalization efforts of low-income and impoverished communities across the United States and Territories. The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities. The credit equals 39% of the investment paid out over seven years.
 - o. Section 108 loans provide a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. It allows the City of Rockford to transform a small portion of our CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. This type of public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in our distressed areas.
 - p. Winnebago County and the City's CDBG funds are leveraged and used to administer the Construction Management Training Program. This program trains lower income minorities and women in the area of construction management.
 - q. Choice Neighborhoods is a pilot program and an initiative to transform distressed neighborhoods and public and assisted projects into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. A strong emphasis is placed on local community planning for access to high-quality educational opportunities, including early childhood education. The initiative involves public housing, local governments, non-profits, and for-profit developers in undertaking comprehensive local planning with residents and the community. The Rockford Housing Authority submitted an application in 2010 with the support of the City of Rockford.
 - r. HOPE VI Revitalization Program goal is to transform the physical condition of public housing community and to positively impact the lives of the residents. Since 1993, HUD has awarded HOPE VI grants to public housing authorities to encourage public-private partnerships to transform severely distressed public housing into mixed-income communities that assist residents in becoming self sufficient. HOPE VI is used for an array of activities, including demolition of severely distressed public housing, acquisition of sites for off-site construction; capital costs of major rehabilitation; new construction and other physical improvements; costs for mobility counseling and relocation; and community and supportive service programs for residents, including those relocated as a result of revitalization efforts. Housing authorities are competitively selected for HOPE VI grants based on many factors.

In 2010, the Rockford Housing Authority submitted a HOPE VI grant application with the support of the City of Rockford.

- s. Neighborhood Housing Services (NHS) of Freeport: Established in 1997, NHS is a community-based nonprofit organization, committed to improving neighborhoods and the lives of people throughout Freeport, IL. NHS, through collaborating with the Rockford Area Affordable Housing Coalition, has extended services to the Rockford area.

Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
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.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 2 Action Plan Managing the Process response:

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

The City of Rockford Community and Economic Development Department will continue to serve as the lead agency in regards 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, this 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 2011. The Winnebago County Health Department commonly takes the lead regarding lead mitigation/control or lead abatement activities but work cooperatively with the City of Rockford's Community Development and Human Services Departments.

The City also has provided technical assistance and is working to a greater extent with external agencies including Northwestern Illinois Agency on Aging, Regional Access Mobilization Project, Family Credit Management, Neighborhood Housing Services of Freeport and the Rockford Area Affordable Housing Coalition. These agencies are providing a myriad of services to help increase our affordable housing activity. This is expected to continue and expand in 2011.

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 housing and 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 and Economic 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, the Human Services Department of the City, 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

<u>Date</u>	<u>Activity</u>
July 6 – 19	Evaluate current programs
July 12 – 16	Hold ND/ED budget planning sessions(s)
July 19 – August 20	Develop draft of Annual Action Plan
August 23 or 24	Meet with Administration to present draft plan budget
August 26	Hold first public input session
August 27 – September 13	Complete narrative portions of plan to correspond with proposed budget
September 7 – 10	Meet with Aldermen and share proposed plan
September 9	Hold second public input session and present draft plan
September 13	Read plan into City Council with pending date for committee review of 10/18 & publish plan for 30 day comment period
September 14	30 day comment period begins
September 15 – October 15	Additional discussions with Aldermen as needed
October 15	30 day comment period ends

October 18	Plan is discussed at Planning & Development committee meeting
October 25	Committee discussion continued if needed
November 1	City Council reviews committee recommendation
November 8	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 to assist in its implementation.

The Community Development Department of the City of Rockford developed a mission statement several years ago. The statement is to “Provide leadership, foster partnerships and promote balanced growth to enhance the quality of life in all “neighborhoods.” The current mayor of the City of Rockford coined a phrase entitled “excellence everywhere.” Together, these visions drive the efforts of the City of Rockford by placing special emphasis on enhancing coordination by encouraging housing related groups, both public and private to meet on a regular basis and establish *common* goals, priorities and strategies. In addition, groups who provide health and social services are encouraged to collaborate as well. All of this results in a more coordinated effort in addressing the needs of all low-income residents throughout the City, including those in public housing. Specific efforts in carrying this out include:

- a. Continuing to coordinate and develop City funded rehabilitation and homeowner programs with the assistance of local lenders, Realtors and housing non-profits. Most recently, Neighborhood Housing Services of Freeport and the Rockford Area Affordable Housing Coalition are partnering with the City on several fronts – rehabilitation program (s), homebuyer assistance, and counseling services.
- b. Continuing to coordinate with housing non-profits by City representation on coalition of housing interest groups.
- c. Continuing to coordinate and implement innovative programs and activities in conjunction with neighborhood business district organizations, local lenders, investors and for profit businesses.

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- d. Collaborating on housing rehabilitation efforts with the City Community Development and Human Services Departments.
 - e. Continuing to coordinate efforts to provide permanent housing opportunities with local Public Housing Authorities.
 - f. Coordinating efforts with the local public health department to use their services for lead-risk assessments, clearance testing and providing leverage for state and federal grant opportunities when funds are available.
 - g. Working with major stakeholders in focus areas to obtain input on corridor plans.

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 and Economic Development Department. Additionally, many Federal and State applications must have a Certification of Consistency form included in the application signed off by the Rockford's mayor. In many instances, these projects are also provided gap financing.

Citizen Participation

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.
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.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

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

Program Year 2 Action Plan Citizen Participation response:

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. As a result, the City continues to follow its adopted citizen's participation plan. The plan sets forth the City's policies and procedures for citizen participation.

The City of Rockford does indeed recognize citizen participation as an important component of the Annual Action Plan development process. The citizen participation process is instrumental in providing an opportunity to obtain meaningful input from the community and organizations serving the community

in designing programs that will best met the needs of low and moderate income population. The year's process included holding a set of two public input sessions which are designed to inform citizens as well as to provide an opportunity for input that will be used to help the City determine activities for the 2011 Action Plan. Their input, along with the assistance of the Citizen Participation Committee, helps to ensure that Rockford's Federal funds are appropriately allocated. Throughout the process, the Community and Economic Development staff provides technical assistance to applicants and the Citizen Participation Committee members. One set of public input sessions was held west of the river and a second set was held east of the river with each having a day time option as well as one in the evening. All locations were all fully accessible facilities, and included ample available free parking as well as being either located on or adjacent to public bus lines. In addition, a city staff person trained in providing sign language was present at each public input session.

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

There were no written comments received during the 30 day comment period.

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 intention of accommodating and encouraging participation from all city residents, especially 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.

More specifically, the City staffs coalitions, committees, boards, networks and commissions that represent social service agencies and entities. In doing so, an open dialogue is maintained to encourage more public participation from those who are affected most by the Annual Action Plan and the programs that are facilitated by it. These entities mentioned above not only serve disadvantaged populations in disadvantaged areas, but throughout the City as well. The result is more residents are made aware of the process and encouraged to provide input.

In addition, the Community Development Department employs a City Planner who has spent and continues to spend a significant portion of his time engaging neighborhood groups and organizations to increase their understanding of all planning processes including the Action Plan in an attempt to broaden the spectrum of those citizen participation.

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

There were no comments made that were not accepted.

Institutional Structure

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

Program Year 2 Action Plan Institutional Structure response:

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 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, Live Work Play, The Element, Midtown and Neighborhood Networks and most recently, Neighborhood Housing Services - Freeport. 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.
- 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 and partnership agreements.
- The City will work closely with its Neighborhood Stabilization Program developers to ensure a complete understanding of the regulations and remain compliant through the terms of affordability respective of the project.

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.*

Program Year 2 Action Plan Monitoring response:

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 and Economic Development Department has developed an internal management plan to assure the proper and timely implementation of the strategic plan and the Action 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.

Training Programs funds will be disbursed after documentation of program cost have been reviewed and eligibility documentation has been received, reviewed and approved.

b. Rehabilitation Projects

From pre-application through the completion of the construction will be the responsibility of the assigned Neighborhood or Economic Development Specialist to monitor. Once complete, it will be the responsibility of the Compliance unit to ensure that all the requirements of the agreement are met. It will be staff's responsibility to ensure compliance with housing codes and that each program/activity is 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.

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 an escrow account and disbursed only after proper invoicing to the City is presented and an inspection is made at the project site by City staff. The City shall also inspect each unit to determine if it meets local housing code, housing quality standards established by HUD and 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, lead based paint, housing quality standards through the attachment of itemized work item lists/ bids/proposals, procurement requirements, maintenance of insurance, Davis-Bacon, Section 3 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. When 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.

Economic Development project recipients will be required to submit documentation of costs for rehabilitation, job creation certifications and income verification as applicable and required by program regulations during the construction phase and/or until maximum job creation is obtained.

Economic development activities will have individual project files in which the eligibility, environmental review, financial underwriting, public benefit analysis, and approval documentation are documented. Each file will also contain project cost documentation, procurement information, Davis-Bacon documentation, and work item progress checklist.

Occupancy and maintenance requirements will be required. 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. A 2.5 hour training course on maintaining property is required of rehabilitation program recipients. This course is offered quarterly by the Rockford Area Affordable Housing Coalition.

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 for the Neighborhood Stabilization Program. The Department also monitors projects/activities and the amount of available funding utilizing the Integrated Disbursement and Information System (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
- 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 as invoices are submitted, 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.

d. Davis Bacon Compliance

The City of Rockford has a staff member assigned to overseeing any projects that require Davis Bacon and/or Section 3 compliance whose office is located in the City’s Legal Department. This position is responsible for conducting site visits, conduct employee interviews, and check the weekly payroll forms for accuracy and compliance.

e. Section 3 Compliance

The City of Rockford has a staff member assigned to overseeing any projects that require Section 3 compliance whose office is located in the City’s Legal Department.

f. Minority and Women Business Outreach Program

1. Minority and Women Business Outreach Efforts are 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 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:

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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 & the Rockford Area Mexican Business Association (RAMBA).
 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 various media:
 - News stories
 - Television talk shows
 - Public service announcements
 - Special video tapings
 - Flyers to other interested businesses and organizations
 - Specialized advertising in magazines and newsletters
 5. Preparing an annual year-end report on the dollar amounts awarded to minority and 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 Minority Business Development Council< Inc (CMBDC)
 - 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 Mexican Business Association
 - Business related education workshops
 - 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 & quote process.
- Revamped measures to encourage minority and women-owned business participation.
- Set goals for minority participation

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.*

Program Year 2 Action Plan Lead-based Paint response:

The Winnebago County Health Department serves as a delegate agency for the State Health Department to conduct lead risk assessments on properties identified as being occupied by a lead poisoned child. In our community 67.4% of housing units in the County (84,596) were built prior to 1979, and in the City limits, that number jumps to 77.8%. (44,656). The inspectors conduct approximately six to ten inspections per month and insure compliance by following the State Act and Code and if necessary turning over the property owner to the State's Attorney's office for enforcement.

The Winnebago County Health Department is in the process of writing an application for a HUD grant to fund making 200 properties lead safe. This would be approximately 65 units the first year. The HUD guidelines mandate that person's served by the programs meets their income guidelines for low income families.

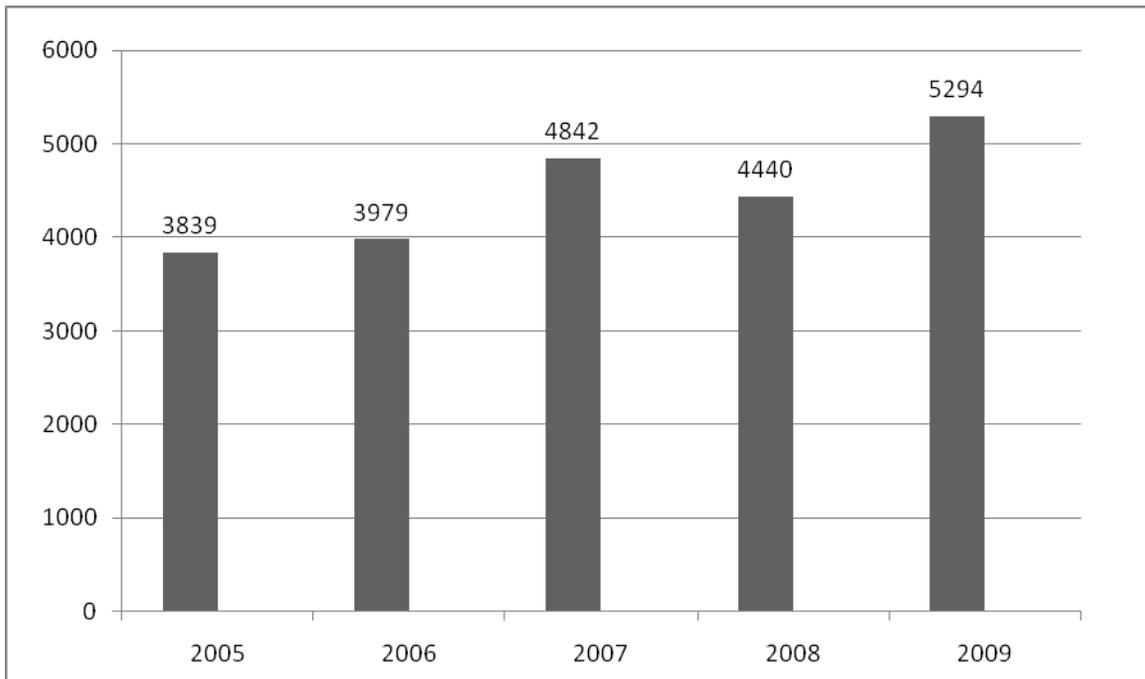
The Health Department has formed several partnerships to make the process smoother for the clients that we serve. A partnership was formed with Crusader Community Health, which is a non-profit health care provider that serves low income and Medicaid patients. This partnership teaches expecting, first time moms and their partners about lead poisoning prevention. It started at one location and is now at two of Crusader's locations. "Baby Basics" is a first time initiative that was started by a community health nursing student. It meets for six weeks and covers such topics as newborn and pediatric care, infant/toddler CPR, home safety, lead poisoning prevention, child care, car seat safety and healthy relationships. At the end of the program the participants receive a brand new car seat.

Additionally, several events were planned for outreach purposes with Head Start and other community and faith based agencies who also serve the same target populations. Lead awareness presentations were taught to local landlord association members, the Board of Realty Members; staff also attended local health fairs

promoting lead awareness. An effort was made to communicate in a fun and personal manner to effectively communicate with children and their parents. The Program Manager would attend health fairs with and wear her clown suit as her slogan is “don’t clown around with lead” don’t juggle with your child’s future.” The children at these events would come to her wondering what she was doing and that opened the door for her to speak to the children about hand washing and then the parents would come over to the booth and learn further information about lead poisoning prevention and the grant program. The state health department and the EPA provided many giveaways as incentives and educational pamphlets that were utilized at these events. We worked with Head Start and a local daycare to do hand-washing education (with the “Glow germ” light and special lotion to show them how to wash better) and talk about lead with the kids and send pamphlets home with the kids on lead poisoning prevention and nutrition flyers. These “glow germ” units used for the hand washing education were loaned to the lead program by another program at the health department.

The HUD grant has opened the door for different community agencies to request further information about lead poisoning and how to prevent it. The Program Manager was asked several times to speak to local pediatricians on the laws regarding screening and they were given the grant information to pass along to their patients. This was done more the first and last year of the grant, evidenced by the dramatic increase (19.25-21.7%) over the previous year’s blood lead testing. The lead program data base of lead poisoned children remained consistent in the numbers of lead poisoned children, approximately 200 children; however, testing rates increased, so it would appear that more children were tested than before, without an increase in “open” child cases.

Table 1 – Blood lead tests per year:



Actual numbers of blood lead tests per year in Winnebago County are:
(See Table 1)

2005 3839
2006 3979 (up 3.67%)
2007 4842 (up 21.7%)
2008 4440 (down 8.3%)
2009 5294 (up 19.25%)

Results of increased screening:

Year	2005	2006	2007	2008	2009
# of children screened	3839	3979	4842	4440	5294
# of children lead poisoned >10 mg/dL	175	157	161	123	109

Over a five year period, Winnebago County increased its lead screenings by 37.9% and reduced the incidence rate of lead poisoning by 37.7%

The new grant application will also be addressing training of community residents through the EPA's RRP lead curriculum to increase the pool of properly trained people to conduct work on the disproportionate quantity of aging housing stock of the community. This will serve three purposes, reduction in improper work practices which will reduce the occurrence of lead poisoning due to remodeling error, and putting people to work by training them and giving them a skill set.

Other city of Rockford actions to evaluate and reduce lead-based paint hazards in homes 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. Four people within Community Development are certified; Two people are certified as a lead supervisor and inspector and the others are certified as lead supervisors, inspectors and risk assessors.
- 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 through its Construction Management Program.
- 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.

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- The Rockford Area Affordable Housing Coalition continues to address lead in its pre-purchase counseling course.
 - City of 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 2011 by providing a 10% match. Through GLO, 26 units will be completed in 2011.

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

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

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

Program Year 2 Action Plan Specific Objectives response:

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 plans to achieve through housing projects supported during the 2011 program year. A more detailed enumeration of output and outcome objectives for individual housing projects was previously included.

Type of Housing Activity	# of
	Units
Rehabilitation Units	79
Housing Projects (Non-Profits)	7
Homeless Programs	5
Homebuyer Assistance Programs	8
RAMP (Construction of RAMPS)	12
Get the Lead Out Match	15
Water Hook-Up Program	11
Tax Incentive Program	3

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.*

Besides private dollars of the households assisted, the City expects the resources as outlined under section General Questions, question number 4, of this Action Plan to be available to address the needs covered by the Action Plan.

Needs of Public Housing

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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.
 2. 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.

Program Year 2 Action Plan Public Housing Strategy response:

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.*
1. The City of Rockford continues 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. A private developer was 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 have been and will continue to 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 its homeownership programs. To date, nearly 100 public housing and Section 8 families have purchased homes under the Family Self Sufficiency Program. In the last year approximately 15 residents completed the 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 50-80% of Adjusted Median Income. This homeownership program is contingent upon the award of a HOPE VI competitive HUD grant for single family scattered site housing that will be submitted in late 2010 with awards being announced in 2011.

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 2900 children annually and another 675 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 ten 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.

WCHA Provides affordable housing throughout Winnebago County, five Northern Illinois counties, the Stephenson County Section 8 program and manages the Boone County Housing Authority. All agencies named adopt a regional shared mission of affordable housing outreach and growth for our residents.

Within the City of Rockford, WCHA is completing the \$10 million renovation of the Collier Garden apartments in 2010, and was a recipient along with only 14 other authorities in the nation for the American Recovery and Reinvestment Act grant, awarded \$2.4 million for the Collier Garden program. With the Rockford Park District the housing authority leases the Washington Park Community Center and provides a computer technology lab and program through the ongoing Neighborhood Networks grant for education, employment and recreation. In 2009 WCHA received another Neighborhood Networks grant for the Collier Garden, D'Agnolo Garden and Johnston Garden apartments. The housing authority is preparing for a \$4 million revitalization program of the Johnston Garden apartments beginning in the last quarter of 2010.

WCHA operates a Family Self Sufficiency grant program that assists Housing Choice Voucher residents to homeownership, and a Family Unification Program grant with the Department of Children and Family Services that provides housing for 50 homeless families. WCHA has partnered with the YWCA, ShelterCare and the Illinois Department of Housing and Urban Development to transform a site for homeless families. WCHA administrates the Illinois Housing Development Authority's Rental Housing Assistance Program. WCHA is currently working with the United States Department of Housing and Urban Development to finalize a development plan for further affordable housing in the Washington Park HOPE VI impact neighborhood.

WCHA regularly holds meetings between residents and the Executive Director and staff.

2. *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.*
2. Neither the Rockford Housing Authority (RHA) nor the Winnebago County Housing Authority (WCHA) carries the designation of "troubled" by HUD and neither is considered as a poorly performing entity. 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.

Program Year 2 Action Plan Barriers to Affordable Housing response:

The City of Rockford is one of the most affordable cities in the United States (8th in the country) but 49.6% of Rockford's population earns less than 80% 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 Illinois Housing Development Authority's Homebuyer Assistance program and projects creating affordable housing with most also providing downpayment and closing cost assistance to the buyer, the Focus Area Rehabilitation program and other strategy area rehabilitation programs.

Rockford's permit fees and development review process are 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.

The sub-prime mortgage lending aspect of alternative financing created a barrier to affordable housing and 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. Strategies to address this barrier includes:

1. Sub-prime lenders are prohibited from participating in any City of Rockford programs.
 2. Homebuyer assistance programs, sponsored by the City or its partners, prohibits participation of a lender who costs exceed of 5% 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.
 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 addressed housing abandoned, foreclosed, vacant property, and blighted housing.
- b. Crime and safety continues to be a barrier. Strategies to address are:
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 both the Building Department and Community Development. Unfortunately, there is a disparity in the demolitions that can be done versus what needs to be done.
 3. The City continues to focus it resources to certain focus and 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. Data will be assessed at the Rockstat problem solving, accountability, and reporting level to determine joint strategies between the Police Department and other agencies.
 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.

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- c. There are developmental barriers to the creation of affordable housing. This includes property acquisition, cost estimation, obtaining insurance during construction, financing, and land-use restrictions. Additional barriers include qualified workers and compliance with the myriad of codes and regulations. Strategies include:
1. The City will make its vacant lots available to CHDOs and private developers for redevelopment. When the total CDBG redevelopment costs are under \$25,000, the properties will be sold at a discounted price. A "side lot" program is in the process of development.
 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% 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%- 30% 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. Continued strategies include:
1. Aged properties not suitable for rehabilitation will be demolished by Community Development, private property owners, or 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:

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1. Rehab assistance will be provided to investor owners who, as a condition of assistance, must rent 51% of the units assisted to lower income 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 including the leveraging of funds with other programs such as those through the State of Illinois.
 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. This was realized more so when trying to acquire properties under the Neighborhood Stabilization Program.
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.
 4. Programs such as the "First Look" program will be used when feasible.
- 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. The barrier is so great that public resources alone 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. Continued strategies include:
1. A downpayment/closing cost assistance program will continue through the Rockford Area Affordable Housing Coalition made possible for 2010 and 2011 through IHDA's Homebuyer Assistance program.
 2. New construction will continue which leverages private and federal funds to create affordable housing financing for lower income persons via developers but on a limited basis due to the down housing market.
 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.

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5. The City will submit applications for funding under HUDs Homeless Assistance for the Homeless program.
 6. The City will continue to provide funds to program participants for cover the increased cost of rehabilitation due to the lead-based paint requirements.
 7. Ramps will be constructed for the physically disabled through the Regional Access Mobilization Project (RAMP).
 8. The City's Tax Incentive Program and proposed loan program will be marketed to prospective buyers of eligible properties.
 9. The City will implement the State's Home Modification program to complement its new Elderly/Disabled housing rehab program which is leveraged with CDBG and HOME funds.
- 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%. 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. Also, where a property is located also has a significant influence on its value. Values are discounted accordingly which has a destructive influence on our neighborhoods. A similar difficulty exists with the identification and adjustment of comparable properties. Appraisers recognize the variability of real estate in the analysis of comps by factoring in an "adjustment." It is easier to make adjustments with new units due to the fact they are more generically standard. It is problematic to make adjustments between an un-rehabilitated older unit and older renovated housing.

Strategies for the upcoming year include:

1. 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. Partnering with administrators of rehabilitation loan programs is in process to help cover the gap in first mortgage and refinancing with rehabilitation.
 3. The City will increase the value of property in neighborhoods by focusing our resources. We will analyze our affect on neighborhoods.
- 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. The City of Rockford will continue the provision of the following:

1. 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. Seeking 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.
- 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 is 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. Also, the new Environmental Protection Agency rule has confused contractors as to their level of certification and liability. 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.

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- 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. Also, the new Homebuyer's assistance grant in the amount of \$200,000 has income based requirements but not geographic restrictions except that the properties must be located in Stephenson or Winnebago Counties with 45% of the funds designated for Rockford.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe 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.
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:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.

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- b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
 - a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
 - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 2 Action Plan HOME/ADDI response:

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 prorate 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:

$\frac{\text{Homeowner Investment}}{\text{City Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Amount to Homeowner}$
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$\frac{\text{City Investment}}{\text{City Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Amount to City}$
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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.

Recapture Example:

Assumptions:

- Original value at the time of purchase: \$50,000
- First mortgage from private lender for purchase – 30 years at 6%: \$46,000
- City Investment: \$4,000 (\$3,000 downpayment & \$1,000 closing costs)
- Homebuyer Investment (down payment): \$1,000
- Sales Price \$55,000
- Sale occurring after the 3rd and prior to the 4th anniversary of the purchase date
- Homeowner (acting as seller) closing costs: \$1,500

Sales Price	\$55,000.00
Minus closing costs	\$ 1,500.00
Minus 1 st mortgage payoff	<u>\$44,147.62</u>
Total Net Proceeds	\$ 9,352.38

Using the formula and assumptions above:

$\frac{\$1,000}{\$4,000 + \$1,000}$	X	\$9,352.38	=
		\$1,870.48	

$\frac{\$4,000}{\$4,000 + \$1,000}$	X	\$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. All HOME funds will be recaptured if a homebuyer is non-compliant due to not occupying the property as their principal residence.

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:*

N/A since the City no longer receives ADDI funds.

HOMELESS

Specific Homeless Prevention Elements

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

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.
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.
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.
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.
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.

Program Year 2 Action Plan Special Needs Response:

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% being directed primarily towards homeless prevention activities. The remaining 95% is earmarked to address the needs of the homeless including 56 % 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 Shelter 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. The ESG scoring is underway and awards will be announced after Council approval, expected 10/4/2010. Organizations which provide emergency shelter and/or services will also be encouraged to apply for the State's Emergency Shelter Grants program and other resources such as Federal Emergency Management Agency (FEMA) funds and grants through the Illinois Department of Human Services. 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 our 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. We're 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. 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. With the passage of the HEARTH Act, the continuum will be able to include chronically homeless families in our count and services delivered. It is and will continue to be a priority to reduce homeless recidivism as well as the length of time in which persons are homeless in our community.

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 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 \$155,568.00 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 we'd prefer.

4. *A 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.

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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 (Shelter) (ESG)

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

Program Year 2 Action Plan ESG response:

N/A

COMMUNITY DEVELOPMENT

Community Development

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

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.
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.

*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 2 Action Plan Community Development response:

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 Consolidated 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. Appendix two contains a table that demonstrates the City of Rockford's long-term and short-term community development objectives. The 2010 accomplishments represent year to date numbers.

Antipoverty Strategy

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1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 2 Action Plan Antipoverty Strategy response:

1. a. Community Development Department

1. CDBG Funding

- Continue to fund the Self-Employment Training (SET) Program, which provides free entrepreneurial training to low/mod – income residents of the City.
- Continue to fund the Construction Management Training Program that provides free Construction Business Management skills to low-income minority & women small business owners.
- Implement a new Façade Improvement Program for business owners that provide goods & services in designated low-income areas of the city.
- Continue to administer an Economic Development Loan Program that provides loans to businesses that agree to create jobs for low-income persons. For every \$1,000- \$3000 loaned, a job must be created and 51% of those jobs filled by a low-income person.
- Staff boards, which assist those in poverty to help ensure appropriate distribution of funds, such as the FEMA Board.
- Continue Focus Area rehabilitation programs in strategic areas and create decent, affordable housing units.
- Provide match funds for the City of Rockford Human Services Department's Get the Lead Out! Program to reduce the lead paint hazards in lower income homes in which a child with a high EBL level has been identified.

2. HOME Funding

- Continuation of housing rehabilitation programs for low-income households.
- Continue collaborating with Community Housing Development Organizations (CHDOs), and not-for-profits to provide affordable housing for low income households.

3. ESGP Funding

- Administer the Emergency Solutions Grants Program (formally Emergency Shelter Grants Program), giving priority to projects falling under the category of homeless prevention with program implementation continued as the responsibility of the Human Services Department

4. Other Funding and Initiatives

- Continue to administer the Family Self-Sufficiency Program through the Rockford Housing Authority.

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- Work with the Rockford Housing Authority to continue to provide subsidized housing for those transitioning from housing assisted through homeless grants.
 - Continue the YouthBuild Program through Comprehensive Community Solutions, Inc. which provides mentoring and employment opportunities to youth.
 - Provide decent housing and improved neighborhoods through the NSP funding.

b. Human Services Department

- Continue the Head Start program, which teaches income eligible pre-school children educational skills and social classroom skills. Head Start gets kids on the right track emotionally and educationally. While they are learning, their parents are provided access to employment and social services. Head Start serves over 600 children per year at three Rockford locations. All locations are located in lower income neighborhoods with two located in public housing developments and noted below:
 - a. Henrietta Site, 200 North Johnston Street
 - b. Fairgrounds Site, 910 Acorn Street (located at a PHA development site)
 - c. Orton Keyes Site, 653 Ranger Road (located at a PHA development site)
- Community Services assists persons who are homeless or are in danger of becoming homeless through FEMA Emergency Food and Shelter funds, Illinois Department of Human Services Homeless Prevention funds, Community Services Block Grant (CSBG) funds and Rockford Township Condemnation funds. These funds assist low-income persons with one to three month's rent, emergency housing, utility assistance, deposits and mortgage assistance.
- Community Services provides scholarships to low-income students who are pursuing education and training at Illinois accredited institutions.
- Continuation of the Summer Feeding program funded by the Illinois State Board of Education, which provides free, nutritious lunches and snacks to eligible children, aged 3-18.
- The continuation of a partnership with the Illinois Department of Children and Family Services which provides advocacy, counseling, budgeting and support to Norman class families and youth leaving the foster care system.
- Support and guidance in developing grassroots organizations including faith based organizations.

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- The provision of grassroots training which provides low-income citizens with the tools necessary to advocate for themselves and their community.
 - Continue to provide intensive, long-term case management services to families and seniors to increase their skills, improve their income and strengthen family connections.
 - Continue administering the Low Income Heating Energy Assistance Program (LIHEAP). This program assists income eligible households in making an annual one-time payment towards low-income households heating bill. It also assists with the repair/replacement of furnaces. The Energy Division also offers the Weatherization program, which assists household in making their homes more energy efficient in an effort to reduce heating costs.
 - Continue the Weatherization and the Get the Lead Out! Programs.
 - Continue to administer an Economic Development Loan Program that provides loans to businesses that agree to create jobs for low-income persons. For every \$20,000 loaned, a job must be created that is filled by a low-income person. .
 - Continue to offer mini-micro loans to start businesses with 0% interest rate for persons who wouldn't qualify under traditional loan programs.
 - Continued support of the Neighborhood Network which is responsible for:
 - a. Coordinating the exchange of information among citizens, neighborhood organizations and City staff, and;
 - b. Providing technical assistance to neighborhood groups and leaders.
 - Continued coordination and support of the Mayor's Task Force on Homelessness which is the coordinating agency for all community organizations serving the homeless.
 - The staffing of Drug Free Rockford which provides prevention education and training to area youth and youth serving organizations on alcohol, tobacco (ATOD) and other drug prevention.
 - Provide support to the Alternative Drug Program and Project Safe Neighborhoods, both of which are operated by local law enforcement by providing resources and case management to early offenders of drug crimes and ex-offenders of violent crimes.
 - Community Services provides funding and staff for Students Working for Excellence Everywhere Program (SWEEP) which provides exterior clean up and minor rehab for low-income, elderly and disabled persons who have been cited for code violations.

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- Continue coordination and Support for the Weed and Seed efforts, which include coordination the rehab of homes in the Weed and Seed area by urban work camps.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

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

Program Year 2 Action Plan Specific Objectives response:

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</u>	<u>Housing</u>	<u>Support Services</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 shelter 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 PHASE/WAVE 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.

Program Year 2 Action Plan HOPWA Response:

N/A

Specific HOPWA Objectives

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.

Program Year 2 Specific HOPWA Objectives Response:

N/A

Other Narrative

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

Program Year 2 Specific Other Narrative Response:

There was not any information not covered by the narrative in any other section of this Action Plan.

Project Name: Public Service and Facilities Program							
Description:	IDIS Project #: 15 UOG Code: IL1760000 Rockford						
Funds will be awarded to neighborhood groups and/or other non-profits to facilitate projects that address identified need in specific neighborhoods. Priority will be given to projects serving the City's designated focus areas and TIF districts. Proposal request are reviewed on a monthly basis and anticipates providing assistance to four (4) projects. The program concept will remain consistent with that of 2010. RAAHC will provide credit and homeownership counseling & pre and post purchase services to consumers.							
Location:	Priority Need Category						
205 N. Church Street, 3303 20th Street, 2603 Clover and various other locations within Rockford, IL	Select one: Public Services ▼						
Expected Completion Date:	Explanation:						
12/31/2011	We anticipate 400 households will be assisted. Funds will be provided to pay for operational costs incurred by RAAHC to administer the programs. Funding provided to assist with the added need for foreclosure counseling. Discovery Center 21st Century After School Program funding, Year 3 of 10. This program supports an after school program at Lathrop and Nashold Elementary Schools.						
Objective Category	Specific Objectives						
<input type="radio"/> Decent Housing <input checked="" type="radio"/> Suitable Living Environment <input type="radio"/> Economic Opportunity	1. Improve the services for low/mod income persons ▼ 2. ▼ 3. ▼						
Outcome Categories							
<input type="checkbox"/> Availability/Accessibility <input type="checkbox"/> Affordability <input checked="" type="checkbox"/> Sustainability							
Project-level Accomplishments	09 Organizations ▼	Proposed	6		Accompl. Type: ▼	Proposed	
		Underway				Underway	
		Complete				Complete	
	FY 2011						
	01 People ▼	Proposed	845		Accompl. Type: ▼	Proposed	
		Underway				Underway	
		Complete				Complete	
	FY 2011						
	Accompl. Type: ▼	Proposed			Accompl. Type: ▼	Proposed	
	Underway				Underway		
	Complete				Complete		
Proposed Outcome		Performance Measure		Actual Outcome			
Improve the sustainability of suitable living environment.		Number of agencies and persons provided services.					
05 Public Services (General) 570.201(e) ▼				Matrix Codes ▼			
Matrix Codes ▼				Matrix Codes ▼			
Matrix Codes ▼				Matrix Codes ▼			
Program Year 1	CDBG ▼	Proposed Amt.	205,000.00		Other ▼	Proposed Amt.	205,000.00
	2011	Actual Amount			Match	Actual Amount	
	Fund Source: ▼	Proposed Amt.			CDBG ▼	Proposed Amt.	
		Actual Amount				Actual Amount	
	09 Organizations ▼	Proposed Units	6		Accompl. Type: ▼	Proposed Units	
		Actual Units				Actual Units	
	04 Households ▼	Proposed Units	845		Accompl. Type: ▼	Proposed Units	
		Actual Units				Actual Units	

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/ People	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	4/1100	1/389ytd	35%
				2011	4/1100		
				2012	4/1100		
				2013	4/1100		
				2014	4/1100		
			MULTI-YEAR GOAL		5500		
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	4/60	1/52ytd	87%
				2011	4/60		
				2012	4/60		
				2013	4/60		
				2014	4/60		
			MULTI-YEAR GOAL		300		
SL-1.3	Increase the access or availability 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	4/650	1/384ytd	59%
				2011	4/650		
				2012	4/650		
				2013	4/650		
				2014	4/650		
			MULTI-YEAR GOAL		3250		

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 focus area rehab program. 	2010	26	22ytd	85%
		HOME		2011	30		
				2012	30		
				2013	30		
				2014	30		
				MULTI-YEAR GOAL		146	
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	3/150	4/0ytd	0%
				2011	3/150		
				2012	3/150		
				2013	3/150		
				2014	3/150		
				MULTI-YEAR GOAL		15/750	
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	13ytd	81%
				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	3ytd	100%
				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. 	2010	9600	8194ytd	85%
				2011	9600		
				2012	9600		
				2013	9600		
				2014	9600		
				MULTI-YEAR GOAL		48000	

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	0	0%
				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	18	120%
				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 units purchased and occupied by very-low income. Number of units code compliant. Number of units made accessible. 	2010	3	2ytd	67%
				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	23	10ytd	43%
		CDBG		2011	23		
				2012	23		
				2013	23		
				2014	23		
				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 housing and/or make it more affordable.	ESG	<ul style="list-style-type: none"> Number of agencies awarded funds and low-income households assisted. 	2010	2/500	1/25	5%
				2011	2/500		
				2012	2/500		
				2013	2/500		
				2014	2/500		
				MULTI-YEAR GOAL			2500

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	42ytd	84%
				2011	50		
				2012	50		
				2013	50		
				2014	50		
				MULTI-YEAR GOAL			
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	28ytd	56%
				2011	50		
				2012	50		
				2013	50		
				2014	50		
				MULTI-YEAR GOAL			

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	2ytd	200%
				2011	1		
				2012	1		
				2013	1		
				2014	1		
				MULTI-YEAR GOAL			
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	2	5ytd	250%
				2011	2		
				2012	2		
				2013	2		
				2014	2		
				MULTI-YEAR GOAL			

GUIDANCE TO 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)

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"> • Brownfields 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