



## Second Program Year CAPER

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

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

### GENERAL

#### Executive Summary

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

Program Year 2 CAPER Executive Summary response:

This Consolidated Annual Performance and Evaluation Report (CAPER) illustrates the activities undertaken during the program year beginning January 1, 2011 and ending December 31, 2011 associated with the prescribed activities in the approved annual update of the City of Rockford's Five Year Consolidated Plan. The plan directs the utilization of Federal funds granted to the City of Rockford by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG), Home Investments Partnership (HOME), and Emergency Solutions Grant (ESG) programs. Activities and accomplishments described in this report focused primarily on the delivery of services to low and moderate-income residents of the City of Rockford. This took place in neighborhoods with high concentrations of low income, and the city as a whole where slum or blighted conditions have had a negative effect on the overall health of the city.

A draft of this report has been made available for public review and comment for a 15-day period beginning March 9, 2012 and ending March 26, 2012. The availability of the report has been publicly advertised consistent with the provisions of Rockford's Consolidated Plan. The complete document is available for review on the City of Rockford's web site at <http://www.rockfordil.gov> and in print form at the Community Development Department and the Rockford Public Library main branch.

The table below outlines the Consolidated Plan funding received by the City of Rockford between January 1, 2011 and December 31, 2011. This table only includes new funds received during the program year and program income for each subsequent program.

Program Funds Received				
	CDBG	HOME	ESG	TOTAL
Entitlement Grants	\$1,923,517.00	\$903,029.00	\$92,558.00	\$2,919,104.00
Program Income	\$ 34,710.28	\$ 40,109.89	\$ 0.00	\$ 74,820.17
<b>Total Funds Received</b>	<b>\$1,958,227.28</b>	<b>\$943,138.89</b>	<b>\$92,558.00</b>	<b>\$2,993,934.17</b>

The activities and accomplishments outlined in this document are based on the drawn amount of Federal funding between January 1, 2011 and December 31, 2011, as outlined below. Funds expended during the program year include reprogrammed prior year funds, program income, and funds awarded to activities in prior program years that were not spent until the 2011 program year. As a result, funds expended do not equal funds received.

Program Funds – Drawn Amount Total 2011

	CDBG	HOME	ESG	TOTAL
Total Funds Drawn 2011	\$2,000,483.36	\$626,588.94	\$0.00	\$2,627,072.30

Program Funds – Drawn Amount in 2011 on 2011 Projects

	CDBG	HOME	ESG	TOTAL
Total Funds Drawn in 2011 on 2011 Projects	\$1,931,641.00	\$626,588.94	\$0.00	\$ 2,558,229.94

Program administration expenses and public service activities were within the regulatory caps of 20% and 15% respectively. Rockford's Administration expenditures totaled 11.1% and public service expenditures totaled 7.6%. The City is also in compliance with the regulatory requirement that at least 70% of CDBG expenditures benefit low and moderate income residents. The regulation states that, in the aggregate, at least 70% of CDBG funds expended during a one, two, or three-program year period specified by grantee will be for activities meeting the L/M Income Benefit national objective. The City of Rockford utilizes a three year period and selected years 2011, 2012 and 2013 as their aggregate years. In 2011, the City of Rockford's benefit to low and moderate income was 85.8%; and since 2011 represents the first year, this percentage is also the aggregate.

The required HOME set-aside for Community Housing Development Organizations (CHDOs) is 15% of the entitlement grant. The City of Rockford committed \$24,250.61 to CHDOs in 2011 with an overall commitment of \$4,522,374.14 since the start of the HOME program in 1992.

The City of Rockford is well within its ESG Grantee Administrative cap. The legislation and regulations provide that up to 7.5% of a grantee's funds may be spent for administering the grant. Other limits on use were also met including up to 30% for essential services, up to 10% for operating costs, and up to 30% for homeless prevention activities.

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

The following tables list the activities and programs that were supported using Consolidated Plan program funds during the 2011 program year. Program Administration and Planning activities have been excluded from this list.

Organization-Activity	2011 Dollars Drawn
<b>Acquisition and Disposition</b>	\$ 116,404.00
<b>Economic Development</b>	\$ 12,983.70
<b>Housing Activities</b>	\$ 528,514.45
<b>Demolition</b>	\$ 206,601.60
<b>Public Service Activities:</b>	\$ 1,835.66
<b>HESG Activities:</b>	\$ 7,490.96
<b>CHDO HOME Activities:</b>	\$ 0.00 (\$50,000 committed)
<b>Homebuyer Assistance</b>	\$ 6,272.49
<b>Code Enforcement</b>	\$ 570,260.00

The activities listed above resulted in the following accomplishments during the 2011 program year. In addition to the specific outputs outlined below with data taken from the PR02, the collective impact of these activities resulted in substantial improvements to the lives and neighborhoods of Rockford's low and moderate-income residents.

Accomplishment Unit of Measure	2011 Program Year Accomplishments (Completed Activities)
<b>CDBG Program</b>	
People Served by Public Service Activities	1,604
People Served by Fair Housing Activities	140
Households Receiving Homebuyer Training	252
Derelict Housing Units Acquired, Disposition, and Demolished	30
Acquisition	0
Housing Units Rehabilitated Single Family	18
Violations addressed for Code Compliance	8,170
Housing Units Abated for Lead Hazards	3
<b>Economic Development</b>	
Financial Assistance to For Profits	2
Micro-Enterprise Assistance	69
<b>HOME Program</b>	
Existing Homeowners	30
First Time Homebuyers Assisted	4
<b>ESG Program</b>	
Homeless Persons Receiving Assistance	0

## General Questions

1. Assessment of the one-year goals and objectives:
  - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.
  - b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

- c. If applicable, explain why progress was not made towards meeting the goals and objectives.
2. Describe the manner in which the recipient would change its program as a result of its experiences.
3. Affirmatively Furthering Fair Housing:
  - a. Provide a summary of impediments to fair housing choice.
  - b. Identify actions taken to overcome effects of impediments identified.
4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.
5. Leveraging Resources
  - a. Identify progress in obtaining "other" public and private resources to address needs.
  - b. How Federal resources from HUD leveraged other public and private resources.
  - c. How matching requirements were satisfied.

**Program Year 2 CAPER General Questions response:**

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

**Decent Housing**

During 2011, a total of three (3) new housing units were expected to be made assessable to very low-income persons as a result of either rehabilitation or new construction. Unfortunately, zero new housing units were made assessable as a result of these efforts. In addition, twenty-three (23) households were expected to be provided assistance with down payments in 2011. Only four (4) households were provided such assistance. Also, a total of fifteen (15) housing units were projected to be made lead safe via lead remediation activities as the result of state funding. In actuality, only (3) housing units were made lead safe as a part of the state program. Finally, the goal in 2011 was to assist ten (10) physically challenged households by constructing ramps on their dwelling units. Consequently, only four (4) ramps were constructed assisting only four (4) households.

**Suitable Living Environment**

In the program year, twenty (20) dilapidated structures were slated for demolition. The goal was actually exceeded as thirty (30) such structures were actually demolished. Additionally, the goal for acquiring properties was five (5), but no properties were actually acquired. Lastly, three (3) agencies were projected to receive public service assistance during the year. Consequently, only two (2) agencies actually received public services assistance during the program year.

Furthermore, a total of thirty (30) low-income households were projected to be assisted through focus area rehabilitation programs. Consequently, exactly thirty (30) low-income households were actually assisted via these programs. Also, an estimated 9,600 quality of life and property standard violations were projected to be addressed in 2011. A total 8,710 such violations were actually addressed.

### **Availability/Accessibility of Economic Opportunity**

In the area economic opportunity, one goal was to provide entrepreneur assistance to fifty (50) low income individuals. This goal was actually exceeded by providing Self-Employment Training to fifty-eight (58) low and moderate income residents interested in starting a new business or retaining a current business.

A projected goal of providing job training to another fifty (50) low income individuals via a Construction Management Training Program was established. This goal was not achieved as only ten (10) LMI MBE/WBE persons that own microenterprises or are developing microenterprises were trained in the area of the construction trades.

In order to enhance the sustainability of economic opportunity, a goal of demolishing one (1) commercial structure was set. This goal was exceeded as a result of the demolition of two (2) dilapidated buildings.

Lastly, a goal of assisting two (2) new businesses was established to further enhance the sustainability of economic opportunity. Exactly (2) businesses were actually assisted.

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

Single family rehabilitation for both existing and new homeowners was funded at a level of \$679,715.68 in 2011. A total of \$528,514.45 was expended for this activity during the year.

Acquisition, relocation and disposition activities were funded at \$116,404 with all of the \$116,404 expended in 2011.

Homebuyer assistance programming was funded to the extent of \$6,271.49 in 2011. Such efforts utilized the entire \$6,271.49 throughout 2011.

Housing rehabilitation efforts to reduce or eliminate mobility obstacles at dwelling units of mobility challenged residents was set to be addressed by funding a ramp building program at the level of \$15,000. A total of \$10,890 was expended for these efforts during 2011.

Assistance for Community Housing Development Organization homebuyer and rental projects was funded at \$50,064. Although none of these funds were expended during the year; activity was expected during the first quarter of 2012.

Demolition efforts were funded at the level of \$206,601.60 in 2011. The entire \$206,601.60 was expended in 2011 for this activity.

Public service activities were funded to the extent of \$39,068 during 2011. There was a total of \$1,835.66 expended for such activities throughout 2011.

Code enforcement efforts to address zoning and property standard violations were funded at the level of \$570,260 in 2011 with the entire amount of \$570,260 being expended for these efforts throughout the year.

Rehabilitation and business development assistance was funded to the extent of \$6,997.50 during 2011. The entire amount of \$6,997.50 was expended in 2011 to provide the proposed assistance.

Homeless assistance programming was funded at the level of \$92,558 in 2011. These dollars were set up under the new guidance associated with the Hearth Act and considered HESG activities. Consequently most ESG related IDIS reports will show no activity as HESG data is not captured.

Self-Employment Training (SET) Program 2011 budgeted funds were \$30,000 and all but \$210.67 of those funds were expended in 2011. The start date of the 2nd semester of SET program class was delayed due to the City of Rockford receiving federal funding for this program at an unusually late date.

The Construction Management Training Program (CMTP) budget was \$25,000 in 2011 and only \$5,986.20 was expended due to a decrease in enrollment and program cancellation. The balance of funding was reprogrammed to other eligible activities.

Due to the fact that the City of Rockford did not receive the allotment of federal funding until late August 2011, the Façade program only assisted two businesses, and the Rehabilitation and Assistance Program only assisted two LMI Microenterprise business persons. The Façade program was budgeted for \$56,597 in new funds and the Rehabilitation and Development Assistance program was budgeted for \$150,000; \$50,000 new funds and \$100,000 carryover funds.

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

Overall, the activities where progress fell short of the expected goals all can be associated with the late receipt of federal funding during the program year.

In the areas of housing and public services; property acquisitions, down payment assistance, lead remediation, ramp construction, home ownership programming and assistance to not for profit agencies all are expected to rebound and experience higher performance numbers in 2012 with an earlier receipt of federal funding.

From an economic development perspective, the Rockford area market currently is not favorable for starting a construction business or hiring in this

labor market, and there is a reduced ability to secure capital loans from lending institutions. This is primarily the cause of the reduced enrollment numbers for the Construction Management Program. The Self Employment Training and Rehabilitation & Development Assistance programs could have assisted more businesses and LMI persons if federal funding had been received earlier in the program year.

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

As a result of the housing crisis, there are more complaints regarding vacant and dilapidated properties. The funding for demolitions was reduced for 2011 due to less funding and is not sufficient to handle the number of properties that need to be demolished. In our 2004 Housing Study, it noted:

"The Rockford Township Assessor data has a composite indicator related to the property's physical condition, its desirability, and overall usefulness of the structure, termed the CDU. Citywide, there are 2,441 units given a CDU of "poor minus", meaning that these structures are in serious deterioration. Another 1,769 unit have a CDU of very poor, and are barely fit for habitation.

There are 89 structures given a "very poor minus," and 120 structures are unsound and unfit for habitation. When aggregating CDU classes of very poor, very poor minus, and unsound, the data suggest that blighted conditions may exist for as many as 1,978 housing units. While rehabilitation is a possibility for these three lower grades, investments in improving these properties may significantly exceed market prices. Unfortunately, this then suggest only one alternative: Elimination of the most severely blighted stock."

Compounding the issue of Rockford's number of dilapidated housing is the 2007-2008 start of the housing crisis. Properties have gone unattended and in some cases, ownership in flux between the owner and the bank foreclosing on the property. The Neighborhood Stabilization Program certainly helped address this issue. But, more funding is needed on an annual basis specifically for vacant and dilapidated housing and commercial buildings. As the Federal budget for CDBG decreases, so does our ability to address this issue since the slum/blight 30% cap is based on expenditures and expenditures are ultimately based on the amount of the total allocation. This could also be addressed by the identification of an additional funding source outside of entitlement funds for the demolition of substandard property.

The slow recovery of the economy has created economic factors that contributed to goals and objectives not being met along with receiving federal funding late in the program year. All other economic development programs except the Construction Management Training Program will remain the same for at least another year and will be reviewed for changes during the next budget cycle.

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

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

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

b. Identify actions taken to overcome effects of impediments identified.

The City of Rockford under took the following actions in 2011 to overcome the effects of identified impediments:

The City of Rockford and its Fair Housing Board continued to educate the Rockford Area Association of Realtors (RAAR) about the negative effects of steering and exclusionary location policies. This is done in part to encourage inclusive housing location patterns and activities and aligns well with the City of Rockford Mayor's focus in 2011 on de-concentrating poverty. RAAR continues to facilitate an equal opportunity committee staffed by various housing professionals both public and private which meets monthly to discuss how to foster housing opportunities in the area of homeownership for all sectors of the city that are more reflective on this communities demographics.

The City also continued to remain involved in planning with the Rockford Housing Authority (RHA) to reduce the current concentrations of public housing stock both from a development standpoint as well as housing choice vouchers. This effort has even been expanded to include the Winnebago County Housing Authority (WCHA) as both programs have worked to align

their housing choice voucher programs. The aim is to dissipate citizens receiving public housing more equally throughout the City.

Finally, the City continues to modify and further develop the process for referring non-housing civil rights to the appropriate entity both locally and on a statewide level.

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

The main obstacle in meeting the needs of the underserved continues to be an insufficient level of resources on the local, state and federal levels. With the current state of the local economy, services providers have seen gaps in their ability to meet the needs of the underserved doubled and in some cases tripled. Record foreclosures have resulted in a completely changed rental market as many who have either never rented or have not rented in many years now find themselves in the rental market. This influx has caused an imbalance for the underserved.

In an attempt to try and finds ways to address these needs, the City continued to support non-profit agencies, the local public housing authorities, homeless providers and special needs groups who have a primary focus of working to meet the needs of the underserved persons in the community. The City has done more to try to foster partnerships and eliminate potential duplication of services.

From a programming standpoint, properties with lead based paint were addressed through programs offered by the City of Rockford Community and Economic Development Department, Winnebago County Health Department and the Human Services Get the lead out Program. The County and Human Services Department have been unsuccessful at achieving adequate levels of lead funding to address the aged housing stock.

Various aspects of the City's Action Plan mirror both the Community Action Plan and Continuum of Care Strategic Plan. Through them, the city targets federal funds to residents that are underserved as documented by gaps analysis of poverty and housing needs. Project activities funded through the Community Action Plan and Continuum of Care Strategic Plan are carefully designed to provide appropriate and needed services, particularly to those that are at highest risk due to inadequate community resources to address those needs. For seniors, veterans and families with infants and youth, funds provided through the Community Action Plan and Continuum of Care Strategic Plan often make the difference between independent living and shelters or streets. In the following sections, each of these underserved groups or needs is described, and project accomplishments through Community Action Plan and Continuum of Care Strategic Plan funding are described.

### **Seniors**

One of the fastest growing segments of the City of Rockford's population is senior citizens. The City Human Services Department, in cooperation with the Area Agency on Aging and Lifescapes Community Kitchens implements a variety of programs to assist the elderly This includes providing funds for life and safety

home repairs for low-income seniors, providing housing vouchers through the Illinois Housing Development Authority for units in a 55 and older complex for low income disabled and senior residents, weatherizing two senior high-rises that house low-income seniors and providing funds to Lifescapes Community Kitchen that allow them to increase the number of senior meals they serve through Meals on Wheels.

### **Veterans**

Although the City of Rockford has historically served homeless persons who are veterans it wasn't until recently that strategic plans were developed specifically to address veteran's issues with an emphasis on housing. Within the City of Rockford four permanent supportive housing units have been created for veteran's with children who have a disability as well as nineteen units for veterans who have either mental health or addiction issues. In addition, a new outreach center for veteran's has been opened by a local church that provides support, counseling and basic needs to veteran's. This support center provides an open environment where veterans can interact with other veterans and receive both emotional support and services to address their basic needs such as food and shelter.

### **Families with Children**

When the Continuum of Care Ten Year Plan was developed in 2008, homeless families were just beginning to be identified as a significantly increasing population in the City of Rockford. Now, homeless children and families outnumber those who are single individuals experiencing homelessness. In response, the City of Rockford and its partners have utilized Homeless Prevention and Rapid Rehousing funds as well as HUD Permanent Supportive Housing funds and Illinois Housing Development Authority funding to provide over 500 units of affordable housing to families with children.

### **Access to Nutritional Food**

Over 50% of the land mass that makes up the City of Rockford qualifies as a food desert as defined by the United States Department of Agriculture. These areas are also the areas of highest poverty, isolation and blight. With over 40% of the City of Rockford's residents using SNAP (Supplemental Nutritional Assistance Program), these low-income residents were unable to spend their limited resources on fresh vegetables and fruits due to cost. In response the City of Rockford has developed forty-three community gardens over the past three years. In addition to the immediate access to fresh produce for community residents, each garden is required to plant at least one row whose produce goes to local food pantries. Over 17 tons of produce was donated in the 2011 growing season and over 2,400 residents participated in community gardens.

## **5. Leveraging Resources**

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

See below (a. and b. answered together)

- b. How Federal resources from HUD leveraged other public and private resources.

Rockford has made positive steps toward identifying and obtaining "other" public and private resources to address some of the needs of this community. The Homebuyer Advantage program was initiated utilizing a State funded program administered by the Illinois Housing Development Authority – the IHDA Trust Fund program. In 2011, this program provided down payment and closing cost assistance to 26 lower income households that purchased homes within the City of Rockford. The program was a joint partnership between the Rockford Area Affordable Housing Coalition, Neighborhood Housing Services of Freeport, and the City of Rockford. Because of this grant award, we were able to reprogram funds from the HOME Investment Partnerships program to another activity.

Although there were no lead funds available for use in 2011, the Winnebago County Health Department was notified of a grant award in the last quarter of the year for just over \$2.8 million dollars. It is estimated that 200 households will be assisted over the next 3 years through that grant. The City has entered into a match agreement with the County and at least 10 of the City's projects will be assisted with this lead grant.

The Rockford Area Affordable Housing Coalition continued to provide pre- and post- purchase counseling to our homebuyers. Although CDBG provided funding towards this program, other grants are received by the Coalition to provide these services and CDBG funds act as leverage. In 2012, home maintenance training will be extended to include those households receiving funds through our Focus Area Rehabilitation program.

The City of Rockford was also selected in 2011 to be awarded \$180,000 through a highly competitive round of funding offered by the Federal Home Loan Bank of Chicago. These funds will be leveraged with our HOME Investment Partnerships program and utilized as part of our Focus Area Rehabilitation Program.

The City completed its Home Modification program in September of 2011 which leveraged both the Home Investments Partnership program and the State's Home Modification funds previously awarded to the City from the Illinois Housing Development Authority. This program provided rehabilitation assistance, with modifications, to seniors and the disabled.

In development projects, CDBG and HOME provide gap financing. Therefore, private and other public funds are leveraged with Rockford's entitlement funds.

The City of Rockford received funding in 2010 from the Federal USEPA Brownfield cleanup grant funds in the amount of \$200,000 and Brownfield Assessment grant funds in the amount of \$750,000 which assisted with 2011 economic development projects. Also in 2011, Rockford obtained Federal USEPA Brownfield Supplemental Revolving Loan funds in the amount of \$500,000.

The City of Rockford economic development projects are designed so that all HUD funding used in combination with them are leveraged with 50% or more developer or applicant private and/or public funding.

c. How matching requirements were satisfied.

Rockford's Healthy Neighborhoods program required a 25% match from other private or public resources. The match resource is identified at the time of application and supported throughout the project payout process.

Homeowner contributions toward their rehabilitation projects were provided upfront, placed in an escrow account, and disbursed first upon the request for payment. Development project match is commonly defined in the Sources and Uses statement and is supported by letters of commitment, paid invoices, and when applicable, final title company statements confirming total costs.

Our HOME match account balance is in excess of the 25% required by the Home Investments Partnership program regulations. The grants we received and named above were used as match.

Economic development activities require a submittal of a Performa and business plans that document the use of other funding sources. Typically, leveraging resources will range from private lender financing, personal savings, investor funds, TIF, and River Edge or Enterprise Zone funds.

## Managing the Process

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

### Program Year 2 CAPER Managing the Process response:

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

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

### Annual Action Plan Development and Citizen Participation Schedule

Date	Activity
July 6 – 9	Evaluate current programs

July 12 - 16	Hold ND/ED budget planning session
July 19 - August 20	Develop Draft of Action Plan Budget
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 to 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 and publish availability of plan for 30 day comment period
September 14	30 day comment period begins
September 15 - October 15	Additional discussions with Aldermen if needed
October 14	30 day comment period ends
October 18	Plan is discussed at Planning & Development committee
October 25	Committee discussion continued if needed
November 1	Receive City Council approval
November 12	Submit to HUD
December 15	Publish request for release of funds

**CAPER Preparation Schedule**

April 1- 15	Complete quarterly IDIS updates
July 1 - 15	Complete quarterly IDIS updates
October 1 - 15	Complete quarterly IDIS updates
November 15	Print IDIS reports and route for staff review
November 17 - 30	Conduct review ensure all #s served are entered Complete accomplishment screens Completed projects marked complete Slow projects identified and addressed

	Insert next program year for continuing projects Enter information on beneficiaries
December 1	Provide letters to HOME program recipients indicating date for final year end billing
December 13	Provide letters to CDBG program recipients indicating date for final year end billing
December 28	Process all HOME pending draws
December 31	Run IDIS reports PR12 and PR25
January 3 – 18	Finalize data for year end up dating
January 19	Run IDIS reports and assign narrative sections to be completed
January 19	Begin narrative preparation
February 2	Begin weekly status meetings
February 2 – 16	Perform IDIS clean up as needed
February 9	Hold status meeting, run IDIS reports as needed
February 16	Hold status meeting, run IDIS reports as needed
February 23	Hold status meeting, run IDIS reports as needed
March 1	Hold status meeting
March 8	Hold status meeting
March 8	Complete narrative preparation
March 8	Assemble draft report
March 8	Publish notice of 15 day comment period
March 9	15 day comment period begins
March 26	15 day comment period ends
March 26 – 28	Make final adjustment and address citizen comments
March 28	Submit CAPER to HUD

## Citizen Participation

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

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

### Program Year 2 CAPER Citizen Participation response:

1. Provide a summary of citizen comments.

The City of Rockford did not receive any citizen comments during the public comment period which began on March 9, 2012 and ended on March 26, 2012.

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

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

Program Funds Received				
	CDBG	HOME	ESG	TOTAL
Entitlement Grants	\$1,923,517.00	\$903,029.00	\$92,558.00	\$2,919,104.00
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Program Funds Committed in 2011 (PR-01)

	CDBG	HOME	ESG	TOTAL
Entitlement Grants	\$1,318,011.07	\$120,941.92	\$0.00*	\$1,438,952.99
Program Income	\$34,710.28	\$39,673.17	\$0.00	\$74,383.45
<b>Total Funds Received</b>	<b>\$1,352,721.35</b>	<b>\$160,615.09</b>	<b>\$0.00</b>	<b>\$1,513,336.44</b>

\* 2011 ESG funds were committed to HESG categories per the Hearth Act.

Program Funds – Drawn Amount in 2011 on 2011 Projects (PR-02)

	CDBG	HOME	ESG	TOTAL
Total Funds Drawn in 2011 on 2011 Projects	\$1,931,641.00	\$626,588.94	\$0.00	\$2,558,229.94

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

**Institutional Structure**

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

**Program Year 2 CAPER Institutional Structure response:**

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

While several weaknesses undercut the effectiveness of organizational institutional structure arrangements, Rockford has taken actions to overcome gaps and enhance coordination.

Federal programs are organized largely around problems, not opportunities. They are narrowly focused on one aspect of community prosperity. The problems facing Rockford are interconnected. They are not easily addressed with single-purpose programs.

Each federal program includes extensive regulatory restrictions. These constraints make collaboration difficult and holding grantees accountable imposes hidden costs; sometimes, we do not have the flexibility or incentives to experiment with new collaborations.

The Mayor and City Council have taken an exciting step to break this pattern. Established is the new Economic Development, Education and Entrepreneurship Network (EDEEN). Through this new framework, applications for funding will be reviewed by the Network for consistency to Rockford’s strategic action plan and that the pool of funds available are linked and leveraged with other private and public resources.

In the midst of the economic crises, we have been faced with and overwhelmed by the many challenges in our community: dilapidated housing, vacant housing, poverty and community violence while trying to make a difference with fewer and

fewer resources. We have identified new ways of doing business in a more cost-effective manner by engaging others to more actively build a healthy community. Some of those efforts have already been touched upon in the Leveraging Resources section of this report. Other actions have been put into place.

The development of an acquisition/rehabilitation program using the HUD 203(k) program began in 2011. In 2012, Rockford hopes to provide a \$5,000 grant to persons buying vacant and foreclosed property within a certain designated area leveraging the HUD 203(k) streamlined program or other similar product(s). Processing the loan will be assumed by a local lender while we will continue to oversee the construction and payout aspects of the project.

Developed in 2011 is a new internal data entry and tracking system to aid with reporting and to help analyze our strengths and weaknesses. We have also created a tool to review applications received, denied, and reasons for denial as well as a customer service survey that is given out to applicants assisted. This will help determine where there might be deficiencies in the programs offered. Also developed a referral form used when referring applications to other agencies for assistance. This will help track the status of applications.

The housing crisis has had a negative effect on compliance. While foreclosures and bankruptcies skyrocket, non-compliance issues have also increased. We take a hands-on approach in cooperation with our Legal Department to try and address these issues.

The following actions were taken to overcome gaps in the institutional structures and enhance coordination of economic development areas:

- Continued to partner with RAEDC to assist with attracting, relocating, expanding and retaining companies in the Rockford area.
- Partnered with the Multicultural Business Council through the Rockford Chamber of Commerce to identify gaps among local minority businesses and potential opportunities.
- Continued to partner with RLDC to provide the administration of the City of Rockford's Small Business Revolving loan fund.
- Developed a master plan for individual neighborhood business organizations to partner with each other or combine in order to help serve their respecting neighborhood areas as their annual TIF funding for marketing the neighborhoods would be reduced or deleted from future budgets.
- Additional funding provided to the Rock Valley College Self Employment Training Program to provide classes to businesses with a focus on the manufacturing industry.
- Partnered with the Rock River Development Partnership (RRDP) to assist when possible with startup businesses.
- Internal departments are partnering to provide additional assistance when needed to businesses being relocated due to federal, state or local road projects.

In the years ahead, the federal government's investment in cities will be constrained by budget deficits. We recognize the fact that rebuilding the prosperity of Rockford will depend far more on the ability of our civic leaders to "link and leverage" assets across organizational and political boundaries.

## Monitoring

1. Describe how and the frequency with which you monitored your activities.
2. Describe the results of your monitoring including any improvements.
3. Self Evaluation
  - a. Describe the effect programs have in solving neighborhood and community problems.
  - b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.
  - c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.
  - d. Indicate any activities falling behind schedule.
  - e. Describe how activities and strategies made an impact on identified needs.
  - f. Identify indicators that would best describe the results.
  - g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.
  - h. Identify whether major goals are on target and discuss reasons for those that are not on target.
  - i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

### Program Year 2 CAPER Monitoring response:

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

The monitoring efforts for the three formula funded programs associated with the Consolidated Plan are conducted by all who are involved in the program implementation in varying degrees. This includes various members of the Community Development Department staff from the areas of economic development, finance, construction along with compliance. The compliance staff assumes the primary role in this process and the overall responsibility for ensuring the regulatory compliance for each of the formula funded programs. Additionally, the monitoring of these programs involves coordination with other city departments, specifically Legal, Human Services and Finance.

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

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

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

The results of Rockford's monitoring efforts continue to yield acceptable results in all areas. Consultations with the Legal Department have enabled stronger language to be incorporated into all legal documents, thus fortifying the city's legal position in relationship with various contractors and sub-recipients.

However, questions remain regarding the flow of homeless dollars to the service providing agencies. Such questions exist as a result of inconsistent drawdown rates. More coordinated communication between the Human Services, Community and Economic Development and Finance departments continues to be stressed in hopes of alleviating this concern. These efforts were initiated prior to 2011, continued throughout 2011 and will continue beyond to better regulate the flow of homeless dollars to the service providing agencies and to enable consistent draws in IDIS.

3. Self Evaluation

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

The overall effect of programs in solving neighborhood and community problems varies by neighborhood and funding source but was restricted by limited resources that were available for such efforts during the year. As costs continued to increase, resources were headed in the opposite direction creating gaps in services.

While public service dollars were sought to help to fill funding gaps for area not-for-profit service providing agencies, program regulations did not always allow funds to be used for such purposes.

The city continued to explore the possibilities of developing partnerships with both other public and private organizations to not only pool resources from other sources but to also reduce instances of duplication of services.

The City of Rockford funds Neighborhood Network which assists local neighborhoods in establishing neighborhood watch groups, block groups and neighborhood associations. Neighborhood Network provides training and technical assistance to over 100 neighborhood groups. This training and technical assistance includes advising on organization structure, assistance with distributing information, leadership development, Robert's Rules training, accessing resources through the city as well as other resources for funding and leadership. Neighborhood Network also provides small grants for neighborhoods to assist with projects such as clean-ups or organizing activities. Neighborhood Network also maintains a resource website which is located at <http://www.rockfordneighborhoodnetwork.org>. Neighborhood Network provides a request form on its website to help neighborhoods report concerns about crime, blight and other issues. In addition to providing a grant to Neighborhood Network for these services, the City of Rockford sponsors quarterly meetings for each quadrant of the city where officials from the Police Department, Fire Department, Community Development, Sherriff's Office, States Attorney's Office, Rockford Housing Authority, utility companies, Public Works and Human Services Department are available to

answer questions and address concerns brought to these regional meetings. These meetings are usually hosted at a hospital or church site within the quadrant and have 150-300 residents in attendance.

Another program that provides a solution to a neighborhood problem is the SWEEP Program which provides employment training for low-income youth who work on blighted properties of low-income senior and disabled households to bring them back into code compliance. This program benefits the youth through paid training, the low-income homeowner through clean-up and minor repair and the neighborhood by the reduction of blight.

Economic Development problems are being addressed by assisting the Rockford community with the availability of goods and services in low-income neighborhoods and/or the businesses that serve them, job creation that will assist in providing a livable wage for families, and the availability of job training and entrepreneurship training opportunities.

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

The performance measurements located in the performance measurements tab illustrates the progress made in relationship with stated goals and objectives.

The late receipt of formula funding towards the end of the third quarter had a huge negative effect on the city's ability to carry out proposed activities necessary to achieve the vision of the city which is excellence everywhere. However, as the City was able to make satisfactory progress towards most goals, while some fell short due to various factors, most importantly a reduction in funding.

Progress in meeting Economic Development needs were slow in 2011 due to the current state of the economy, the need for a more defined internal program design and federal funding being received late in the program year. In addition, City staff has been reduced from five to two employees to work on economic development projects. Supporting staff has also been reduced. Priority needs are still high priority but it takes longer to get to the end result under the current economy and structure.

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

The decent housing objective was addressed by providing programming in several areas. The city continued to offer funding to facilitate a ramp building program to construct ramps for mobility challenged persons. The city also continued to provide funds to match a state grant to remediate lead in older homes. Down payment assistance for low income first time home buyers was again offered as well as home rehabilitation for existing homeowners. Finally, the city continued to provide assistance for homeless prevention for low income persons in danger of becoming homeless.

The City facilitated several programs and activities in order to enhance and improve suitable living environments. These efforts included providing funding for homeless activities, focus area rehabilitation, public service programming, housing demolition and code enforcement.

There are two microenterprise programs that are structured to assist primarily low to moderate income persons that are seeking a business startup or need additional guidance with an already existent business. The Façade program has also been established to assist businesses that serve primarily low-to moderate income neighborhoods.

d. Indicate any activities falling behind schedule.

To reiterate, even with the late receipt of formula funding most activities achieved a satisfactory level of progress. However, the performance measurements indicate that many of the homeless activities are falling well below their proposed goals. It should be noted that the 2011 ESG activities were set up under the new HEARTH guidelines under HESG and are not reflected in these measures. Other areas that demonstrate lower than expected results were public services, acquisition, ramp construction, lead remediation and down payment assistance. All of these low results can be attributed to the late receipt of formula funding except lead remediation. In this case an anticipated state grant was not received thus lowering the number of units that received assistance.

The Construction Management Training Program fell behind schedule for meeting enrollment goals due to a decreased amount of program participants since the fall of 2009 semester. A portion of this decrease in enrollment can be attributed to economic times and slow building construction in the area. This program will be removed from the 2012 program funding. Also, FMS investment Corporation has not been able to ramp up the job creation numbers of 350 for the \$350,000 CDBG-R funding that was originally granted to them in 2009 for equipment purchase and job training. This agreement will be amended for the assistance received towards \$200,000 and 200 jobs created in which 185 have already been created to date.

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

In a down economy, any influx of outside resources has a positive impact on addressing identified needs. More specifically, far exceeding the number of properties proposed for demolition and reaching the goal for number of properties proposed for focus area rehabilitation have made the strongest impact on addressing identified needs.

Identified needs have been impacted by meeting and/or exceeding goals for the Rehabilitation and Development Assistance Program and the SET program.

f. Identify indicators that would best describe the results.

Housing and service provisions indicators that best describe results continue to be the number of low income persons receiving services, enhanced suitable living environments through demolition of blighted structures or

rehabilitation if possible and as a result of property standard violations addressed.

Economic Development indicators of results can be best described by the number of residents served that live in the LMA neighborhoods, the number of persons trained to start their own business, and the number of microenterprise businesses assisted.

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

The barriers that have had a negative impact for economic development include:

- An on-going limited amount of economic development tools that lend incentives to offer to businesses inquiring about locating to or expanding in the Rockford area.
  - Lending Institutions have re-structured their lending procedures and guidelines in a way that has prevented most small business owners from obtaining loans and/or increases in a line of credit or removed their previous lines of credits.
  - Economic Development financing deals are becoming more creative and packaged in a way to make them financially feasible for both the community and the developer/business.
  - Another barrier; low education attainment and low to no job skills has produced a large workforce of unemployed or underemployed residents with low test scoring and decreased job readiness.
- h. Identify whether major goals are on target and discuss reasons for those that are not on target.

For the most part, the overall major goals are on target. The housing and service related goals that are not on target are the acquisition efforts, ramp building program, lead remediation and homeownership programming as a result of down payment assistance.

Once again, the lower than expected performance is primarily attributed to the late receipt of formula funding from the federal government

Overall major goals are still on target for goals originally set in the five year consolidated plan for City of Rockford Economic Development.

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

Improvements continue to be identified as related to the specific utilization of existing resources in the most efficient manner while looking at ways to leverage additional resources from other sources. New housing partnerships continue to sought and developed and efforts are also being made to improve and nature existing ones.

Additional activities or programs to assist the small business owner would be an improvement to economic development programs and would help meet the area needs more effectively. In addition, streamlining the application process

and instituting structured program guidelines would enhance staff assistance to customers.

## **Lead-based Paint**

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

### **Program Year 2 CAPER Lead-based Paint response:**

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

The City of Rockford, Community and Economic Development Department, continues to incorporate lead-safe work practices, interim controls, and lead abatement when assisting households through our CDBG and HOME-assisted housing rehabilitation programs. This includes:

- Three staff persons have state certifications as Lead Risk Assessor's which helps to reduce the expenses relating to risk assessments and clearance testing.
- Two Code Enforcement Zone Coordinators have state certifications as Lead Supervisors to better assist the City of Rockford Code Enforcement Division in inspecting properties that are in a potential Property Maintenance Code violation condition.
- Since January of 2011, we have conducted 39 property inspections for our rehabilitation programs. Twenty-eight (28) total rehabilitation projects with Lead abatement/mitigation activities were completed.

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 inspector of the Winnebago County Health Department conducts approximately six to ten inspections per month and ensures compliance by following the State Act and Code and, if necessary, turning over the property owner to the State Attorney's office for enforcement.

2010 was the final year for the Winnebago County Health Department's HUD grant, known as Creating Lead Safe Rockford. The program was inactive for most of 2011 due to this funding issue. Later in the year, the Health Department received notification that they were selected to receive another HUD LHRD grant, giving them the ability to restart the program. The program officially began in November 2010. In this program, the County expects to complete 200 homes over the 3 year life of the grant.

The Health Department has formed several partnerships to make the process smoother for the clients that they serve. A partnership was formed with

Crusader Community Health, which is a non-profit health care provider that serves low income and Medicaid patients. This partnership aims to teach expecting, first time moms and their partners about lead poisoning prevention. During the last grant period, this outreach was conducted at two of Crusader's locations. They also have partnerships with the City of Rockford's Head Start program and the Rockford Area Affordable Housing Coalition, to name a few.

YEAR	2007	2008	2009	2010	2011
# of Children Screened	4844	3912	5923	6091	5062
# of Children Lead Poisoned >10mg/dl	161	123	109	119	93

During the previous grant cycle, Winnebago County increased its lead screenings by 37.9% and reduced the incident rate of lead poisoning by 37.7%.

Additional efforts to reduce lead-based paint hazards occur through HPRP. In this program, every unit is inspected for lead hazards and tenants are educated on lead based paint and the effects of lead poisoning. The City of Rockford has inspected over 500 units of rental housing through HPRP for lead paint hazards and has referred property owners with these hazards to the Winnebago County Health Department for mitigation.

The Human Services Department did not receive funds from the State in 2011. Therefore, CDBG funds budgeted for match were deobligated in April of 2011 and reprogrammed to other eligible activities.