

Fair Housing Equity Assessment Regional Analysis of Impediments to Fair Housing Choice Public Housing Authority De-Concentration Plan

The Regional Analysis of Impediments (RAI) and Fair Housing Equity Assessment (FHEA) are integral components and contribute to the critical underpinnings of the Sustainable Communities Regional Planning Initiative. Through the planning process and analyses, Rockford Metropolitan Agency for Planning (RMAP) strives to create a more inclusive conversation on regional issues, with a particular emphasis on engaging those who have traditionally been marginalized from the community planning process. Through the inclusion of these two components in the planning process, the resulting plan should provide new insight into the disparate burdens and benefits experienced by the diverse populations across the RMAP Region. The RAI and FHEA recommendations are intended to address these disparities.

The enclosed reports were prepared for the Rockford Metropolitan Agency for Planning (RMAP) on behalf of the Rockford, IL region. The reports represent significant contributions from the local sustainability Consortium; the City of Rockford, the Rockford Housing Authority, the Winnebago County Housing Authority and many partners.

The enclosed reports were prepared in cooperation with the U.S. Department of Housing and Urban Development, the U.S. Department of Transportation and the U.S. Environmental Protection Agency. The contents, views, policies, recommendations and conclusions expressed in these reports are not necessarily those of the above agencies.

TABLE OF CONTENTS

- Executive Summary
- Approach & Methodology
- Community Profiles
- Fair Housing Law & Public Policy
- Regulatory & Court Case Review
- Community Engagement
- Home Mortgage Disclosure Act
- Fair Housing Index
- Fair Housing Equity Assessment
- Regional Analysis of Impediments
- Fair Housing Recommendations
- Public Housing De-Concentration Plan



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SECTION 000

EXECUTIVE SUMMARY

Regional Analysis of Impediments and Fair Housing Equity Assessment

Executive Summary

Overview - The Regional Analysis of Impediments (RAI) and Fair Housing Equity Assessment (FHEA) are integral components and contribute to the critical underpinnings of the Sustainable Communities Regional Planning Initiative. Through the planning process and analyses, Rockford Metropolitan Agency for Planning (RMAP) strives to create a more inclusive conversation on regional issues, with a particular emphasis on engaging those who have traditionally been marginalized from the community planning process. Through the inclusion of these two components in the planning process, the resulting plan should provide new insight into the disparate burdens and benefits experienced by the diverse populations across the RMAP Region. The RAI and FHEA recommendations are intended to address these disparities.

Regional Analysis of Impediments - The regional analysis of impediments is designed to identify impediments to fair housing choice through a study methodology that includes **Community Engagement** by gathering community input through public meetings, interviews and focus group sessions; the construction of a demographic analysis resulting in a **Community Profile, Fair Housing Index, Home Mortgage Disclosure Act Analysis**; and the analysis of **Fair Housing Law, and Public Policy** including court litigation, legislation, regulatory, fair housing ordinances and entitlement grant and public housing program impact.

The Community Profiles and Home Mortgage Disclosure Act analyses provide the basis for the demographic assessment, including a disparate impact analysis to determine if the protected class members afforded protection under the Federal Fair Housing Act are disproportionately impacted when compared to Whites or regional and citywide medians. The Fair Housing Index examines the standardized form of ten total variables providing a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination.

Fair Housing Equity Assessment - The Fair Housing Equity Assessment is designed to document the extent to which the most critical demographics impacting fair housing choice are contributing to protected class members who are documented as performing below the regional or area median. Most important to the process are measuring and reducing racial and ethnic isolation and segregation in the region; identifying and reducing racially and ethnically concentrated areas of poverty; and identifying and reducing social and economic disparities. A reversal in the trends for demographics performing below the area median and those with disparate impacts is viewed as most impactful in removing the barriers to housing choice.

As part of the FHEA, we performed a **Dissimilarity Index** designed to measure the evenness of a group's population distribution across a broad region. The resulting number indicates percentage of the two measured groups' population that would have to change residence for an even distribution of the two races. The Dissimilarity Index reveals that 54.5 percent of the White population of Winnebago and Boone Counties (0.545) would have to move to even the population distribution of African Americans and Whites across all census tracts. Similar results (0.358) were determined for Hispanic populations relative to Whites. This analysis was done with 2010 Census data (100% count vs. estimate).

RAI / FHEA Goals

- ❖ Assess current public and private strategies to meet the Region's housing, infrastructure, and community development needs and identify new strategies and approaches to enhance Fair Housing choice among residents.
- ❖ Raise awareness of housing, infrastructure, and community development needs among local and regional officials, service providers, enforcement staff and the private sector.
- ❖ Identify and cultivate areas for potential governmental, nonprofit and private sector partnerships within the RMAP region.

- ❖ Foster coordination among service providers and jurisdictions throughout the region to maximize the use of limited fiscal resources to improve housing choice.
- ❖ Broaden housing opportunities for low to moderate income residents and strengthen neighborhoods by stimulating community development and investment.
- ❖ Provide direction to the counties and municipalities of the RMAP region to foster an ongoing commitment to ensuring fair housing choice.
- ❖ Analysis of existing socio-economic conditions and trends, with a particular focus on those that affect housing and special populations;
- ❖ Evaluates public and private organizations' impact on regional housing issues, their practices, policies, regulations and insights relative to fair housing choice;
- ❖ Assesses the range of impediments to fair housing choice that exist within both urban and rural jurisdictions of the region;
- ❖ Identifies specific recommendations and activities for the RGMA, Rockford and Winnebago Housing Authorities, as well as other local jurisdictions in the region to address any real or perceived impediments that exist;
- ❖ Develops effective measurement tools and reporting mechanisms to assess progress in meeting fair housing goals and eliminating barriers to fair housing choice;
- ❖ Identifies racial and ethnic segregation and integration, including factors contributing to segregation and drivers of integration in the region;
- ❖ Identifies racial and ethnic concentrated areas of poverty, race and ethnicity, and public and assisted housing including location of RCAP / ECAP census tracts and racial and ethnic groups most impacted;

- ❖ Identifies location of opportunity areas, disparity in access to opportunity areas, barriers inhibiting certain groups from accessing such areas, and address inequities in access to opportunity through public investments; and
- ❖ Documents and assesses fair housing infrastructure including fair housing services and activities, current level of fair housing enforcement, complaints and housing discrimination in the region, and available resources to address discrimination.

RMAP Region’s Impediments to Fair Housing Choice and Social Equity

The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act analyses of this report have demonstrated that segregation and concentrated poverty have both historically and perpetuated until now in the Rockford City jurisdiction of the RMAP region. The maps and analyses depict Regionally Concentrated Areas of Poverty (RCAP) and demonstrate how these areas are also concentrated racially and ethnically, and impacted by historical concentrations of public and assisted housing. The RCAP area characteristics and physical conditions are indicative of the ways in which the economy has suffered as a result of housing market distortions and disinvestment, and proven that public policy and programmatic investments have only minimally improved the situation. This report recommends policies and strategies that the RGMA Region collectively, and its individual counties and local governments should undertake to remove and lessen segregation and concentrated poverty, in collaboration with the community, non-profit and private sectors.

Impediments to fair housing choice and social equity, and remedial actions to remove or lessen their impacts are detailed in this Section 6 of the report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of impediments to fair housing choice impacting the Rockford MSA and RMAP Study Area. Five major categories of impediments were analyzed and identified: **Real Estate and Housing Market Related Impediments; Public Policy and Fair Housing Infrastructure Impediments; Banking, Finance, and Insurance Related**

Impediments; Socioeconomic Impediments; and Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions represent alternative ways to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing the impediments. This means that the recommended actions will require further research, analysis, and final program design by the City of Rockford, Rockford and Winnebago Housing Authorities, other individual jurisdictions in the MSA and RMAP for implementation.

6.1 Real Estate and Housing Market Related Impediments

Impediment: Housing Affordability and Insufficient Income.

Housing Affordability

Affordability and Financing for Housing is Limited. Affordability is impeding housing choice in the region. The high cost of housing compared to the incomes of many households; the limited supply of affordable and subsidized housing in the region, much of which is in poor and deteriorated condition; subsidized housing that is largely concentrated in the City of Rockford in R-ECAP areas, particularly concentrated west of the river in Rockford; a lack of affordable housing in close proximity to minimum to low wage job centers outside of the City of Rockford; the lack of affordable housing for seniors and people with disabilities; and the lack of units for large and extended family households are some of the impediments that must be overcome .

The availability of financing presents a primary barrier to producing new subsidized housing. Although the cost of land and construction have declined in recent months, the tightened credit market, and decline in federal, state and local subsidies, have made it challenging for affordable housing developers to take advantage of lower costs.

Cost is increasing and subsidy for lower income wage earners is limited.

Rising costs of housing for purchase and a tight supply of affordable rental housing coupled with inadequate household incomes make it that much more difficult for many households to access housing that they can afford. In terms of barriers to home ownership, down payment requirements and property taxes pose big hurdles to many households in accessing homeownership. There is a lack of housing for population groups making less than 60%, 50% or even 30% of Area Median Income (AMI). Minimum wage is far below a 'living wage', and a person could be working full-time and still not earn enough money to afford rental housing or to purchase a home in the region.

Access to Affordable Housing near Major Employment Centers is limited.

An often-cited concern is the issue of affordability and accessibility as a result of lower cost housing not being in close proximity to or accessible by public transportation to major employment centers in the region. Seniors and persons with disabilities were concerned that fair housing choice is limited outside the City of Rockford, due to their inability to access healthcare and social service centers if they are public transit dependent.

Housing for Seniors and People with Disabilities is limited.

The increase in baby boomers and aging population requires affordable, accessible and senior friendly units, properties and neighborhoods. Currently, seniors and those persons with disabilities are experiencing limited choices in accessible and affordable housing units, and support services for seniors with mental and intellectual disabilities. There is an increasing demand for 'aging in place' modifications in existing housing and neighborhood infrastructure. An aging housing stock contributes to issues with retrofitting existing properties to accommodate seniors and people with disabilities.

Affordable Units for Large and Extended Families are limited.

The region is impacted by a lack of affordable and available housing options for large families with 3 or more children. These families may face discrimination accessing housing through landlords or realtors, sometimes in response to public concern of perceived problems with large families. In the RMAP region, much of the limited supply of large units for rental are limited to Rockford City and offered primarily in public housing authorities and assisted housing properties.

Market rents are generally affordable to median-income households, but not for low, very low- and extremely-low income households. With a few exceptions, market rate rents are roughly comparable to the maximum affordable rents for households earning median income across the region. In contrast, the average market rate rent far exceeds the maximum affordable rent for most low, very low- and extremely low-income households. These households would need to spend substantially more than 30 percent of their gross income to afford market rate rental housing.

Supply of Available Land. In the RMAP region, the availability of land for affordable housing development constrains new housing production. As a result, new affordable residential production will largely occur as infill projects, often a more challenging and costly development type.

Land Costs. Due to the limited supply and high demand, land costs are high and not cost effective in some instances when developing affordable housing. Local developers indicate that land prices are slowly adjusting during this economic downturn.

Construction Cost. Some cost associated with construction (materials and labor) have fallen nationally in conjunction with the declining residential real estate market according to the U.S. Department of Labor Bureau of Labor Statistics that measures the sales price and cost of materials for specific

commodities and products. Thus, construction costs do not appear to be a development constraint in the current economy.

Remedial Actions:

Action #1: Support the increased production of affordable housing through public private partnerships with developers and capacity building for nonprofits. The City and Counties in the RMAP region will continue to work with local banks, developers and non-profit organizations to expand the stock of affordable housing. A continuation of these efforts should increase the production of new affordable housing units and assistance toward the purchase and renovation of housing in existing neighborhoods. Greater emphasis should also be placed on capacity building and technical assistance initiatives aimed at expanding non-profit, faith based organizations and private developers' production activities in the Region. Alternative resources for Entitlement funded housing programs and to leverage increased capacity among the public and private sector should be sought from Fannie Mae, U.S. Department of Treasury Community Development Funding Institution (CDFI) program, Federal Home Loan Bank and other state and federal sources.

Action #2: Facilitate access to below-market-rate units. Jurisdictions in the RMAP region will assist affordable housing developers by advertising the availability of below-market-rate units via their jurisdictions' websites, referral phone service, and other media outlets. The Cities, Counties and RMAP will also facilitate communication between special needs service providers and affordable housing developers, to ensure that home seekers with special needs have fair access to available units. The Entitlements and RMAP will also work with the affordable housing developers and nonprofit agencies receiving entitlement funds to revise their housing applications to reduce the obstacles that persons with limited English proficiency, and those who are disabled, elderly or homeless may have in submitting completed paperwork within the allowable time.

Action #3: Maintain a list of partner lenders. The Cities, Counties and RMAP will maintain a list of lenders that can help buyers' access below-market-rate loans and locally-sponsored down-payment and mortgage assistance programs.

Action #4: Identify and seek additional sources of funds for affordable housing. The Cities and Counties will seek State and other non entitlement grant resources in an effort to increase funding for first time homebuyer mortgage assistance program. This would support eligible person in the market in acquiring affordable housing within the community and support those responsible for providing financing and engaged in affordable housing development.

Action #5: Encourage private sector support for affordable housing initiatives. The Cities and Counties, in coordination with the Chamber of Commerce, will encourage major employers and lenders to consider Employer-Assisted Housing (EAH) programs, encouraging employers to work with employees in their efforts to purchase housing. In some instances, the Cities, Counties and the Chamber will have to help raise the awareness among local employers and increase their understanding that not all wage levels permit ready entry into homeownership, without some sort of subsidy.

The most common benefits provided by employers are grants, forgivable loans, deferred or repayable loans, matched savings, interest-rate buy downs, shared appreciation, and home-buyer education (provided by an employer-funded counseling agency). Successful EAH programs use a combination of some of the benefits listed above. One program that has met with success was developed by Fannie Mae, which not only has their own EAH program, but also helps employers implement EAH programs. Fannie Mae's own EAH program has made it possible for 2,200 of its employees to become homeowners. The City of Waco, Texas has implemented an EAH program and made it eligible to all city employees.

6.2 Public Policy and Fair Housing Infrastructure Impediments

Impediment: A Structure for Regional Governance must be created and for implementation of the Regional Analysis of Impediments and Fair Housing Equity Assessment.

Regional Governance is needed in order to implement the RAI and FHEA recommendations for removing impediments to fair housing choice and improving social equity. Consideration should include a regional Human Rights Commission for coordination and insuring measurable participation and implementation. Regional issues and solutions to social equity, housing and neighborhoods, fair housing, de-concentration of race, ethnicity, poverty and public and assisted housing must be elevated to the same level as transportation, infrastructure, cultural arts and entertainment, education and economic development.

Remedial Actions:

Regional Governance and Regional Policies, and Regulations

Action #6: Enact a Regional Governance Policy that requires local governments in the RMAP Region to adopt and implement the Regional AI and Social Equity recommendations and their participation in implementation of remedial actions; affirms each jurisdiction's support for the housing and poverty de-concentration plan and creation of a regional affordable housing share plan by all jurisdictions in the region; requires jurisdictions in the RMAP region to adopt and implement the Regional Governance Policy as a pre-requisite to their participation in regional programs and grants resulting from the HUD Sustainable Community Planning Grant. The Regional Governance Policy would include regional Incentives that tie local jurisdictions' benefits from regional transportation, economic development, infrastructure, housing and cultural arts funding to their participation in regional housing and fair housing policies and actions.

Action #7: Enact a Regional Tax Credit Location Criteria and Local Support Policy that is adopted by each government in the region and guides demonstrations of local support to the State for Low Income Housing Tax Credit Applications. The region should lobby the State of Illinois for criteria changes in their developer selection and tax credit award process emphasizing development standards, amenities in developments and location in non minority / non poverty concentrated areas is included in the State LIHTC evaluation policy and scoring system.

Regional Low Income Housing Tax Credit (LIHTC) Project Support Criteria should be developed to guide the region and individual jurisdictions' evaluation and provision for a letter of support and or funding for Low Income Tax Credit Application to the State of Illinois. The criteria should include limitations or restrictions on supporting applications for developments in current R-ECAP census tracts, concentrations of LIHTC developments in any individual area or jurisdiction, design criteria that increase amenities to residents, limitations on income concentrations in individual developments similar to those imposed by HUD QHWRA regulations, and CEPTED design standards. These standards should be formally adopted by individual jurisdictions in the region and used to model a state legislative agenda that move toward similar criteria adopted by the State to guide approval of LIHTC applications.

Action #8: Identify and seek additional local sources of funding for affordable housing. The region and its' jurisdictions will enact public policy creating local and regional resources for housing and neighborhood preservation i.e. dedicated sales tax, bond programs for infrastructure, housing trust funds, land bank. The City of Rockford, Boone and Winnebago Counties and the other jurisdictions will also support efforts to increase local funding for affordable housing development and mortgage assistance program. This would support eligible person in the region in acquiring affordable housing within the community

and support those responsible for providing financing and engaged in affordable housing development.

In an effort to expand local resources, we recommend that the City of Rockford, Boone and Winnebago Counties, and other jurisdictions initiate efforts to research and consider one particular policy change, inclusionary zoning, as one alternative means of promoting balanced housing development. Inclusionary zoning has been used in other communities to ensure that some portion of new housing development is affordable. As housing prices rise, low to moderate-income residents may be displaced or unable to afford new housing in mixed income areas of the region without the use of Inclusionary Zoning provisions. Mixed-income housing broaden access to services and jobs and provide opportunities for lower-wage earning families to buy homes in appreciating housing markets and, as a result, accumulate wealth.

Local Policies and Regulations

Action #9: Design and Implementation of a Land Acquisition and Land Bank Program by the City of Rockford and Rockford Housing Authority - The Land Bank Concept involves acquiring unproductive, vacant and developable lots for affordable single-family and scattered site multifamily housing development. The Land Bank helps to both reduce unproductive expenditures and increase local government revenues. This approach is being implemented in a number of cities largely through a process of acquiring tax foreclosure property. Cities have established certain criteria for acquiring properties and for properties to be considered for Land Bank use. These criteria include: 1) the property must owe five years or more in back taxes; 2) the total taxes and liens must be greater than the value of the property; 3) the purchaser must demonstrated the financial ability to immediately develop the property for affordable housing. The Land Bank generally acquires the foreclosure properties from the Sheriff Sale, maintains the properties and assembles parcels for sale to for-profit and nonprofit developers.

Land Bank properties are sometimes acquired as donations by property owners, purchases from owners willing to sale property at reduced prices, and as surplus City-owned land deemed no longer needed for any public purpose.

Action #10: Create Neighborhood Revitalization Plans for existing concentrated areas as a means of elevating those areas to Opportunity Areas.

Neighborhood Revitalization plans and redevelopment initiatives are needed to transform R-ECAP concentrated and distressed neighborhoods and areas with concentrations of public and assisted housing developments into viable and sustainable mixed-income neighborhoods. The planning process will provide guidance for linking housing improvements, diversification of housing types, and reductions in public and assisted housing with appropriate services that improve the quality of life in neighborhoods including, schools, public assets, transportation, and access to jobs. Revitalization plans and reinvestment strategies should be created by the City of Rockford and Rockford Housing Authority for RCAP defined areas and areas experiencing disinvestment in an effort to transform these neighborhoods into “Opportunity Areas”. Planning efforts should focus on both the de-concentration and improvement of public and assisted housing and the housing and neighborhoods surrounding such developments.

Impediment: Increased public awareness of fair housing rights

The City of Rockford is the only jurisdiction in the region that has enacted local Fair Housing legislation that is substantially equivalent to federal fair housing law. Our analysis of applicable fair housing laws also included the State of Illinois Fair Housing Act. In the analysis the state statues were compared to the Federal Fair Housing Act. Our Analysis determined that state statue offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. The Cities and Counties of the RMAP region are part of the enforcement geography afforded enforcement coverage by the Chicago,

Illinois Regional HUD FHEO Office. While the current system of enforcement provides an acceptable process for filing and investigating fair housing complaints, increased regional fair housing outreach, education and training would be an important step toward raising awareness and establishing more effective local Fair Housing Policy.

Fair housing complaint information was received from the Chicago, Illinois FHEO Division of the Regional Office of the U.S. Department of HUD. The data provides a breakdown of complaints filed for Boone and Winnebago Counties, and City of Rockford. While we were unable to determine if the number of complaints filed over the past 5 years is a sufficient indicator of the public's awareness relative to their fair housing rights, limited public awareness may be a major contributing factor. We believe that regional fair housing outreach, education and training must be increased, as an important step toward raising local awareness and establishing effective regional Fair Housing Policy.

Greater Public Awareness of Fair Housing is needed. Participants in the focus group sessions and key person interviews including representatives of fair housing organizations indicate that general public education and awareness of fair housing issues is limited. Of particular concern is that tenants often do not completely understand their fair housing rights. To address this issue, the City of Rockford, RMAP and fair housing organizations operating in this region should provide additional fair housing education and outreach programs to both housing providers and the general public. In addition, fair housing outreach to the general community through mass media such as newspaper columns, multi-lingual pamphlets, flyers, and radio advertisements have proved effective in increasing awareness. Fair housing organizations also indicate that outreach to immigrant and populations that are primarily Spanish speaking and other protected classes should be targeted for such outreach.

Increased Fair Housing Services Needed. The AI finds that fair housing is an ongoing concern in the RMAP region. In particular, interviews and focus group

participants, and fair housing service providers indicate that many the general public, protected class members, home seekers and landlords all have limited awareness of federal and State fair housing laws. They also remain unfamiliar with protections offered to seniors, disabled, and other special needs populations, as well as families and protected classes.

Remedial Actions:

Action #11: Increase fair housing education and outreach. The City of Rockford and RMAP will increase fair housing education and outreach in an effort to raise awareness and increase the effectiveness of its local fair housing ordinances. The initiative will target funding to fair housing education and outreach to the rapidly growing Hispanic and other immigrant populations. The initiative will also continue organizing fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage. Other alternatives for increasing awareness and effectiveness of fair housing include providing local enforcement. However, entitlement community development resources are limited and therefore local enforcement would necessitate additional funds for investigation and enforcement and expansion of outreach and education. We do not recommend this approach at the current time assuming HUD and nonprofit agencies continues its' enforcement services in the local jurisdiction. Future consideration should be given to a regional approach to local enforcement, perhaps through a partnership of local jurisdictions in the RMAP Region, and a submission of an application for FHAP and FHIP funding being submitted to HUD.

Action #12: Target outreach and training toward housing industry organizations and general public. The City of Rockford and RMAP will partner with fair housing service providers to conduct ongoing outreach and education regarding fair housing for the general public and focused toward protected class

members, renters, home seekers, landlords, and property managers. Outreach will include fair housing organizations providing training sessions, public events, city website and other media outlets, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations.

Action #13: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. The City of Rockford and RMAP will encourage Fair Housing Agencies to provide increased fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, the Fair Housing Agency will be asked to submit findings to the City and RMAP and to conduct educational outreach to landlords that showed differential treatment during the test.

Impediment: Increased efficiency of Public Transportation and Mobility.

The Rockford Mass Transit District (RMTD) provides fixed route and paratransit service to the residents of Rockford, Loves Park, and Machesney Park. RMTD operates 40 fixed route buses over 17 daytime routes Monday through Saturday, six night routes, and 5 Sunday routes. RMTD provides paratransit - origin to destination - service to persons with disabilities that prevent their use of fixed route services.

The public transportation system, for the most part, provides adequate routes to and from major employment centers and lower income neighborhoods in Rockford. Limitations include limited service after 6:00 pm to accommodate second and third shift workers, and direct routes to some existing and emerging employment centers and social services in the rural and suburban communities within the region. While the economics of public transit, particularly in smaller communities in the region, prevents complete coverage that would allow all worker a reliable and speedy commute to any job location within the region, the distribution of routes in the RMTD system focus on providing access to major

employment centers and neighborhoods where residents are more likely to utilize public transportation on their commutes to work.

With an eye towards sustainable communities, future housing development should emphasize transit-oriented development (TOD) principles, encouraging construction of new, higher density housing in locations that take advantage of existing community services and access to public transportation. With TOD-focused planning, the RMTD system and extended night and weekend hours would work well in providing the best network possible given funding limitations.

Remedial Actions:

Action #14: Increased efficiency of Public Transportation and Mobility by focusing on Transit Oriented Development. Future housing development should emphasize transit-oriented development (TOD) principles, encouraging construction of new, higher density housing in locations that take advantage of existing community services and access to public transportation. With TOD-focused planning, the RMTD system and extended night and weekend hours would work well in providing the best network possible given funding limitations.

6.3 Banking, Finance, Insurance and other Industry related impediments

Impediment: Impacts of the Subprime Mortgage Lending Crises and increased Foreclosures.

The housing foreclosure rates across the country continue to soar and the impacts are being felt in Illinois as well. Numerous web sites are providing numerical counts and locations for homes with foreclosure filings across the country and for jurisdictions in the State of Illinois. RealtyTrac.com shows 36,948 foreclosure filings for the State of Illinois in June 2013. This represents 1 in every 121,276 houses in foreclosure, sixth highest among the states. The state of Illinois has an average foreclosure rate of 17%. The Illinois foreclosure rate is

higher than the national average of 1%. RealtyTrac.com revealed 1,231 and 192 filings for Winnebago and Boone Counties. The City of Rockford recorded 2,418 foreclosures, second highest among Illinois cities with only Chicago being higher.

Remedial Actions:

Action #15: Apply for competitive and non Entitlement State and Federal funding and assistance from nonprofit intermediaries. Eligible jurisdictions within the RMAP Region will pursue CDBG and State HOME and Neighborhood Stabilization Program (NSP) funding if it becomes available to provide home buyer assistance and subsidies to homebuyers to acquire foreclosure property and get it back into commerce. If successful in obtaining additional funding, jurisdictions should consider expanding its' program goals to consider initiatives that reduce mortgage defaults and foreclosure rates among low and moderate income home buyers.

Jurisdictions will work with the State, National Non-Profit Housing Intermediaries and HUD to identify funding that can help reduces the mortgage default rate and foreclosure rates among low and moderate income home buyers and existing home owners. These programs offer initiatives such as loan default prevention programs based on providing counseling to affected borrowers, assistance with identifying alternative products that helps borrowers avoid subprime lending, and assistance with re-negotiation for more favorable terms for borrowers with subprime loans. These intermediaries offer assistance in identifying government assistance programs that serve to assist distressed borrowers and are currently evaluating the feasibility of creating a maintenance and replacement reserve account for affordable home buyers assisted with the entitlement and other federal funds to insure that funds are escrowed to help cover the cost of major repairs. Other alternatives being evaluated include the feasibility of creating a mortgage default and foreclosure prevention account for affordable home buyers assisted with federal funds to insure that funds are escrowed to help cover the cost of unexpected income/job loss and to write down interest rates.

Impediment: Predatory lending and other industry practices.

Predatory lending is a concern in the RMAP region. Several incidents were cited, by person interviewed and those attending the focus group sessions, suggesting unfavorable lending practices. For some persons, traditional banking and lending relationships have been replaced or relegated to pay-day loan, check-cashing, and title-loan stores. Focus Group participants also complained of extremely high interest rates being charged by not only predatory lenders, but traditional banks and financial institutions for credit cards, auto loans, and other consumer loans. In some instances, the low-income population may be subject to predatory lending because they have a poor credit rating and limited credit history.

Remedial Actions:

Action #16: Encourage bank and traditional lenders to offer products addressing the needs of households currently utilizing predatory lenders.

The City of Rockford and RMAP will encourage lending institutions to provide greater outreach to the low income and minority households. Greater emphasis on establishing or reestablishing checking, saving, and credit accounts for residents that commonly utilize check-cashing services is desired. This may require traditional lenders and banks to establish “fresh start programs” for those with poor credit and previous non-compliant bank account practices. Lending institutions should therefore be encouraged to tailor products to better accommodate the past financial deficiencies of low income applicants with credit issues.

City and county officials should help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encourage to perform comparability studies to identify real estate comparables that more realistically reflect the values of homes being built in low income areas.

6.4 Socio-Economic Impediments

Impediment: Barriers to Fair Housing Choice Impacts on Special Need Populations

Elderly Persons and Households. Seniors are living longer, lifestyles are changing and desire for a range of housing alternatives increasing. Issues such as aging in place, smaller units with lower maintenance cost, and rental accommodations that cater to those with live-in care givers are of major concern. For other seniors, they often need accessible units located in close proximity to services and public transportation. Many seniors live on fixed incomes, making affordability a particular concern. There is a limited supply of affordable senior housing in the region. In addition, local senior service providers and community workshop participants report that many subsidized senior housing projects serve individuals or couples only and do not accommodate caregivers. In other cases, the caregiver's income may make the senior ineligible for the affordable unit.

Persons with Disabilities. Building codes and ADA regulations require a percentage of units in multifamily residential complexes be wheelchair accessible and accessible for individuals with hearing or vision impairments. Affordable housing developers follow these requirements by providing accessible units in their buildings. Nonetheless, service providers report that demand exceeds the supply of accessible, subsidized units. In contrast to this concern, some affordable housing providers report that they have difficulty filling accessible units with disabled individuals. Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-rate housing, such as lower credit scores, the need for service animals (which must be accommodated as a reasonable accommodation under the Fair Housing Act), the limited number of accessible units, and the reliance on Social Security or welfare benefits as a major income source.

Homeless Individuals. The primary barrier to housing choice for homeless individuals is insufficient income. Service providers indicate that many homeless rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) for income, which are too low to qualify for most market rate and many affordable housing developments. In addition, property managers often screen out individuals with a criminal or drug history, history of evictions, or poor credit, which effectively excludes many homeless persons. There were antidotal comments by those interviewed that some persons have been denied housing based on their immediate rental history being a shelter or transitional housing facility.

Limited English Proficiency (LEP) Individuals. Local service providers state that as financial institutions institute more stringent lending practices and outreach to minority communities has declined with the economy, LEP and undocumented individuals face greater challenges in securing a mortgage. Furthermore, many households in the Spanish-speaking community and other LEP populations rely on a cash economy, and lack the record keeping and financial legitimacy that lenders require. Nationally, national origin is emerging as a one of the more common bases for fair housing complaints.

Female Headed, Female Headed with Children and large Family households. In many communities, female-headed households, female-headed households with children and large families face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of 18 sometimes correlate to increased incidents of reported rental property owners' refusal to rent to tenants with children. The percentage of families that were female-headed with children was 11 percent in Rockford and 9.1 percent in Belvidere according to the 2010 US Census. The percent of female-headed families with children in the other cities and villages in the regional planning area was relatively low, all below 7.5 percent. The percentage of female-headed households among White households in Boone County was

9.5 percent, compared to 29.9 percent in African-American households, and 13.4 percent in Hispanic households in the county. In Winnebago County, female-headed households accounted for 10.6 percent of White households, 36.4 percent of African-American households, and 18.6 percent of Hispanic households.

Unemployed Persons. The unemployment rate in Rockford was eight percent and Belvidere recorded an unemployment rate of 10 percent between 2007 and 2011. Other jurisdictions in the two counties show unemployment rates at seven percent or below. These data were based on estimates from the American Communities Survey, 5-year average between 2007 and 2011. Unemployment was highest among minority populations. Approximately 6.8 percent of White persons age 16 and over reported being unemployed in Rockford and 9.7 percent of White persons were unemployed in Belvidere. African-Americans persons in the same age group reported a 13.4 percent unemployment rate in Rockford and an 18 percent rate in Belvidere. Hispanics reported an 8.5 percent rate in Rockford and 10.2 percent rate in Belvidere. In the other two largest cities in the two counties, Loves Park and Machesney Park, unemployment rates were not as high nor did it show the disparity between racial and ethnic groups.

The ACS data reveals an unemployment rate of 8 percent for White persons age 16 and over in Boone County and 6.3 percent in Winnebago County between 2007 and 2011. African-Americans persons in the same age group reported a 13.1 percent unemployment rate in Boone County and 13.2 percent rate in Winnebago County. Hispanics were reported at 8.5 percent rate in Boone County and 7.4 percent rate in Winnebago County. As a comparison, the countywide unemployment rate was 11.8 percent in Boone County during the period and 11 percent in Winnebago County.

Remedial Actions:

Action #17: Provide language assistance to persons with limited English proficiency. Many individuals living in RMAP region for who English is not their primary language may speak English with limited proficiency or, in some cases, not at all. As a result, persons who are limited English proficient (LEP) may not have the same access to important housing services as those who are proficient. The RMAP, its' entitlement jurisdictions and grant-funded agencies will implement and maintain a language access plan (LAP) consistent with federal guidelines to support fair access to housing for LEP persons.

Action #18: Continue to Implement an Affirmative Fair Housing Marketing Plan (AFHMP} to create fair and open access to affordable housing. The City of Rockford, Boone and Winnebago Counties, and RMAP will include provisions in Affirmative Fair Housing Marketing Plans insuring that individuals of similar economic levels in the same housing market areas have equal access to a like range of housing choices regardless of race, color, religion, sexual orientation, gender, familial status, disability, or national origin. The entitlement-funded agencies in the region shall follow the plan and insure that it is consistent with federal guidelines to promote fair access to affordable housing for all persons. The Entitlement jurisdictions in the region will also provide outreach to private landlords not receiving entitlement funding encouraging landlords to facilitate and embrace the Entitlement's AFHMP provision of providing housing to persons protected under the Fair Housing Act and those with imperfect credit histories, limited rental histories or other issues in their backgrounds.

Action #19: Continue to encourage recruitment of industry and job creation. The City of Rockford, Boone and Winnebago Counties, other jurisdictions in the region and business interest will continue to work on expanding job opportunities through the recruitment of corporations, the provision of incentives for local corporations seeking expansion opportunities, assistance

with the preparation of small business loan applications, and other activities whose aim is to reduce unemployment and expand the base of higher income jobs. A particular emphasis should be to recruit jobs that best mirror the job skills and education levels of those populations most in need of jobs. For RMAP as a region, this means jobs that support person with high school education, GED's and in some instances, community college or technical training. These persons are evident in the workforce demographics and in need of jobs paying minimum wage to moderate hourly wages. The jurisdictions within the region should also continue to support agencies that provide workforce development programs and continuing education courses to increase the educational level and job skills of residents. The goal should be to increase the GED, high school graduation, technical training, and college matriculation rates among residents. This will help in the recruitment of industry such as "call centers", clerical and manufacturing jobs. Call centers and customer service centers where employees are recruited to process sales or provide customer service support for various industries, have become more and more attracted to areas with similar demographics to that of RMAP region.

6.5 Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments

Impediment: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

The potential for neighborhood decline and increasing instability in RMAP' older neighborhoods are a growing concern. Neighborhoods relatively stable today with most of its housing stock in good condition will decline if routine and preventive maintenance does not occur in a timely manner. The population is aging, which means more households with decreasing incomes to pay for basic needs. This increase in elderly households coupled with the steady rise in the cost of housing and the cost of maintaining housing means that many residents

will not be able to limit their housing related cost to 30 percent of household income and still maintain their property. Rental property owners will be faced with increasing rents to pay for the cost of maintenance and updating units rendering rental units unaffordable to households as well.

The entitlement jurisdictions in the RMAP region receive CDBG entitlement annually and allocations of HOME HUD funding. These resources are used for housing, social service and infrastructure improvements but due to funding limitations do not directly impact large segments of the population in need of housing assistance. Increased support from volunteers and community resources will be needed to close the gap between those in need of housing related assistance and resources available.

Remedial Actions:

Action #20: Design and implement a centralized program of self help initiatives. The RMAP region will evaluate the design and implementation of a Centralized Program of Self Help Initiatives based on volunteers providing housing assistance to designated elderly and indigent property owners and assisting them in complying with housing codes. This will require an organized recruiting effort to gain greater involvement from volunteers, community organizations, religious organizations/institutions and businesses as a means of supplementing available financial resources for housing repair and neighborhood cleanups.

While there have been successful initiatives of this nature in the City of Rockford and jurisdictions within the RMAP region and nonprofit agencies, a more comprehensive effort, perhaps coordinated by the City of Rockford or RMAP needs to be designed and implemented that fully utilizes the resources of the community and area businesses. The program will be based on a case management system where the select needs of area property owners are matched with volunteer resource teams capable of solving the various code

violations and other needed exterior repairs for select properties. Requests for assistance would be received from code enforcement officials, housing program administrators, social service agencies, community institutions, and homeowners. Priority will be given to those owners immediately affected by an active code compliance case, a targeted block or area project, and those with life threatening or uninhabitable conditions.

Eligibility for assistance will require verification of income or status as elderly or disabled. Levels of assistance would be based on the specific needs to be addressed and the ability of the property owners and their family to assist in the effort. The region could possibly fund or seek funding from the private sector for a part-time program coordinator designated to conduct home visits of each program participant, evaluate the appropriateness for volunteers to perform the work, and determine and advise the homeowner of their responsibilities in support of the effort.

The Program Coordinator, upon securing a match between volunteers and property owner, will coordinate project dates, materials, supplies, and project support for the day of the project. Again, some of these activities may have been initiated in the past, so in some instances, our recommendations are that activities be continued, offer an enhanced level of programming, or that the region apply for funds as they become available. Activities that could be considered for the centralized self-help initiatives program include:

- **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects"**. In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.

- **Implement a Youth Build and Repair Program in conjunction with local school districts and or the Rockford and Winnebago Housing Authorities.** Youth Build is a U.S. Department of Housing and Urban Development (HUD) program that teaches young people how to build new homes and repair older ones. HUD offers competitive grants to cities and non-profit organizations to help high-risk youth, between the ages of 16 and 24, develop housing construction job skills and to complete their high school education.
- **Organize a “Compliance Store”** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.
- **Organize "adopt-a-block" and "adopt-an-intersection" campaigns** where neighborhood groups, residents, scout troops, and businesses adopt key vistas and intersections to maintain and implement beautification projects, such as flower and shrub plantings and maintenance.
- **Creating Community Gardens as interim uses on select vacant lots** provide an opportunity for neighborhood residents to work together to increase the attractiveness of their neighborhood. Formats for community gardens range from attaching simple window boxes to homes along a street reflecting a common theme, coordinating garden planting, or converting a vacant lot that may previously have been an eyesore in the neighborhood into a flower or vegetable garden tended by members of the community. Naturally, ownership of a vacant lot is an issue to be resolved before gardening begins. The City Assessor can provide information on the ownership of the property. If the lot is privately owned, permission to use the lot must be received from the owner. If the property is owned by the City or expropriated, ownership of

the property might be transferred to a local non-profit organization or neighborhood association. While the costs of plant materials and supplies are an important consideration for community gardens, many nurseries and home improvement stores offer discounts for community improvement projects.

Impediment: Historical and sustained patterns of segregation and concentration of racial/ethnic minority populations, poverty and low income population, and public and assisted housing.

Historical and sustained patterns of segregation and concentration of racial/ethnic minority populations, poverty and low income population, and public and assisted housing exist in Rockford City. The U. S. Department of HUD has defined “Areas of Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 3 times or more the poverty level of the MSA (35.1% for Rockford MSA) and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration would be to achieve minority concentrations and poverty level less than defined above by R/ECAP and to transform these areas of concentration into “Opportunity Areas”. Opportunity Areas are defined as areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation.

The poverty rate in Rockford was 24.7 percent for all households, highest in the regional planning area. In Belvidere, the poverty rate was 14.4 percent. In Popular Grove the rate was 13.6 percent. In all other cities in the regional planning region, poverty rates were below 10 percent. The incidence of poverty among African-American households in Rockford was 49.4 percent of their total population between 2007 and 2011, and poverty among Hispanics was reported

to be 36.5 percent. The White poverty rate was 17.5 percent. This high poverty rate among minorities in Rockford is largely concentrated in the R-ECAP Census Tracts.

Our analysis of the information provided during the study period documents that the City of Rockford Housing Authority has allowed a significant portion of their low income public housing units and Section 8 Voucher utilization to be concentrated into already predominately low income, poverty and minority concentrated parts of the city. In addition to RHA, the County of Winnebago Housing Authority, whose jurisdiction extends to Winnebago County has a large percentage of their Section 8 Voucher holders concentrated in the R/ECAP Census tracts of Rockford, further contributing to the problem of concentration of race and poverty within the City of Rockford. Approximately 62.5% of the public housing units in four developments are currently located in designated high poverty and minority concentrated census tracts. These R/ECAP census tracts are identified as having a poverty rate above 40% of the area, and with a minority concentration population of greater than 50%.

Our analysis also documented the concentration of other federally assisted and subsidized housing developments and State assisted Low Income Housing Tax Credit Assisted developments (LIHTC) in R/ECAP Census Tracts. Map 1.2 in the Community Profile depicts the location of Public Housing Properties, LIHTC Properties, and other assisted properties (Sect. 202, 811, etc.) and Section 8 properties respectively. Based on our analysis, we have determined that a disproportionate concentration of public and assisted housing product and voucher utilization exist in minority concentrated and low income zip codes and census tracts within the Rockford City limit boundaries.

Remedial Actions:

Action #21: Create a voucher disbursement strategy which results in a 30 percent reduction of Section 8 voucher utilization in R-ECAP poverty and minority

impacted census tracts, in the City of Rockford, and no more than 30 percent utilization in any census tract in Boone and Winnebago Counties, or any census tract in any of the immediately adjacent counties and cities. Alternatives could include:

1. Voucher Program: Increase the Payment Standard in all bedroom sizes to allow voucher holders to move out of concentrated census tracts to non-concentrated census tracts. Targeted non-concentrated census tracts are those in which 70 % or fewer units are currently accessible to voucher holders at the current FMR.
2. Voucher Program: Offer landlords a one- time bonus fee, dependent upon bedroom size, for rental in a non-concentrated census tract to recruit more landlords into the program in non-concentrated areas of the city.
3. Voucher Program: Offer landlords in non-concentrated areas, a guarantee of rent subsidy for the initial or one full term of the lease, in the event of a tenant default on their initial lease agreement, as an incentive for landlords to stay in the Section 8 Program.
4. Voucher Program: Add a waiting list preference for voucher applicants who are willing to select a unit in a non-impacted concentrated census tract in the city, or county, for their housing choice voucher.
5. Voucher Program: Implement a survey tracking system that will map/chart locations of units under contract and track how family patterns changes in connection with a voucher holder's move through annual surveys with family members.
6. Public Housing: In accordance with recent regulatory changes, aggressively market public housing to families with 30% to 80% of median income, once the threshold of 40% of 30% or below of median income totals has been met in any development.

Action #22: Create a Regional Housing Move to Opportunity Advisory Group as part of a Metropolitan Planning Organization, or the Rockford Metropolitan Planning Agency (RMAP).

This Move to Opportunity Advisory Group would be charged with mapping, tracking, and analyzing the locations of units under contract between both the Rockford Housing Authority and the Winnebago County Housing Authority's housing choice vouchers. This would enable a more regional approach to the strategy of managing housing choice vouchers for the entire region.

This group would track how the pattern changes, differentiating between new voucher families who have rented their preprogram unit and families who have use a voucher to move into a housing unit. When a large number of movers choose housing in a certain neighborhood, it is important for the housing authorities, and counseling agencies working with voucher families, to analyze what is happening in the neighborhood. Can the neighborhood absorb a large number of assisted housing units that can be rented within the program's fair market rents ((FMRS)? Or is it a neighborhood that has been de-stabilized by rapid racial transition, or that is fragile in other ways?

This recommendation is also consistent with the smart growth/planning blueprint goals outlined in the Metropolitan's Planning Organization's blue print for affordable housing for the region.

Existing Public and Assisted Housing Redevelopment Alternatives

Action #23: Priority given to scattered sited development which focuses on non-impacted areas of the Cities, or Counties such as a land swapping.

Action #24: RHA will re-evaluate the redevelopment and replacement of subsidized public housing in location the Fairground Valley and other public and assisted housing developments and consider a combination of both market rate housing and economic development strategy in the redevelopment of the Fairgrounds Valley Choice Neighborhood (CN) Transformational Plan. The location of the Fairground Valley public housing development is in one of the city's poorest census tracts. It has a 61.9 %

poverty rate, second only to the Orton Keyes development census tract. Although, a lot of planning has gone into this location, perhaps the authority would be better suited to find additional smaller scatter site locations within the city and counties to fulfill its replacement housing criteria with HUD.

Many times in an effort to maximize the number of housing units, a retail economic component is not included in the transformation plan. The Fairground Valley Choice Neighborhood Plan did not show an economic development component for the area. A market research of possible retail opportunities should be included in Rockford's Choice Neighborhood (CN) Transformational Plan to prioritize possible retail development in the area with possible private and/or public partnerships. RHA should also pursue more private/public joint development ventures that focus on non-impacted areas of the City and Counties to replace units lost to demolition.

Action #25: Implement programs that improve safety and decrease perceptions of crime in concentrated areas including Crime Prevention, Law Enforcement community policing, Weed and Seed, and Crime Prevention through Environmental Design Standards (CPTED).

Crime Prevention through Environmental Design (CPTED) – one of the major issues identified by both residents and participants in community outreach sessions was the need to address crime and the perception of crime in public housing developments and concentrated areas. We recommend a collaboration or commission involving representatives of the City officials, Police Department, RHA, and neighborhood leaders are designated to examine ways to improve crime prevention, safety and the perception of crime in the area. The CPTED concept could be explored by the City Police department as one means of implementing this recommendation. CPTED is based on the premise that "proper design and effective use of the built environment can lead to a reduction in the fear of crime and incidence of crime, and to an improvement in quality of life." CPTED strategies are ideal

for Law Enforcement Officers, City Planners, City Managers, City Council Members, Architects, Security Consultants, Educators or anyone involved in designing developments, neighborhoods, schools, downtowns, buildings, or revitalization efforts. It is an effective way of fighting crime and promoting business. Example of what types of activities or regulatory changes could be used or offered in the implementation of CPTED programs is listed below.

- Improved signage
- Providing education on Human Behavior and CPTED concepts
- Barriers – Real vs. Symbolic/Fencing, Landscaping, & Interior Walls
- Lighting For Safety
- Planning, Zoning, and CPTED
- Writing a CPTED Ordinance/Overlay Districts
- Traffic and signals
- Crosswalks and protected crossings

Action #26: Evaluate opportunities for land swaps and joint development between RHA and the ISD Education Bond Program, and City/County Bond Program Infrastructure to address de-concentration concerns.

Action #27: Develop focus group sessions with Public Housing resident, Residents Councils, and Voucher holders as to de-concentration, loss of housing units, gentrification, and housing in areas outside of already identified concentrated areas.

Public Housing De-Concentration Plan – The final section of this report, Section 07, details the results of the De-Concentration Plan analysis of the City of Rockford Housing Authority's (RHA) public and assisted housing programs administered under federal government statutes. The Public Housing Authority De-Concentration of Poverty and Fair Housing in Program Admission Plan requirements are details in HUD Regulations C.F.R. Subpart A. Sec 903. The purpose of this section is to specify the process which

a Public Housing Authority, as part of its Annual Planning Process and development of Admissions Policies, must follow in order to develop and apply a policy that provides for de-concentration of minority populations, poverty and encourage income mixing in certain areas of the jurisdiction and in public housing developments and to Affirmatively Further Fair Housing. The plan also should specifically address de-concentration of PHA developments and saturation of Section 8 Rental Vouchers in minority ethnic and racial and poverty concentrated census tracts and geographies.

The U. S. Department of HUD has defined “Areas of Racial and Ethnic Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 3 times or more the poverty level of the MSA (35.1% for Rockford MSA) and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA.

The plan provides an analysis and documentation of existing conditions and concentrations of poverty, minorities, and incomes in geographies and PHA owned and operated developments across the City. Corrective actions and strategies are recommended for redevelopment, policy, regulatory, legislative, admissions, operations, and fiscal aspects of the Rockford Housing Authority programs. These tasks include identification of development opportunities, programs, joint development opportunities, demolition and replace strategies, and funding opportunities.

The analysis documents that the City of Rockford Housing Authority has allowed a significant portion of their low income public housing units and Section 8 Voucher utilization to be concentrated into already predominately low income, poverty and minority concentrated parts of the city. In addition to RHA, the County of Winnebago Housing Authority, whose jurisdiction extends to Winnebago County has a large percentage of their Section 8 Voucher holders concentrated in the R/ECAP Census tracts of Rockford, further contributing to the problem of concentration of race and poverty within the City of Rockford.

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SECTION 00

APPROACH AND METHODOLOGY

Regional Impediment Analysis and Fair Housing Equity Assessment

Approach and Methodology

Regional Analysis of Impediments

- ✚ Community Profile and Demographic Analysis
- ✚ Home Mortgage Disclosure Act Analysis
- ✚ Fair Housing Index
- ✚ Disparate Impact Analysis of Race and Ethnicity

Fair Housing Equity Assessment

- ✚ Dissimilarity Index Calculation
- ✚ Social Equity Assessment of populations performing below the area median
- ✚ Gap Analysis between physical infrastructure and housing availability
- ✚ Fair Housing Infrastructure Assessment

Housing De-Concentration Plan

- ✚ RCAP – ECAP Assessment and Opportunity Area Determination
- ✚ Public Housing Physical Needs Assessment
- ✚ Public and Assisted Housing Concentrations

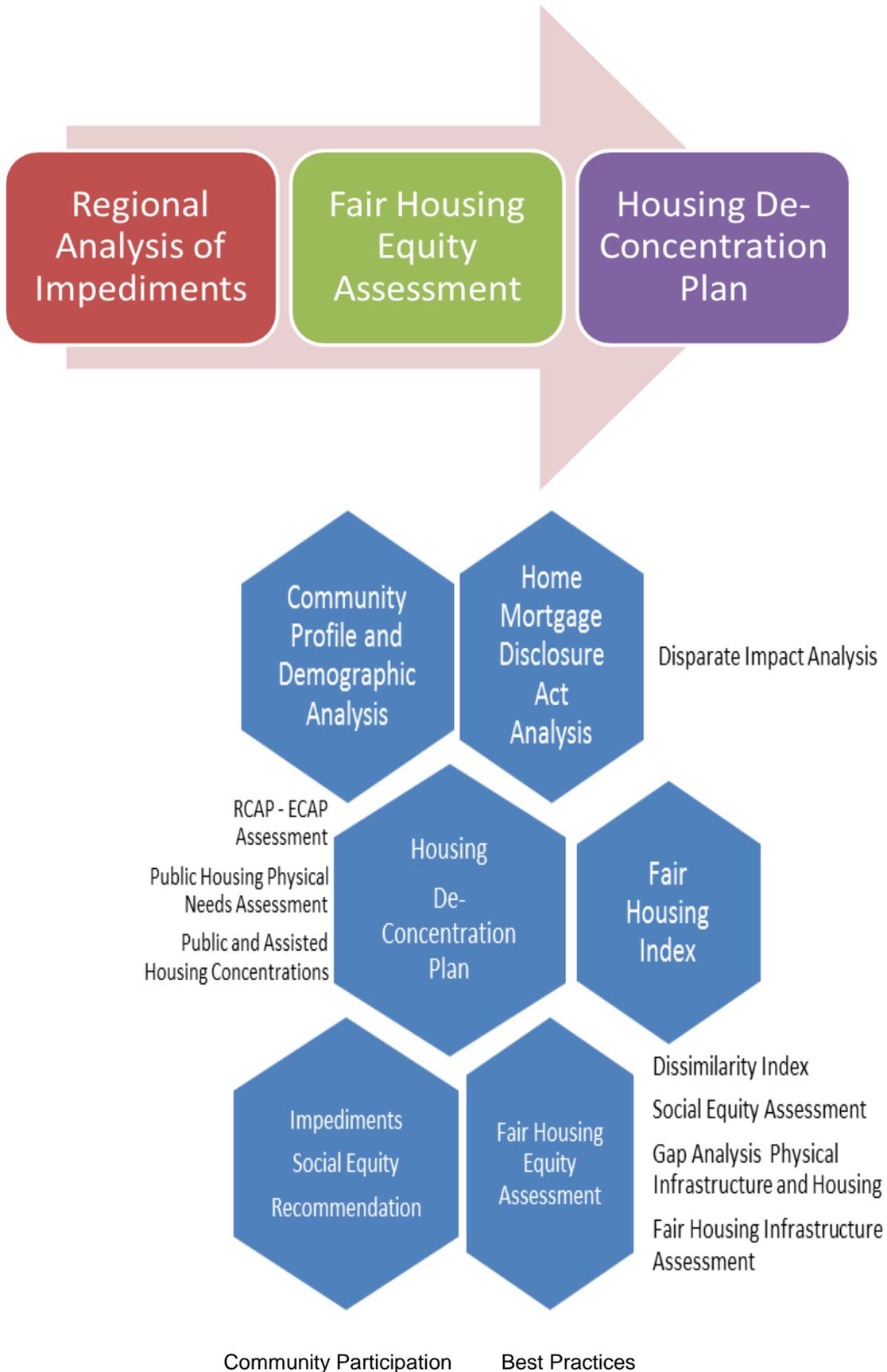
Community Participation and Public Policy, Program, Court Litigation, Complaint

- ✚ Strategic Planning - RMAP, RHA, WHA, City of Rockford
- ✚ Public Input - Regional and City Appointed and Elected Public Officials
- ✚ Public Input - RHA Board, Residents, and Residents Council
- ✚ Focus Group Sessions – Industry, Advocacy Groups, Public

Fair Housing Impediments and Social Equity Recommendations / Remedial Actions

- ✚ Regional Governance and Regional Policies, Regional Impediments
- ✚ Impediments: Real Estate and Housing Market Related Impediments; Public Policy and Fair Housing Infrastructure Impediments; Banking, Finance, and Insurance Related Impediments; Socioeconomic Impediments; and Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments
- ✚ Best Practices and Remedial Actions

Approach and Methodology



Implementation

**Rockford Metropolitan Agency for Planning
City of Rockford
Local Governments in RMAP Region
Rockford and Winnebago Housing
Authorities**

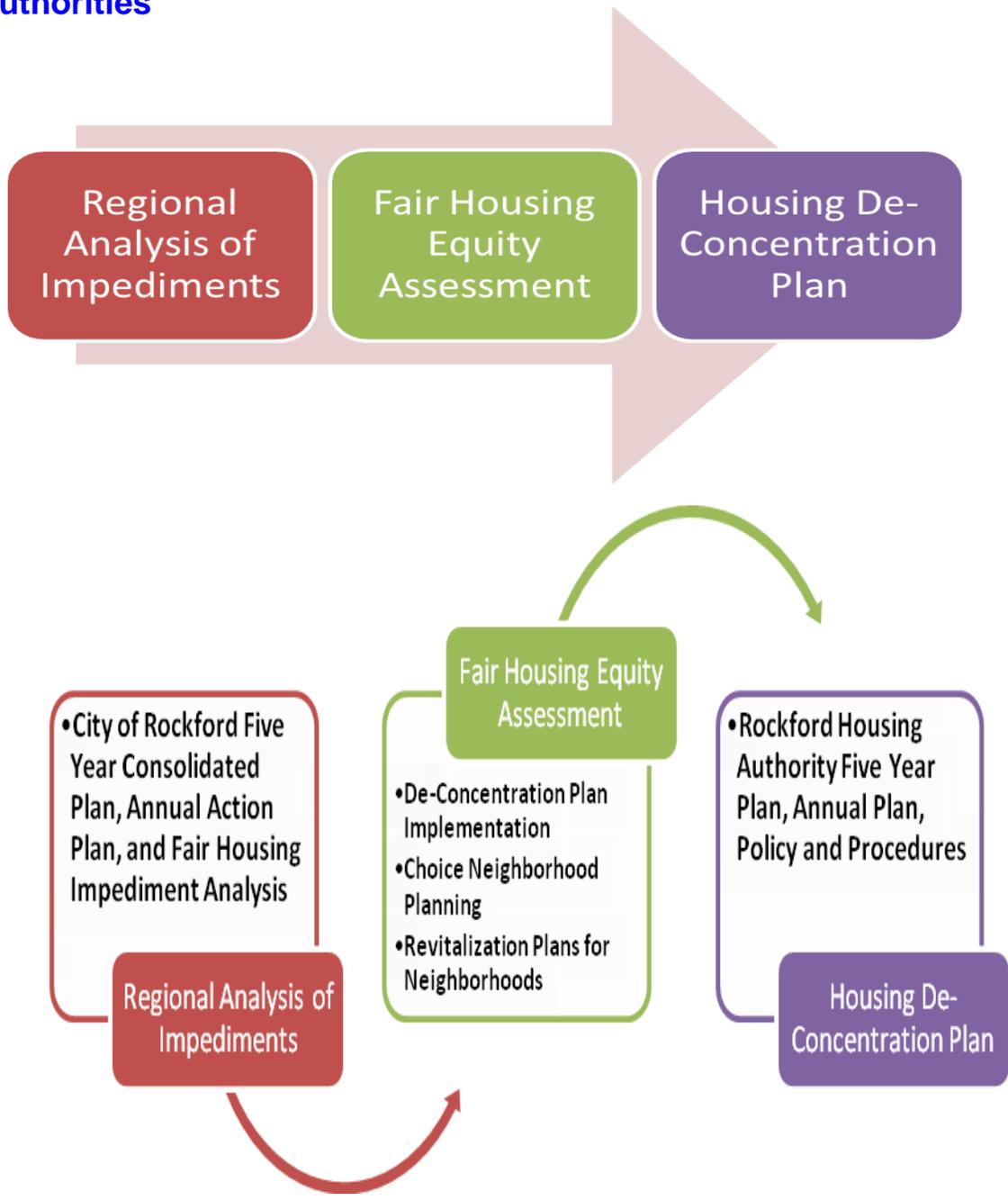


Table of Contents

Executive Summary	i
Section 00 Approach and Methodology	xxxv
Section 01 Community Profiles	1
Section 02 Fair Housing Law, Public Policy, Regulatory and Court Case Review	58
Section 03 Community Engagement and Focus Group Sessions	77
Section 04 Home Mortgage Disclosure Act Analysis	83
Section 05 Fair Housing Index	103
Section 06 Regional Analysis of Impediments, and Fair Housing Equity Assessment Recommendations	112
Section 07 Rockford Housing Authority De-Concentration Plan	163

SECTION 01

COMMUNITY PROFILE

Section 1: Community Profile

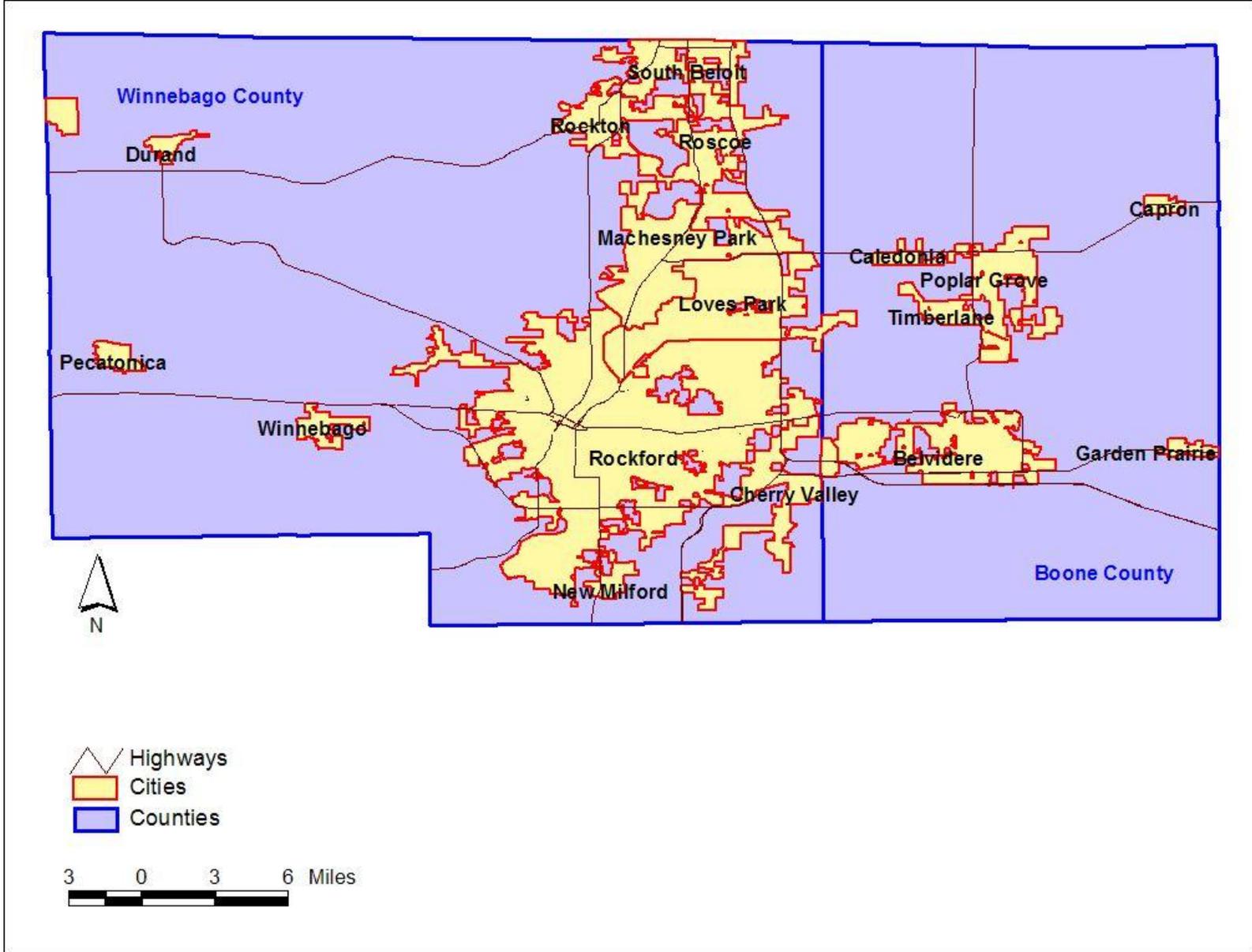
Introduction

The Community Profile is a review of demographic, income, employment, and housing data of the Rockford Metropolitan Agency for Planning regional planning area, including Rockford City, Boone and Winnebago Counties and cities and villages within them. The data were gathered from 2007-2011 American Community Survey (ACS) 5-Year estimates; 1990, 2000, and 2010 U.S. Census; the Rockford Mass Transit District; and other sources. The following sections provide an analysis of the current status of the communities in the regional planning area:

- *Demographics* – documents and analyzes the basic structure of the community in terms of racial diversity, population growth, and family structure.
- *Income* - analyzes income sources, the distribution of income across income class, and poverty.
- *Employment* - examines unemployment rates, occupation trends, and major employers.
- *Public Transportation* – examines access and availability of public transit systems.
- *Housing* - examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

Detailed analyses will concentrate on the three major ethnic groups in the regional planning: White, African-American, and Hispanics. All other ethnic groups are smaller in number and percentage and, therefore, the results of their analysis will not be presented in detail. The analysis is supported with tables and maps provided as reference materials. While most of the data presented in the tables and maps are directly referenced in the text, there may be some cases where additional information was included for the reader's benefit, though not specifically noted in the text.

Map 1.1: Boone and Winnebago Counties, Illinois



1.1. Demographics

The demographic analysis of the regional planning area concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010. Please note that the attached maps present data by census tract with an overlay of the city limits for Rockford and other cities and villages within Boone and Winnebago Counties. For reference, Map 1.1, on the previous page, provides a visual representation of Boone and Winnebago Counties.

Boone County

According to the 2010 Census, the population of Boone County was 54,165.

The population of Boone County increased by 29.6 percent between 2000 and 2010.

Table 1.1, on page 5, shows that the county's population increased by 12,379 or 29.6 percent between 2000 and 2010. Boone County experienced a significant increase in the all racial groups, providing a boost in racial diversity in the county over the decade. The Hispanic population grew by 110.1 percent between 2000 and 2010. The percentage of Hispanic population of the total population increased from 12.5 percent in 2000 to 20.2 percent in 2010, a 7.7 percentage point increase. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity. This may account for the high increase of 81.0 percent in the "Other" category between 2000 and 2010. Hispanics are commonly misidentified in the Census because ethnic Hispanics often choose the 'other' category on the Census for race, because the choices for race are typically limited to White or African-American.

The White population increased by 21.5 percent however their percentage of the total population decreased from 90.1 to 84.4 percent between 2000 and 2010.

The White population was 84.4 percent of the total population in Boone County in 2010, 20.2 percent of the population identified as Hispanic.

African-Americans accounted for 2.0 percent of the population in 2010, a 183.7 percent increase between 2000 and 2010. There was a 63.9 percent increase in the American Indian and Eskimo population and the Asian and Pacific Islander

population increased by 232.9 percent between 2000 and 2010, but they accounted for only 0.4 and 1.3 percent respectively of the total population of the county in 2010.

Maps 1.2 through 1.5, starting on page 7, indicate spatial concentrations of the various racial and ethnic groups within Boone and Winnebago Counties.

Winnebago County

The 2010 Census shows the population of Winnebago County at 295,266. Table 1.1, below, shows that the county's population

The population of Winnebago County increased by 6.1 percent between 2000 and 2010.

increased by 16,848 or 6.1 percent in the decade between 2000 and 2010. Winnebago County experienced a significant increase in minority populations in the decade, lead by the Hispanic population with a 67.5 percent increase between 2000 and 2010. The percentage of Hispanic population of the total population decreased from 11.2 percent in 2000 to 10.9 percent in 2010, a 0.3 percentage point decrease, despite a net increase in total persons.

There was a 41.0 percent increase in the American Indian and Eskimo population and the Asian and Pacific Islander population increased by 65.8 percent between 2000 and 2010, but they

African-Americans were the largest minority group in Winnebago County at 12.2 percent, followed by the Hispanic population at 10.9 percent in 2010.

accounted for only 0.3 and 2.3 percent respectively of the total population of the county in 2010. The White population decreased by 0.4 percent, and their percentage of the total population decreased from 82.5 to 77.4 percent between 2000 and 2010. African-Americans accounted for 12.2 percent of the population in 2010, a 23.2 percent increase between 2000 and 2010.

Table 1.1

Total population by race and ethnicity for Boone and Winnebago Counties, 2000 and 2010

Race	2000		2010		% Change 2000-2010
	#	%	#	%	
Boone County					
White	37,643	90.1%	45,724	84.4%	21.5%
African-American	375	0.9%	1,064	2.0%	183.7%
American Indian and Eskimo	122	0.3%	200	0.4%	63.9%
Asian and Pacific Islander	213	0.5%	709	1.3%	232.9%
Other Race	2,789	6.7%	5,048	9.3%	81.0%
Total	41,786	100.0%	54,165	100.0%	29.6%
Hispanic (ethnicity)	5,219	12.5%	10,967	20.2%	110.1%
Winnebago County					
White	229,595	82.5%	228,652	77.4%	-0.4%
African-American	29,317	10.5%	36,108	12.2%	23.2%
American Indian and Eskimo	797	0.3%	963	0.3%	20.8%
Asian and Pacific Islander	4,881	1.7%	6,881	2.3%	41.0%
Other Race	8,648	3.1%	14,339	4.9%	65.8%
Total	278,418	100.0%	295,266	100.0%	6.1%
Hispanic (ethnicity)	19,206	11.2%	32,177	10.9%	67.5%

Source: 2000 and 2010 US Census

Note: From one race count only, remainder of total from the sum of races are two or more races.

Cities

Table 1.2, on the following page, shows the distribution of races in the principal cities in the regional planning area of the Rockford Metropolitan Agency for Planning (RMAP).

Rockford is the largest city in the RMAP regional planning area. It also has the largest minority population at almost 35 percent.

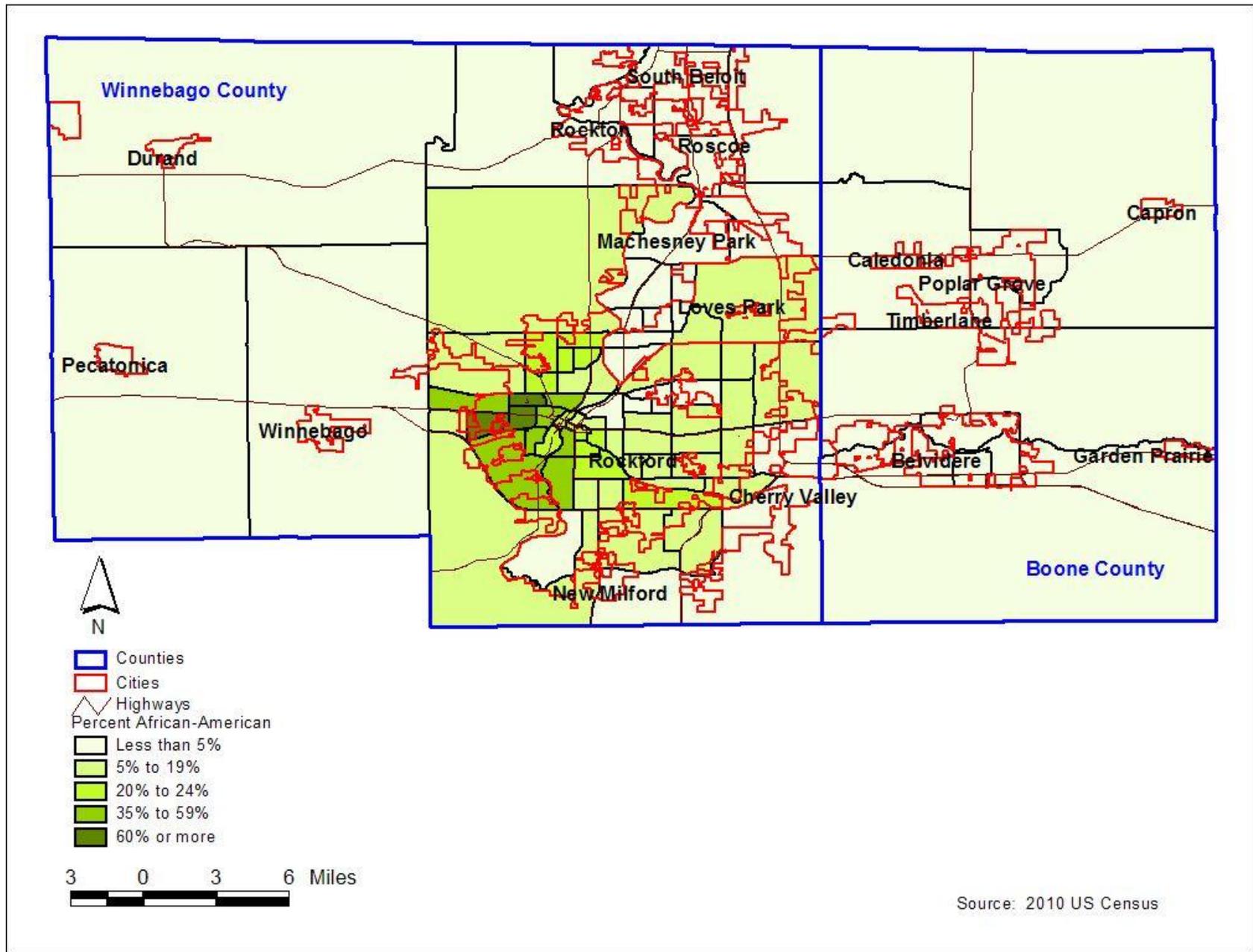
The largest of the cities is Rockford with a population of over 150,000. Rockford also has the largest minority population in the planning area, almost 35 percent of the total population, with additional ethnic minorities (Hispanic) totaling almost 16 percent. The largest Hispanic population, by percentage, in the planning area resides in Belvidere, making up over 30 percent of the total population. Other communities in the planning area, as shown in the table, are primarily non-minority, with most over 90 percent White. Most are also relatively small communities, with total populations below 25,000 persons, and three communities having less than 1,000 persons.

Table 1.2
Total population by race for Cities in Boone and Winnebago Counties, 2010

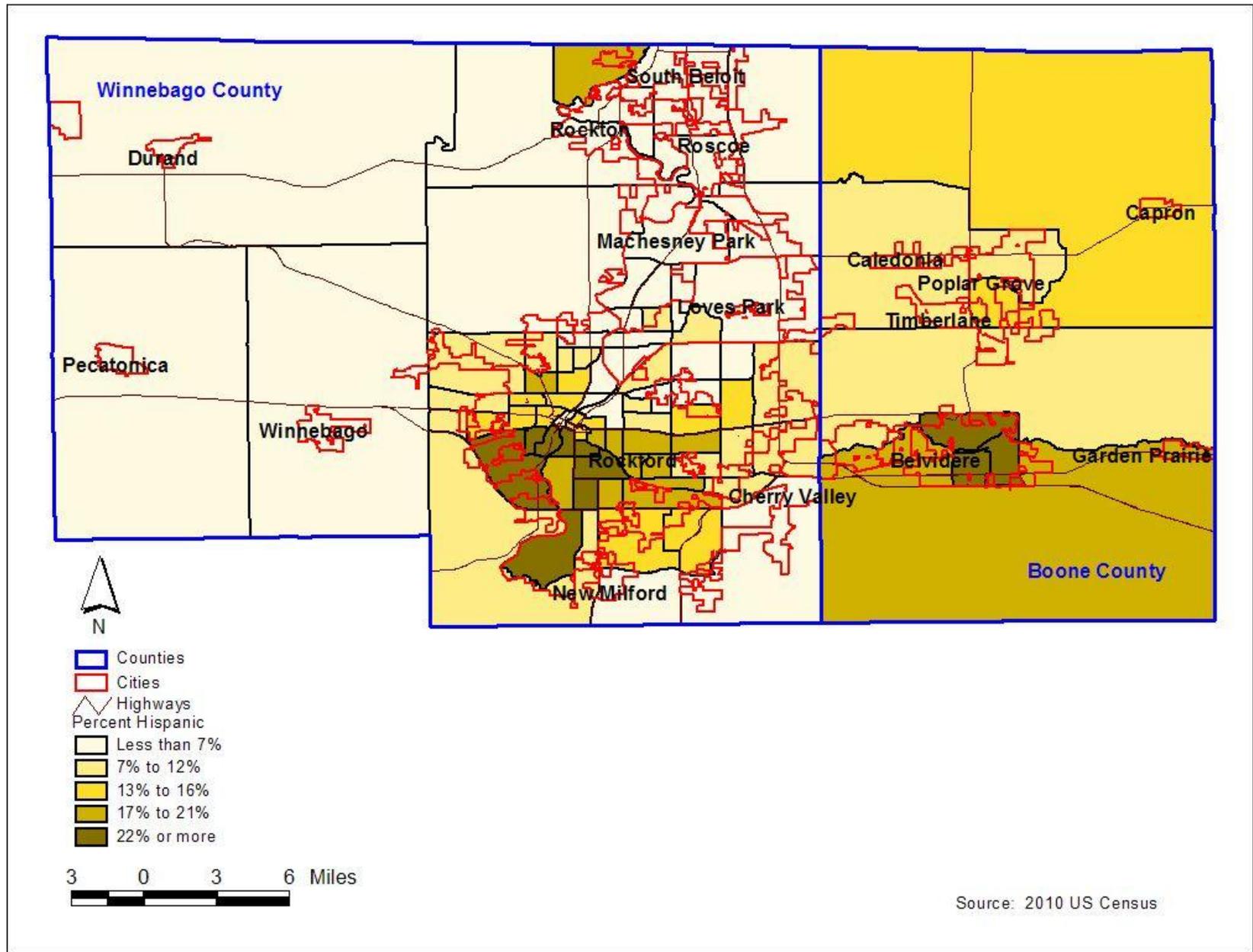
County, City, or Village	White Alone		Black or African American		American Indian and Alaskan Native		Asian and Pacific Islander		Other Race		Total	Hispanic or Latino	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	Number	%
Boone Co.	45,724	84.4%	1,064	2.0%	200	0.4%	709	1.3%	5,048	9.3%	54,165	10,967	20.2%
Winnebago Co.	228,652	77.4%	36,108	12.2%	963	0.3%	6,881	2.3%	14,339	4.9%	295,266	32,177	10.9%
Belvidere	19,934	77.9%	671	2.6%	137	0.5%	257	1.0%	3,714	14.5%	25,585	7,838	30.6%
Caledonia	186	94.4%	2	1.0%	1	0.5%	6	3.0%	0	0.0%	197	6	3.0%
Cherry Valley	2,789	88.2%	91	2.9%	11	0.3%	152	4.8%	46	1.5%	3,162	162	5.1%
Loves Park	21,311	88.8%	944	3.9%	64	0.3%	631	2.6%	493	2.1%	23,996	1,606	6.7%
Machesney Park	21,494	91.5%	666	2.8%	57	0.2%	372	1.6%	382	1.6%	23,499	1,172	5.0%
New Milford	583	83.6%	35	5.0%	4	0.0%	43	6.2%	11	1.6%	697	56	8.0%
Poplar Grove	4,439	88.4%	96	1.9%	13	0.3%	50	1.0%	334	6.6%	5,023	761	15.2%
Rockford	99,517	65.1%	31,359	20.5%	614	0.4%	4,484	2.9%	11,413	7.5%	152,871	24,085	15.8%
Roscoe	9,832	91.2%	330	3.1%	16	0.1%	231	2.1%	158	1.5%	10,785	491	4.6%
Timberlane	886	94.9%	3	0.3%	0	0.0%	14	1.5%	22	2.4%	934	59	6.3%
Winnebago	2,999	96.7%	32	1.0%	7	0.2%	12	0.4%	13	0.4%	3,101	55	1.8%

Source: 2010 US Census

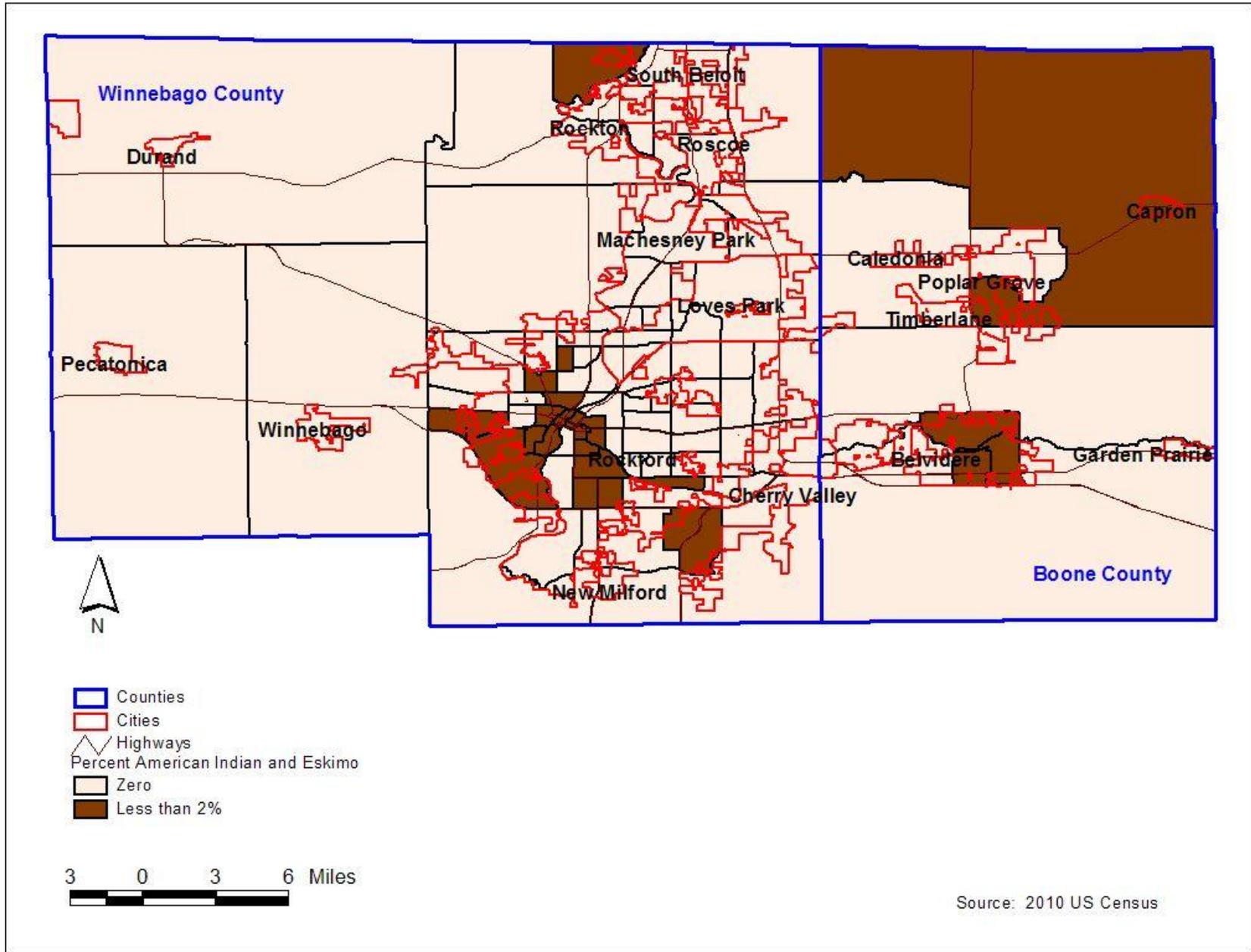
Map 1.2: Percent African-American



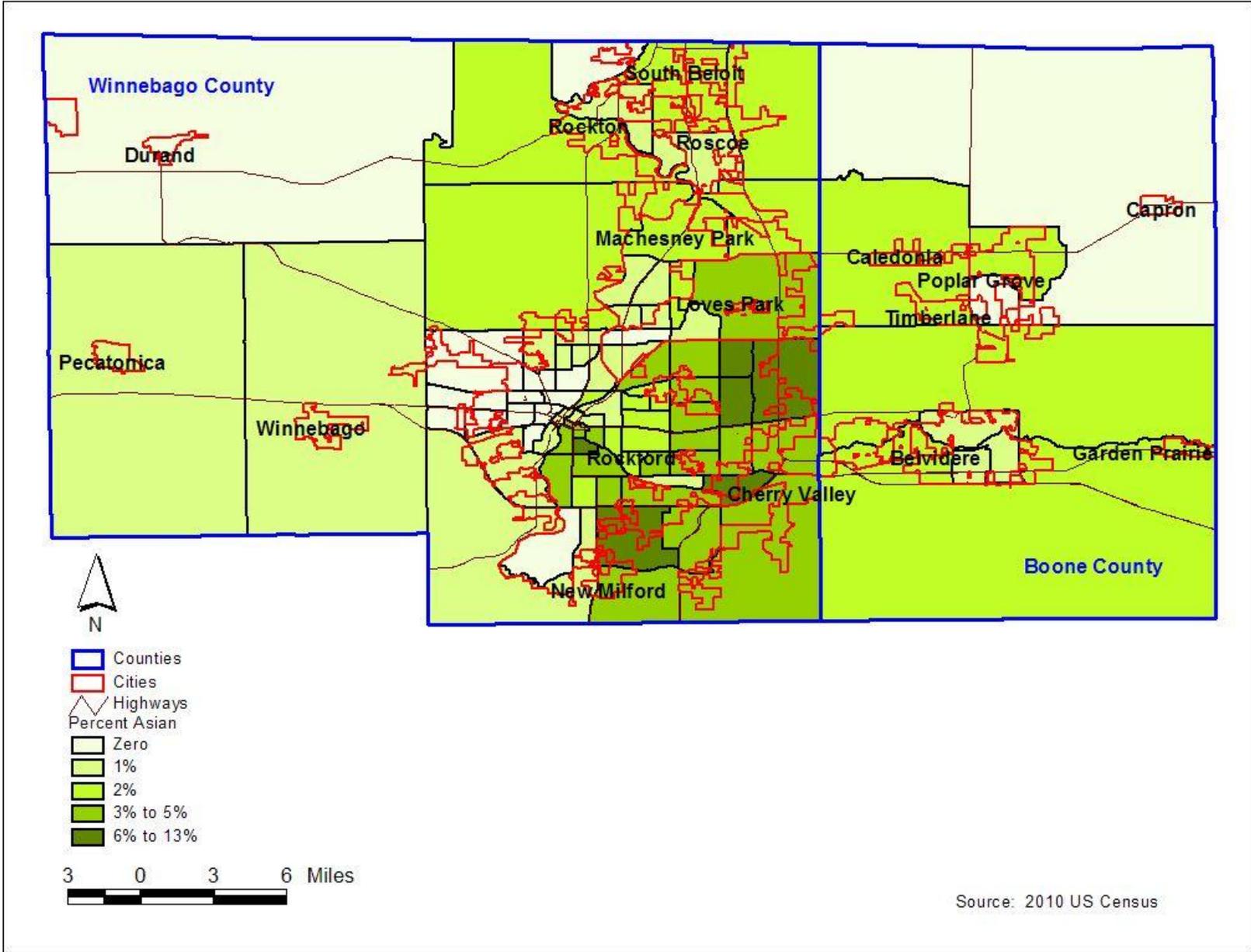
Map 1.3: Percent Hispanic



Map 1.4: Percent American Indian and Eskimo



Map 1.5: Percent Asian or Pacific Islander



Boone and Winnebago Counties

In many communities, female-headed households and female-headed households with children face a higher rate of housing discrimination than other households. Higher percentages of

Over 36 percent of all African-American households in Winnebago County were female-headed households, compared to less than 11 percent of White households.

female-headed households with children under the age of 18, sometimes correlates to increased complaints of reported rental property owners' refusing to rent to tenants with children. This factor is evidenced when comparing this demographic factor to fair housing complaints data. As shown in Table 1.3, on the following page, the percentage of female-headed households among White households in Boone County was 9.5 percent, compared to 29.9 percent in African-American households, and 13.4 percent in Hispanic households in the county. In Winnebago County, female-headed households accounted for 10.6 percent of White households, 36.4 percent of African-American households, and 18.6 percent of Hispanic households.

Non-family households, defined by HUD as a single occupant household as indicated in the Census Data, among Whites made up 24.1 percent of all White households in Boone County. Non-family households among African-Americans accounted for 19 percent of all African-American households. Non-family households among Hispanics accounted for 9.7 percent of all Hispanic households. In Winnebago County, non-family White households were 34.4 percent of all White households, compared to 33.6 percent African-American households and 17.7 percent of Hispanic households.

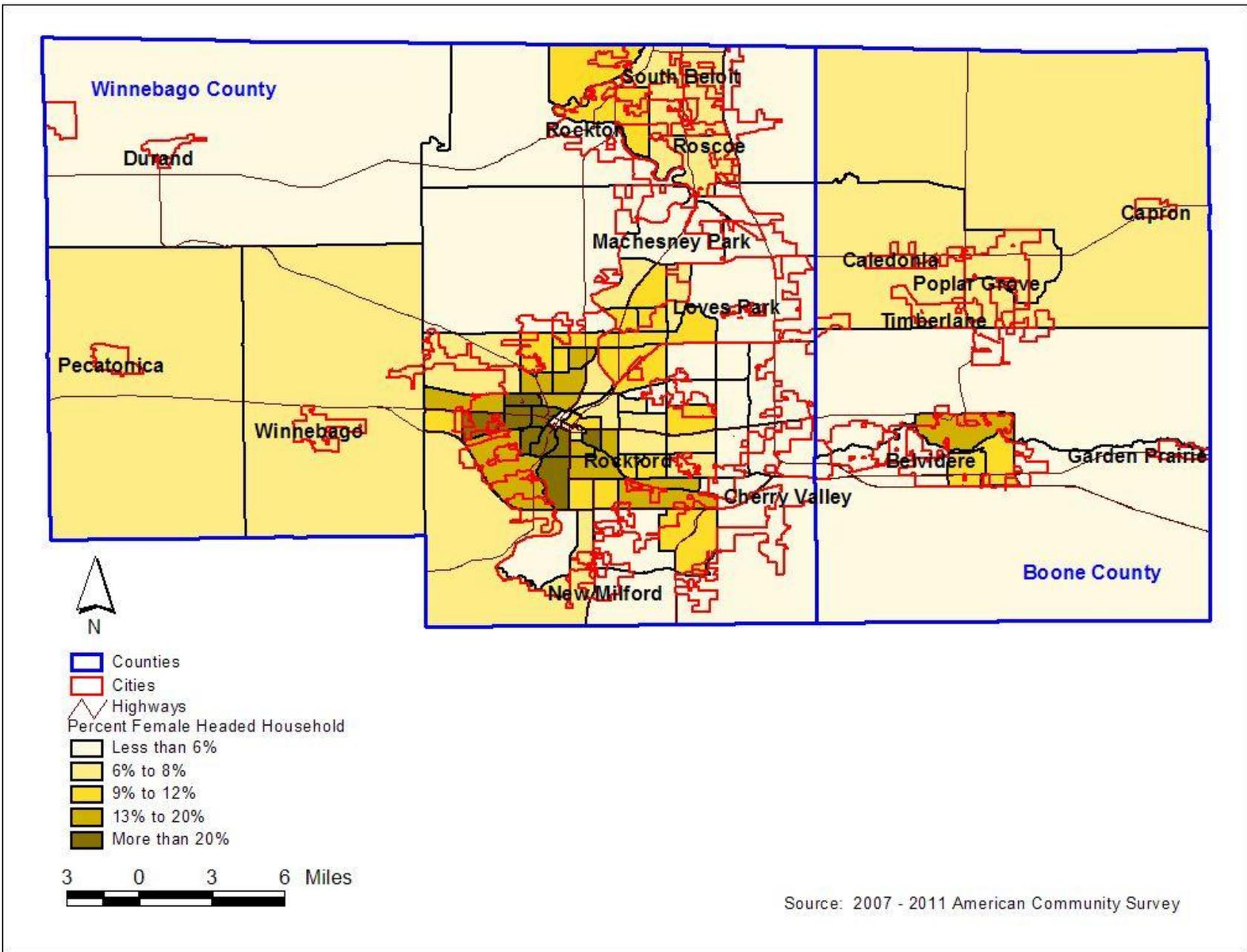
The spatial distribution of female-headed households with children is shown in Map 1.6 on page 13.

Table 1.3
Household structure by race for Boone and Winnebago Counties, 2010

Household Type	White		African-American		Hispanic	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Boone County						
Family Households	12,571	75.9%	260	81.0%	2,168	90.3%
Husband-wife family	10,200	61.6%	142	44.2%	1,588	66.1%
Other family:	2,371	14.3%	118	36.8%	580	24.2%
Male householder, no wife present	793	4.8%	22	6.9%	258	10.7%
Female householder, no husband present	1,578	9.5%	96	29.9%	322	13.4%
Non-family households:	3,998	24.1%	61	19.0%	233	9.7%
Householder living alone	3,311	20.0%	49	15.3%	159	6.6%
Householder not living alone	687	4.1%	12	3.7%	74	3.1%
Total Households	16,569	100.0%	321	100.0%	2,401	100.0%
Winnebago County						
Family Households	62,378	65.6%	8,553	66.4%	6,577	82.3%
Husband-wife family	47,683	50.2%	3,064	23.8%	4,301	53.8%
Other family:	14,695	15.5%	5,489	42.6%	2,276	28.5%
Male householder, no wife present	4,576	4.8%	806	6.3%	789	9.9%
Female householder, no husband present	10,119	10.6%	4,683	36.4%	1,487	18.6%
Non-family households:	32,686	34.4%	4,321	33.6%	1,418	17.7%
Householder living alone	27,058	28.5%	3,641	28.3%	1,033	12.9%
Householder not living alone	5,628	5.9%	680	5.3%	385	4.8%
Total Households	95,064	100.0%	12,874	100.0%	7,995	100.0%

Source: 2010 US Census

Map 1.6: Percent Female-Headed Households with Children, 2010



Cities

From Table 1.4 below, an examination of the structure of families in the cities and villages in the regional planning area

Eleven percent of Rockford households are female-headed households with children present.

reveals that the percentage of families that were female-headed with children was 11 percent in Rockford and 9.1 percent in Belvidere according to the 2010 US Census. The percent of female-headed families with children in the other cities and villages in the regional planning area was relatively low, all below 7.5 percent.

The percentage of non-family households was 38.2 percent in Rockford and 36.4 percent in Loves Park. Over 30 percent of the total households in New Milford and Cherry Valley were non-family households.

Table 1.4
Household structure for Cities in Boone and Winnebago Counties, 2010

County, City, or Village	In Family Households		Married-Couple Family		Married-Couple With Own Children		Female Householder, No Husband Present		Female Householder With Own Children		Non-Family Households		Total Households
	#	%	#	%	#	%	#	%	#	%	#	%	#
Boone Co.	14,273	77.1%	11,395	61.6%	5,296	28.6%	1,887	10.2%	1,196	6.5%	4,232	22.9%	18,505
Winnebago Co.	76,854	66.5%	54,632	47.3%	21,102	18.3%	16,157	14.0%	9,821	8.5%	38,647	33.5%	115,501
Belvidere	6,283	71.4%	4,483	50.9%	2,243	25.5%	1,206	13.7%	805	9.1%	2,520	28.6%	8,803
Caledonia	55	75.3%	43	58.9%	19	26.0%	6	8.2%	4	5.5%	18	24.7%	73
Cherry Valley	892	66.6%	741	55.3%	245	18.3%	99	7.4%	55	4.1%	447	33.4%	1,339
Loves Park	6,257	63.6%	4,533	46.1%	1,930	19.6%	1,194	12.1%	692	7.0%	3,574	36.4%	9,831
Machesney Park	6,510	73.2%	4,827	54.3%	1,834	20.6%	1,093	12.3%	627	7.1%	2,383	26.8%	8,893
New Milford	192	69.3%	151	54.5%	55	19.9%	29	10.5%	14	5.1%	85	30.7%	277
Poplar Grove	1,317	81.1%	1,086	66.9%	600	37.0%	152	9.4%	103	6.3%	306	18.9%	1,623
Rockford	37,044	61.8%	23,195	38.7%	9,222	15.4%	10,586	17.7%	6,627	11.0%	22,929	38.2%	59,973
Roscoe	2,937	75.9%	2,337	60.4%	1,222	31.6%	406	10.5%	285	7.4%	931	24.1%	3,868
Timberlane	269	93.4%	252	87.5%	129	44.8%	10	3.5%	4	1.4%	19	6.6%	288
Winnebago	898	78.5%	709	62.0%	326	28.5%	129	11.3%	82	7.2%	246	21.5%	1,144

Source: 2010 US Census

1.2. Income

Low-income households tend to be housed in less desirable housing stock and in less desirable areas in the county. Income limitations often prevent those households from moving to areas where local amenities raise the value of the housing. Income plays a very important part in securing and maintaining housing.

Boone County

The data in Table 1.5 and Chart 1.1 on page 17 show the distribution of income across income classes among Whites, African-American, and Hispanics. Overall, the income distribution data show some disparity in Boone County's income distributions across these populations.

Chart 1.1 shows that the modal income classes (the income classes with the highest number of households) for Whites was the \$100,000 or more with 23.5 percent of Whites earning in this income

While the modal income category for African-American households is the \$50,000 to \$74,999 range (34.1%), almost 28 percent earned less than \$10,000 in 2011 (5-year average) .

range. In comparison, only 3.7 and 13.7 percent of African American and Hispanic households respectively had earnings in the \$100,000 or more income range. The most frequently reported income class for African-Americans and Hispanics was the \$50,000 to \$74,999 range with 34.1 percent of total African-American households and 25.1 of Hispanics reporting incomes in this range. While the modal category for African-Americans was relatively high, a large percentage had quite low incomes, with almost 28 percent earning less than \$10,000.

According to the 2007-2011 HUD American Community Survey (ACS) estimates (5-year average), the median household income for White households was \$62,369, \$43,989 for African-American households, and \$51,875 for Hispanic households, compared to \$61,613 for the overall county. Map 1.7, on page 19, shows the 5-year average median household income by census tract for the regional planning area between 2007 and 2011.

Winnebago County

The data in Table 1.5 and Chart 1.2, on the following pages, show the distribution of income across income classes among Whites, African-American, and Hispanics in Winnebago County. Overall, the income distribution data show major disparities in household income for minority households compared to Whites with higher proportions of low-income households within the African-American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons.

Chart 1.2 shows that the modal income classes (the income classes with the highest number of households) for Whites was the \$50,000 to \$74,999 with 20 percent of Whites earning in this income

There is a disparate impact on lower income African-Americans demonstrated by a modal income category for African-American households of the below \$10,000 range (25.6%), and 53 percent earning less than \$25,000 in 2011 (5-year average) .

range. In comparison, 12.8 and 15.3 percent of African American and Hispanic households respectively had earnings in that range. The most frequently reported income class for African-Americans was the less than \$10,000 range with 25.6 percent of total African-American households in this range, and for Hispanic households it was the \$35,000 to \$ 49,999 range with 17.7 of Hispanics reporting incomes in this range. More than 53 percent of African-American households earned less than \$25,000, the bottom three income categories combined, compared to 23 percent of White households.

According to the 2007-2011 HUD American Community Survey (ACS) estimates (5-year average), the median household income for White households was \$51,199, \$22,901 for African-American households and \$37,925 for Hispanic households, compared to \$47,597 for the overall county.

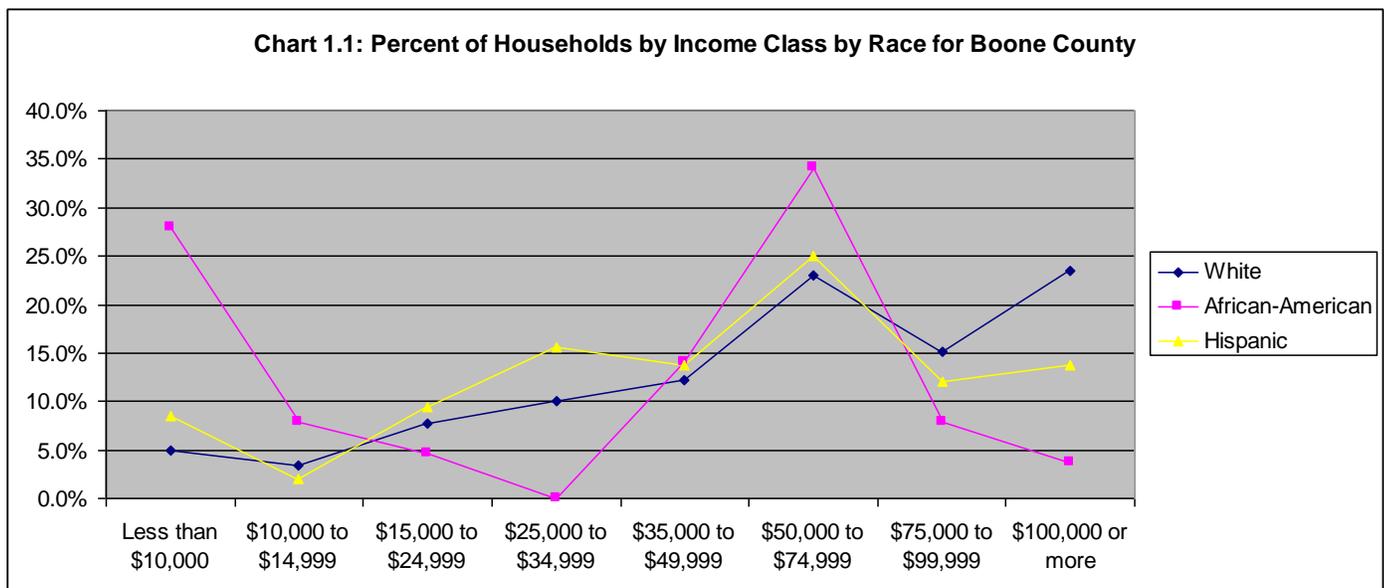
Map 1.7 on page 19 provides a view of the distribution of median household income by census tract in Boone and Winnebago Counties. The lowest income households are concentrated west and south of downtown Rockford.

Table 1.5
Households by race by income for Boone and Winnebago Counties, 2007-2011

Income Class	White		African-American		Hispanic	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Boone County						
Less than \$10,000	835	5.0%	121	27.9%	191	8.5%
\$10,000 to \$14,999	576	3.5%	34	7.8%	46	2.0%
\$15,000 to \$24,999	1,286	7.7%	20	4.6%	213	9.4%
\$25,000 to \$34,999	1,660	10.0%	0	0.0%	352	15.6%
\$35,000 to \$49,999	2,036	12.2%	61	14.1%	311	13.8%
\$50,000 to \$74,999	3,819	23.0%	148	34.1%	566	25.1%
\$75,000 to \$99,999	2,521	15.2%	34	7.8%	271	12.0%
\$100,000 or more	3,904	23.5%	16	3.7%	309	13.7%
Total	16,637	100.0%	434	100.0%	2,259	100.0%
Winnebago County						
Less than \$10,000	5,998	6.3%	3,339	25.6%	860	11.2%
\$10,000 to \$14,999	4,303	4.5%	1,591	12.2%	350	4.5%
\$15,000 to \$24,999	11,496	12.1%	1,895	14.5%	1,263	16.4%
\$25,000 to \$34,999	10,578	11.1%	1,372	10.5%	1,129	14.6%
\$35,000 to \$49,999	14,259	15.0%	1,863	14.3%	1,365	17.7%
\$50,000 to \$74,999	19,063	20.0%	1,674	12.8%	1,180	15.3%
\$75,000 to \$99,999	13,268	13.9%	828	6.3%	801	10.4%
\$100,000 or more	16,365	17.2%	492	3.8%	760	9.9%
Total	95,330	100.0%	13,054	100.0%	7,708	100.0%

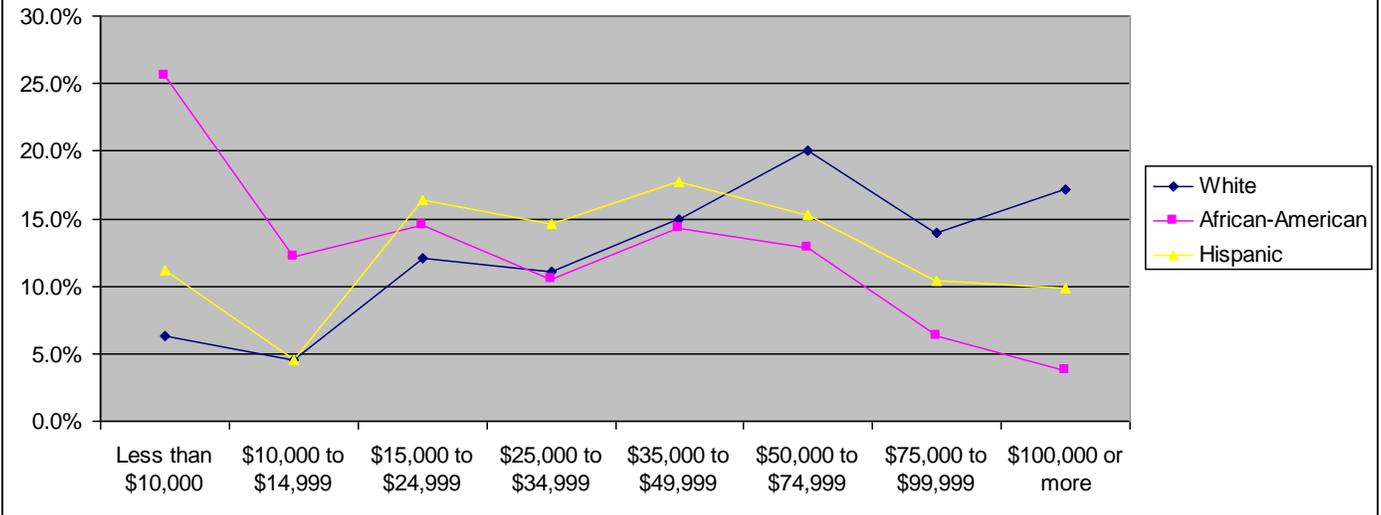
Source: Five-Year Estimates, 2007-2011 American Community Survey

Chart 1.1: Percent of Households by Income Class by Race for Boone County



Source: Five-Year Estimates, 2007-2011 American Community Survey

Chart 1.2: Percent of Households by Income Class by Race for Winnebago County



Source: Five-Year Estimates, 2007-2011 American Community Survey

Cities

As shown in Table 1.6, the median household income for Rockford was \$38,864, lowest of all the cities in the regional planning area. The highest was Timberlane at \$106,681, followed by Winnebago village at \$79,375.

According to the 2007-2011 ACS data, the median household income in Rockford was reported to be \$42,633 for White households, \$21,364 for African-American households and \$34,467 for Hispanic households.

The median household income in Rockford was \$38,864, lowest of all the cities in the regional planning area and almost 20 percent lower than the Winnebago County as a whole.

Table 1.6
Median Income for Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Median Household Income
Boone Co.	\$61,613
Winnebago Co.	\$47,597
Belvidere	\$49,721
Caledonia	\$73,750
Cherry Valley	\$58,265
Loves Park	\$51,515
Machesney Park	\$52,346
New Milford	\$67,143
Poplar Grove	\$55,741
Rockford	\$38,864
Roscoe	\$67,825
Timberlane	\$106,681
Winnebago	\$79,375

Source: 2007-2011 American Community Survey

Map 1.7: Median Household Income, 2007-2011

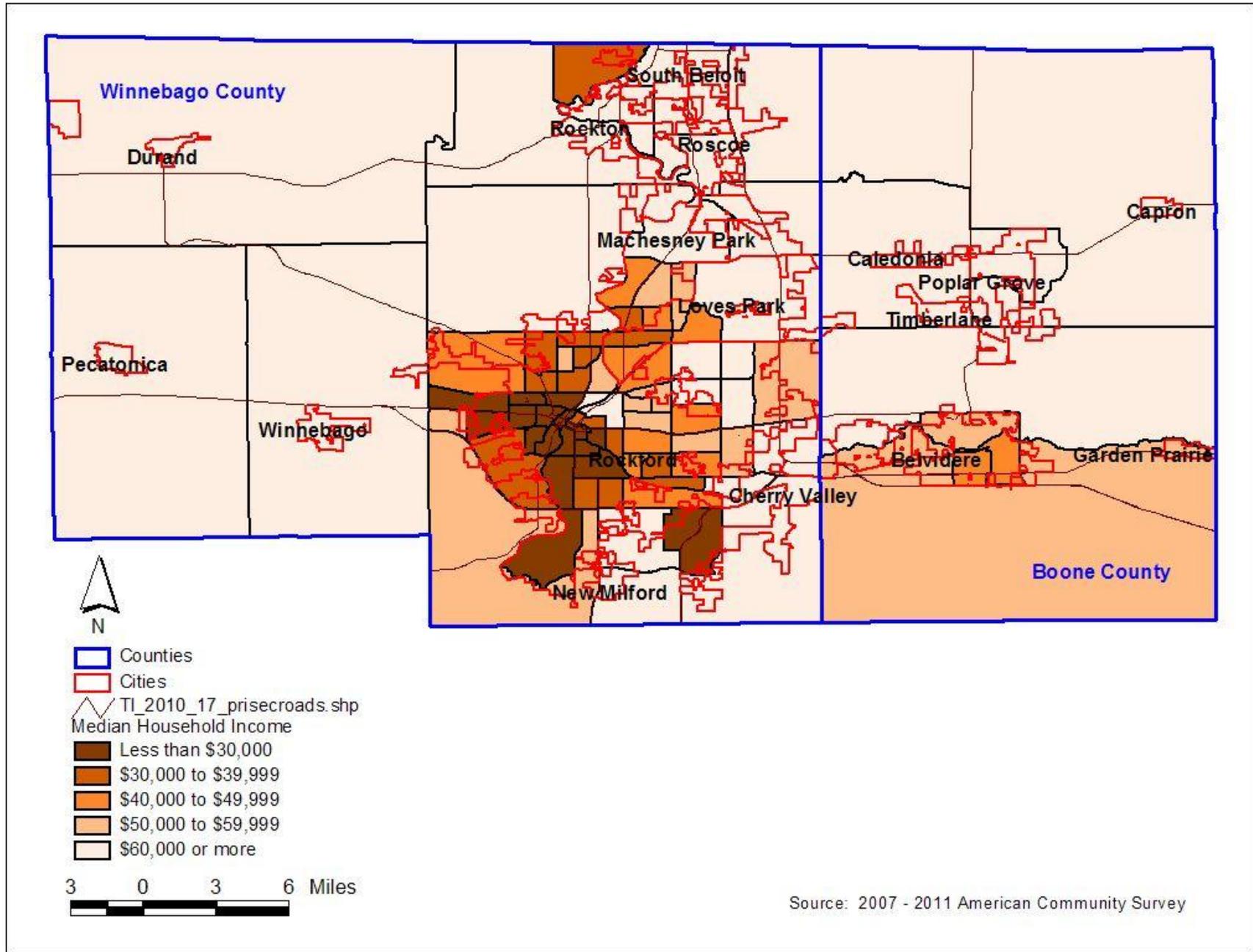


Table 1.7
Poverty Status by race for Boone and Winnebago Counties, 2007-2011

Age Group	White		African-American		Hispanic	
	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty
Boone County						
Under 5 Years	723	22.0%	59	59.0%	443	35.7%
5 Years	125	13.0%	0	0.0%	77	17.3%
6 to 11 Years	649	14.1%	10	13.5%	310	20.7%
12 to 17 Years	424	9.2%	22	14.4%	139	11.0%
18 to 64 Years	2,637	16.1%	176	24.9%	1,018	16.9%
65 to 74 Years	218	6.3%	0	0.0%	15	19.0%
75 Years and Over	219	9.3%	0	0.0%	0	0.0%
Total	4,995	10.3%	267	23.1%	2,002	18.8%
Winnebago County						
Under 5 Years	3,171	23.7%	2,422	67.8%	1,836	46.9%
5 Years	507	19.8%	563	70.6%	350	42.3%
6 to 11 Years	2,915	17.2%	2,488	59.7%	1,830	42.2%
12 to 17 Years	2,743	14.2%	2,229	58.4%	1,342	34.5%
18 to 64 Years	16,766	11.3%	8,126	39.1%	4,486	25.9%
65 to 74 Years	1,318	7.2%	335	22.0%	84	12.5%
75 Years and Over	1,028	6.2%	141	17.0%	6	2.4%
Total	28,448	12.1%	16,304	46.0%	9,934	31.8%

Source: Five-year estimate, 2007-2011 American Community Survey

Boone and Winnebago Counties

The poverty data reported in Table 1.7 reveals that poverty is disproportionately impacting the African-American and Hispanic communities in the counties. The incidence of poverty among African-

The incidence of poverty among African-Americans was 23.1 percent in Boone County and 46 percent in Winnebago County, compared to 10.3 percent for Whites in Boone County and 12.1 in Winnebago County..

Americans in Boone County was 23.1 percent of their total population between 2007 and 2011, and poverty among Hispanics was reported to be 18.8 percent. Among White persons, the data reported 10.3 percent lived in poverty. In comparison, the poverty rate for the county was 10.2 percent during the period.

In Winnebago County, 46 percent of African-Americans lived in poverty, compared to 31.8 percent of Hispanics and 12.1 percent of Whites. The poverty rate in the County was 16.8 percent.

Cities

As shown in Table 1.8 below, the modal income class for the four largest cities in the regional planning area for Whites was the \$50,000 to \$74,999 with 18.1 percent of Whites earning in this income range in Rockford, 24.9 percent in Belvidere, 19.4 percent in Loves Park, and 23.4 percent in Machesney Park.

The most frequently reported income class for African-Americans in Rockford and Belvidere was the less than \$10,000 range with 36.6 percent of total African-American households in Belvidere in this range and 27.3 percent in Rockford. The modal incomes for African-American households in Loves Park and Machesney Park were higher, \$35,000 to \$49,999 in Loves Park and \$15,000 to \$24,999 in Machesney Park. Over 54 percent of African-American households had incomes below \$25,000.

Over 27 percent of African-Americans in Rockford had household incomes below \$10,000, with 54 percent below \$25,000. Over 42 percent of White households had incomes above \$50,000.

For Hispanic households, in Belvidere and Loves Park, the modal income range was the \$50,000 to \$ 74,999 range with 26.7 percent of Hispanics in Belvidere reporting incomes in this range and 29.7 percent in Loves Park. In Machesney Park, the modal range was \$25,000 to \$34,999 with 26.2 percent. In Rockford, the Hispanic modal income range was \$35,000 to \$49,999 with 20 percent of Hispanic households in the range.

Table 1.9 on page 22 shows poverty rates in Rockford was 24.7 percent, highest in the regional planning area. In Belvidere, the poverty rate was 14.4 percent. In Poplar Grove the rate was 13.6 percent. In all other cities in the regional planning region, poverty rates were below 10 percent.

Table 1.8
Household Income for cities in Boone and Winnebago Counties, 2007-2011

Income Class	White		African-American		Hispanic	
	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Belvidere						
Less than \$10,000	493	6.4%	121	36.6%	189	9.9%
\$10,000 to \$14,999	418	5.4%	34	10.3%	46	2.4%
\$15,000 to \$24,999	817	10.6%	0	0.0%	209	11.0%
\$25,000 to \$34,999	968	12.5%	0	0.0%	300	15.8%
\$35,000 to \$49,999	1,152	14.9%	61	18.4%	257	13.5%
\$50,000 to \$74,999	1,925	24.9%	99	29.9%	507	26.7%
\$75,000 to \$99,999	994	12.9%	0	0.0%	190	10.0%
\$100,000 or more	959	12.4%	16	4.8%	202	10.6%
Total	7,726	100.0%	331	100.0%	1,900	100.0%
Loves Park						
Less than \$10,000	427	5.0%	30	9.4%	22	4.2%
\$10,000 to \$14,999	445	5.2%	0	0.0%	7	1.3%
\$15,000 to \$24,999	955	11.2%	0	0.0%	62	11.8%
\$25,000 to \$34,999	942	11.0%	26	8.2%	52	9.9%
\$35,000 to \$49,999	1,369	16.0%	83	26.0%	43	8.2%
\$50,000 to \$74,999	1,653	19.4%	62	19.4%	156	29.7%
\$75,000 to \$99,999	1,378	16.1%	62	19.4%	112	21.3%
\$100,000 or more	1,368	16.0%	56	17.6%	71	13.5%
Total	8,537	100.0%	319	100.0%	525	100.0%
Machesney Park						
Less than \$10,000	359	4.2%	0	0.0%	0	0.0%
\$10,000 to \$14,999	310	3.6%	14	13.5%	44	20.6%
\$15,000 to \$24,999	830	9.7%	28	26.9%	12	5.6%
\$25,000 to \$34,999	1,082	12.6%	13	12.5%	56	26.2%
\$35,000 to \$49,999	1,476	17.2%	19	18.3%	7	3.3%
\$50,000 to \$74,999	2,013	23.4%	0	0.0%	46	21.5%
\$75,000 to \$99,999	1,248	14.5%	12	11.5%	49	22.9%
\$100,000 or more	1,278	14.9%	18	17.3%	0	0.0%
Total	8,596	100.0%	104	100.0%	214	100.0%
Rockford						
Less than \$10,000	3,856	8.6%	3,159	27.3%	695	12.3%
\$10,000 to \$14,999	2,533	5.6%	1,418	12.3%	241	4.3%
\$15,000 to \$24,999	6,591	14.7%	1,699	14.7%	1,101	19.5%
\$25,000 to \$34,999	5,491	12.2%	1,187	10.3%	863	15.3%
\$35,000 to \$49,999	7,263	16.2%	1,660	14.4%	1,132	20.0%
\$50,000 to \$74,999	8,147	18.1%	1,446	12.5%	762	13.5%
\$75,000 to \$99,999	4,828	10.8%	633	5.5%	450	8.0%
\$100,000 or more	6,197	13.8%	357	3.1%	411	7.3%
Total	44,906	100.0%	11,559	100.0%	5,655	100.0%

Source: 2007-2011 American Community Survey

The poverty data in Table 1.10, on the following page, reveals similar trends to those in the County with poverty disproportionately impacting the African-American and Hispanic communities in the four largest cities in the regional planning area. The incidence of poverty among African-American households in Rockford was 49.4 percent of their total population between 2007 and 2011, and poverty among Hispanics was reported to be 36.5 percent. The White poverty rate was 17.5 percent.

Table 1.9
Poverty Status for Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Total Population	Number in Poverty	% in Poverty
Boone Co.	53,511	5,472	10.2%
Winnebago Co.	290,142	48,784	16.8%
Belvidere	25,277	3,632	14.4%
Caledonia	223	5	2.2%
Cherry Valley	3,285	157	4.8%
Loves Park	23,549	2,104	8.9%
Machesney Park	23,108	2,219	9.6%
New Milford	811	60	7.4%
Poplar Grove	5,897	803	13.6%
Rockford	149,910	37,034	24.7%
Roscoe	10,169	591	5.8%
Timberlane	1,160	19	1.6%
Winnebago	3,322	157	4.7%

Source: 2007-2011 American Community Survey

The data reported lower poverty rates for African-Americans and Hispanics in Machesney Park and Belvidere, though still disparate when compared to Whites.

The poverty rate in Rockford was over 49 percent for African-Americans and 36.5 percent for Hispanics, compared to 17.5 percent for Whites.

In Machesney Park, the rate was 19 percent for African-Americans and 26.1 percent for Hispanics, compared to 9.3 percent for Whites. In Belvidere, the rate was 31.2 percent for African-Americans and 22.1 percent for Hispanics, compared to 14.5 percent for Whites.

Only in Loves Park were poverty rates relatively comparable between groups, with a White poverty rate of 8.8 percent, 10 percent for African-Americans, and 4.1 percent for Hispanics.

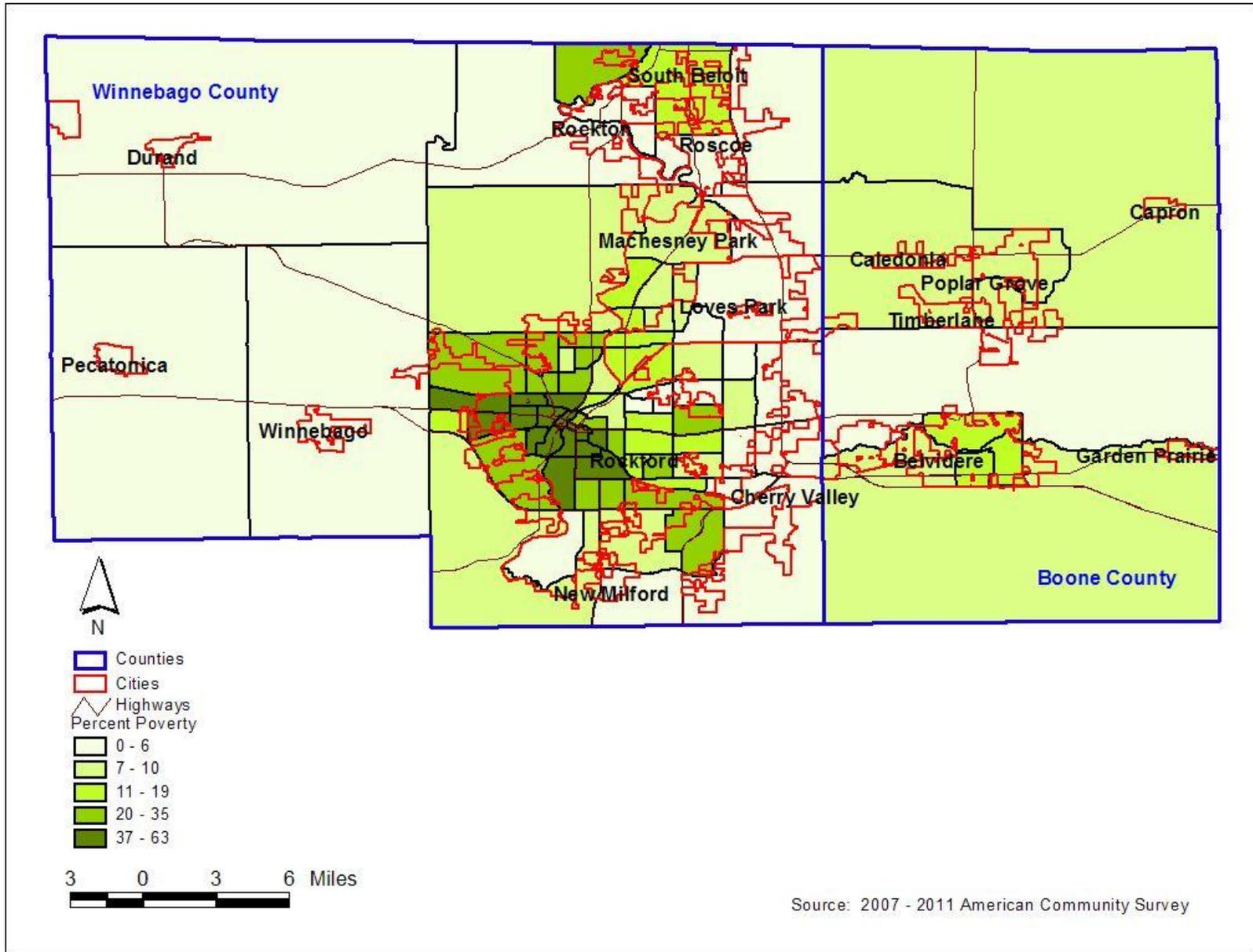
Poverty rates in Boone and Winnebago Counties are shown on page 25 in Map 1.8. Concentrations are primarily west and south of downtown Rockford.

Table 1.10
Poverty Status for Cities in Boone and Winnebago Counties, 2007-2011

Age Group	White		African-American		Hispanic	
	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty
Belvidere						
Under 5 Years	574	32.1%	59	37.1%	443	36.6%
5 Years	113	29.1%	0	0.0%	77	24.1%
6 to 11 Years	408	18.6%	10	47.6%	301	23.1%
12 to 17 Years	286	13.6%	22	21.6%	134	12.8%
18 to 64 Years	1,735	13.5%	176	35.1%	962	20.2%
65 to 74 Years	71	5.0%	0	0.0%	15	38.5%
75 Years and Over	12	0.9%	0	0.0%	0	0.0%
Total	3,199	14.5%	267	31.2%	1,932	22.1%
Loves Park						
Under 5 Years	159	12.7%	8	17.8%	0	0.0%
5 Years	26	7.3%	8	100.0%	0	0.0%
6 to 11 Years	131	8.3%	43	25.9%	15	8.4%
12 to 17 Years	119	7.4%	0	0.0%	0	0.0%
18 to 64 Years	1,196	8.7%	47	7.2%	35	3.1%
65 to 74 Years	121	7.5%	0	0.0%	9	25.7%
75 Years and Over	113	10.4%	0	0.0%	6	100.0%
Total	1,865	8.8%	106	10.0%	65	4.1%
Machesney Park						
Under 5 Years	274	20.6%	16	42.1%	80	67.8%
5 Years	54	11.4%	16	100.0%	9	33.3%
6 to 11 Years	191	13.6%	13	39.4%	19	21.1%
12 to 17 Years	172	8.7%	0	0.0%	35	14.3%
18 to 64 Years	1,078	7.5%	14	7.4%	132	23.8%
65 to 74 Years	216	12.2%	0	0.0%	0	0.0%
75 Years and Over	50	5.2%	0	0.0%	0	0.0%
Total	2,035	9.3%	59	19.0%	275	26.1%
Rockford						
Under 5 Years	2,253	34.8%	2,375	71.3%	1,590	51.1%
5 Years	368	29.0%	539	77.9%	315	53.0%
6 to 11 Years	1,946	26.8%	2,402	64.2%	1,609	48.3%
12 to 17 Years	1,784	22.9%	2,228	64.0%	1,144	39.5%
18 to 64 Years	10,711	16.5%	7,537	41.2%	3,859	29.8%
65 to 74 Years	643	8.4%	313	24.7%	75	16.2%
75 Years and Over	558	6.0%	127	20.0%	0	0.0%
Total	18,263	17.5%	15,521	49.4%	8,592	36.5%

Source: 2007-2011 American Community Survey

Map 1.8: Percent Poverty, 2007-2011



1.3. Employment

Boone and Winnebago Counties

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents.

Table 1.11, below, provides a look at occupation data, which indicate that there have

Table 1.11
Occupation of employed persons for Boone and Winnebago Counties, 2000 and 2007-2011 (5-Year Average)

Industry	2000	2007-2011 Average	Percentage Point Change
Boone County			
Agriculture, forestry, fishing and hunting, and mining	1.8%	1.5%	-0.3%
Construction	6.7%	8.1%	1.4%
Manufacturing	31.1%	21.7%	-9.4%
Wholesale trade	3.1%	4.3%	1.2%
Retail trade	10.6%	12.9%	2.3%
Transportation and warehousing, and utilities	6.2%	6.7%	0.5%
Information	1.8%	1.9%	0.1%
Finance and insurance, and real estate and rental and leasing	5.8%	6.4%	0.6%
Professional, scientific, and management, and administrative and waste management services	4.9%	7.8%	2.9%
Educational services, and health care and social assistance	14.8%	16.9%	2.1%
Arts, entertainment, and recreation, and accommodation and food services	6.2%	5.3%	-0.9%
Other services, except public administration	4.7%	3.8%	-0.9%
Public administration	2.4%	2.7%	0.3%
Winnebago County			
Agriculture, forestry, fishing and hunting, and mining	0.5%	0.3%	-0.2%
Construction	5.5%	5.3%	-0.2%
Manufacturing	27.4%	22.0%	-5.4%
Wholesale trade	3.5%	3.0%	-0.5%
Retail trade	11.2%	11.2%	0.0%
Transportation and warehousing, and utilities	5.1%	5.8%	0.7%
Information	1.7%	2.1%	0.4%
Finance and insurance, and real estate and rental and leasing	5.4%	5.1%	-0.3%
Professional, scientific, and management, and administrative and waste management services	6.9%	8.1%	1.2%
Educational services, and health care and social assistance	19.0%	21.8%	2.8%
Arts, entertainment, and recreation, and accommodation and food services	6.5%	7.8%	1.3%
Other services, except public administration	4.9%	4.9%	0.0%
Public administration	2.4%	2.6%	0.2%

Source: US Census 2000 & 2007-2011 American Community Survey

been some shifts in the distribution of occupations between 2000 and 2011. Manufacturing occupations saw a reduction of 9.4 percentage points in Boone County, decreasing to 21.7 percent of the workforce.

In Winnebago County, Manufacturing dropped 5.4 percentage points decreasing to 22 percent of the workforce. There were moderate increases to Retail trade in Boone County, along with Professional services and Educational Services. In Winnebago County, increases are noted in Educational Services and Arts, entertainment, and recreations, and accommodation and food services.

Manufacturing occupations fell by 9.4 percent in Boone County and 5.4 percent in Winnebago County.

The data presented in Table 1.12, below, provide a portrait of the distribution of the unemployed. A closer look at the make-up of this total, however, indicates higher percentages of the unemployed centered in the African-American community. Between 2007 and 2011, 8 percent of White persons age 16 and over in Boone County and 6.3 percent in Winnebago County reported being unemployed. African-

Table 1.12

Employment Status by race for Boone and Winnebago Counties, 2007-2011

Employment Status	White		African-American		Hispanic		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Boone County								
In Labor Force:	24,732	66.4%	514	61.9%	4,559	68.8%	29,805	66.7%
In Armed Forces	12	0.0%	0	0.0%	0	0.0%	12	0.0%
Civilian:	23,729	63.7%	514	61.9%	4,543	68.5%	28,786	64.4%
Employed	21,738	58.4%	405	48.8%	3,856	58.2%	25,999	58.2%
Unemployed	2,982	8.0%	109	13.1%	703	10.6%	3,794	8.5%
Not in Labor Force	12,501	33.6%	316	38.1%	2,071	31.2%	14,888	33.3%
Total	37,233	100.0%	830	100.0%	6,630	100.0%	44,693	100.0%
Winnebago County								
In Labor Force:	126,931	66.0%	14,167	56.2%	14,006	71.4%	155,104	65.4%
In Armed Forces	82	0.0%	11	0.0%	11	0.1%	104	0.0%
Civilian:	121,407	63.2%	13,799	54.8%	13,861	70.7%	149,067	62.9%
Employed	114,695	59.7%	10,830	43.0%	11,982	61.1%	137,507	58.0%
Unemployed	12,154	6.3%	3,326	13.2%	2,013	10.3%	17,493	7.4%
Not in Labor Force	65,278	34.0%	11,027	43.8%	5,602	28.6%	81,907	34.6%
Total	192,209	100.0%	25,194	100.0%	19,608	100.0%	237,011	100.0%

Source: 2007-2011 American Community Survey

Americans persons in the same age group reported a 13.1 percent unemployment rate in Boone County and 13.2 percent rate in Winnebago County. Hispanics were reported at an 8.5 percent rate in Boone County and 7.4 percent rate in Winnebago County. As a comparison, the countywide unemployment rate was 11.8 percent in Boone County during the period and 11 percent in Winnebago County.

According to the Illinois Department of Employment Security, the unemployment rate for Boone County was 10 percent in November 2012 and 10.7 percent for Winnebago County. Map 1.8, on page 32, shows the distribution of unemployed in Boone and Winnebago County.

The unemployment rate in Boone County as of November 2012 was 10 percent and 10.7 percent in Winnebago County.

Cities

Table 1.13, below, illustrates the employment status in various cities in the county. The unemployment rate in Rockford was eight percent and Belvidere recorded an unemployment rate of 10 percent between 2007 and 2011. Other jurisdictions in the

Table 1.13
Employment Status for Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Total	In Labor Force	In Armed Forces	% in Armed Forces	Civilian	Employed	% Employed	Unemp.	% Unemp.	Not in Labor Force
Boone Co.	40,287	26,942	12	0%	26,930	23,756	59%	3,174	8%	13,345
Winnebago Co.	229,629	149,892	106	0%	149,786	133,237	58%	16,549	7%	79,737
Belvidere	18,567	12,089	12	0%	12,077	10,302	55%	1,775	10%	6,478
Caledonia	163	123	0	0%	123	115	71%	8	5%	40
Cherry Valley	2,725	1,973	0	0%	1,973	1,872	69%	101	4%	752
Loves Park	18,777	13,113	0	0%	13,113	11,843	63%	1,270	7%	5,664
Machesney Park	18,618	13,229	0	0%	13,229	11,833	64%	1,396	7%	5,389
New Milford	629	391	0	0%	391	368	59%	23	4%	238
Poplar Grove	4,130	2,720	0	0%	2,720	2,439	59%	281	7%	1,410
Rockford	117,259	72,599	50	0%	72,549	62,831	54%	9,718	8%	44,660
Roscoe	7,605	5,562	10	0%	5,552	5,066	67%	486	6%	2,043
Timberlane	784	603	0	0%	603	582	74%	21	3%	181
Winnebago	2,561	1,905	0	0%	1,905	1,810	71%	95	4%	656

Source: 2007-2011 American Community Survey

two counties show unemployment rates at seven percent or below. These data were based on estimates from the American Communities Survey, 5-year average between 2007 and 2011.

A closer look at the unemployment rates among racial and ethnic groups in the Rockford and Belvidere indicates that higher unemployment is centered in the

Over 13 percent of African-Americans over the age of 16 in Rockford were unemployed, compared to 6.8 percent of Whites.

African-American and the Hispanic communities. As shown in Table 1.14, on the following page, 6.8 percent of White persons age 16 and over reported being unemployed in Rockford and 9.7 percent of White persons were unemployed in Belvidere. African-Americans persons in the same age group reported a 13.4 percent unemployment rate in Rockford and an 18 percent rate in Belvidere. Hispanics reported a 8.5 percent rate in Rockford and 10.2 percent rate in Belvidere. In the other two largest cities in the two counties, Loves Park and Machesney Park, unemployment rates were not as high nor did they show the disparity between racial and ethnic groups.

Counties and Cities

Looking at education, Table 1.15 on page 31 shows the percentage of the populations aged 25 or older with less than a high school degree in Boone and Winnebago Counties and the cities in the regional planning area. The second column shows the percentage of the total population without a high school degree and the remaining three columns show the percentage by race. By county, both Boone and Winnebago Counties show a total percentage of the population over 25 years without a high school degree at 12.5 percent. When looking at the distribution by race/ethnicity, however, the data show a very high percentage for Hispanics, 49.9 percent in Boone County and 38.6 percent in Winnebago County. While the percentage for African-Americans in Boone County was below the average for the County and even below the White percentage (7.7 percent for African-Americans compared to 13.1 percent for Whites), in Winnebago County African-Americans didn't fare as well, 27.1 percent compared to 13 percent.

Table 1.14
Employment Status for Cities in Boone and Winnebago Counties, 2007-2011

Employment Status	White		African-American		Hispanic		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Belvidere								
In Labor Force:	10,733	64.3%	370	61.3%	3,716	70.9%	14,819	65.8%
In Armed Forces	12	0.1%	0	0.0%	0	0.0%	12	0.1%
Civilian:	10,386	62.2%	370	61.3%	3,704	70.7%	14,460	64.2%
Employed	9,102	54.5%	261	43.2%	3,151	60.1%	12,514	55.5%
Unemployed	1,619	9.7%	109	18.0%	565	10.8%	2,293	10.2%
Not in Labor Force	5,956	35.7%	234	38.7%	1,523	29.1%	7,713	34.2%
Total	16,689	100.0%	604	100.0%	5,239	100.0%	22,532	100.0%
Loves Park								
In Labor Force:	11,928	69.4%	549	74.4%	872	72.1%	13,349	69.8%
In Armed Forces	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Civilian:	11,389	66.3%	495	67.1%	872	72.1%	12,756	66.7%
Employed	10,767	62.7%	487	66.0%	828	68.5%	12,082	63.2%
Unemployed	1,161	6.8%	62	8.4%	44	3.6%	1,267	6.6%
Not in Labor Force	5,249	30.6%	189	25.6%	337	27.9%	5,775	30.2%
Total	17,177	100.0%	738	100.0%	1,209	100.0%	19,124	100.0%
Machesney Park								
In Labor Force:	12,564	70.9%	166	77.2%	446	69.3%	13,176	70.9%
In Armed Forces	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Civilian:	12,135	68.5%	166	77.2%	446	69.3%	12,747	68.6%
Employed	11,224	63.4%	152	70.7%	349	54.2%	11,725	63.1%
Unemployed	1,340	7.6%	14	6.5%	97	15.1%	1,451	7.8%
Not in Labor Force	5,149	29.1%	49	22.8%	198	30.7%	5,396	29.1%
Total	17,713	100.0%	215	100.0%	644	100.0%	18,572	100.0%
Rockford								
In Labor Force:	54,450	62.7%	12,182	55.0%	10,331	70.6%	76,963	62.2%
In Armed Forces	37	0.0%	0	0.0%	0	0.0%	37	0.0%
Civilian:	52,123	60.0%	11,932	53.8%	10,241	69.9%	74,296	60.1%
Employed	48,518	55.9%	9,209	41.6%	8,686	59.3%	66,413	53.7%
Unemployed	5,895	6.8%	2,973	13.4%	1,645	11.2%	10,513	8.5%
Not in Labor Force	32,399	37.3%	9,976	45.0%	4,312	29.4%	46,687	37.8%
Total	86,849	100.0%	22,158	100.0%	14,643	100.0%	123,650	100.0%

Source: 2007-2011 American Community Survey

Our analysis of city data revealed Belvidere and Rockford showed the highest levels of less than a high school degree for Whites over 25 years at 20.8 percent and 15.7 percent respectively. Roscoe, with a fairly small population, revealed a high percentage for African-Americans at 41.5 percent. Rockford's percentage for

African-Americans was 27.7 percent. Hispanics fared poorly in all cities with significantly large percentages of its population over the age of 25 without a high school education, with the smallest percentage in Cherry Valley at 20.6 percent and the largest percentage in Belvidere at 50.3 percent.

Map 1.10 on page 33 shows the percentage of less than high school degree by census tract in Boone and Winnebago Counties.

Percentage of persons without a high school degree was highest among Hispanics with over 50 percent of Hispanics over the age of 25 in Belvidere having not received a high school degree.

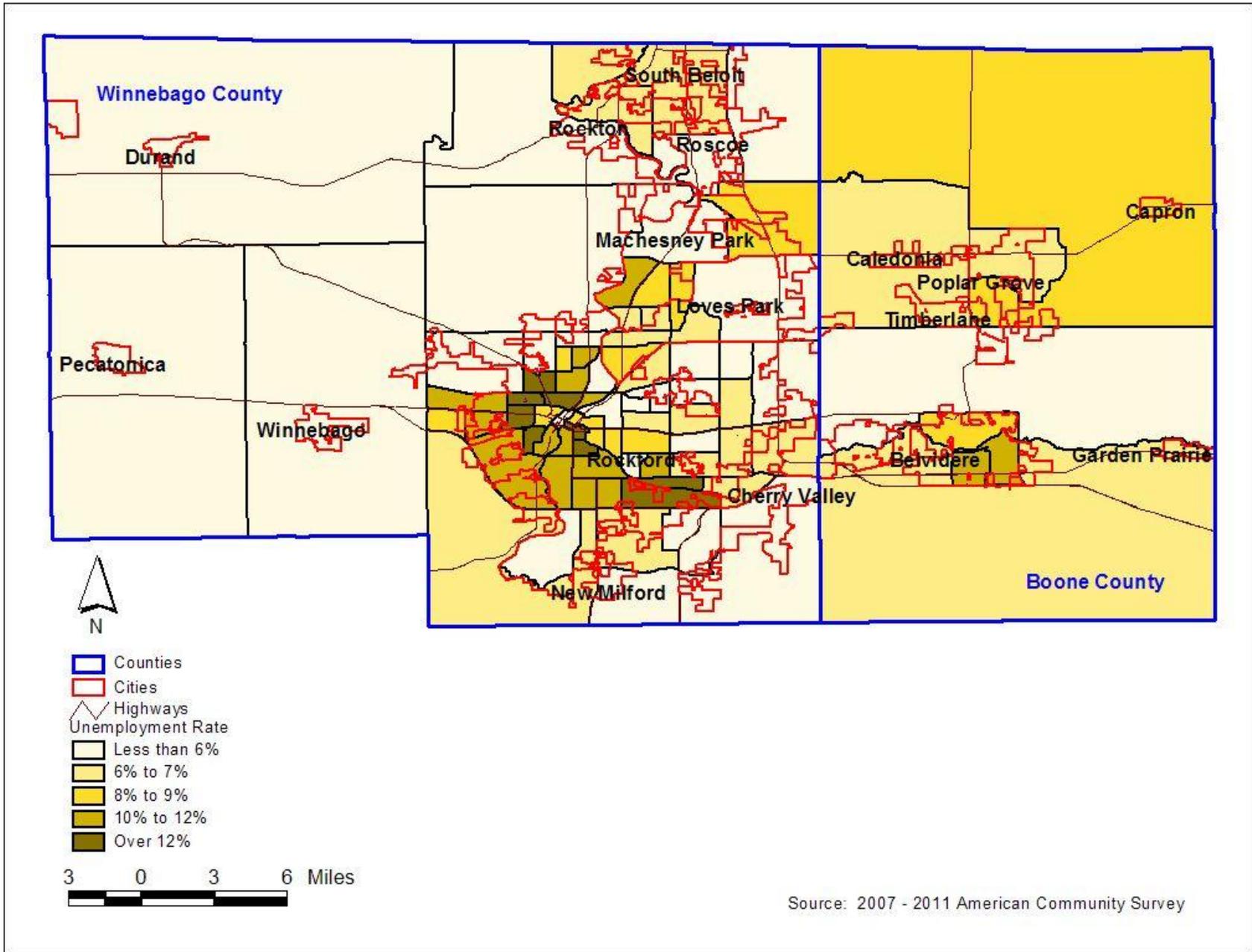
Table 1.15

Less than High School Degree for Cities in Boone and Winnebago Counties, 2007-2011

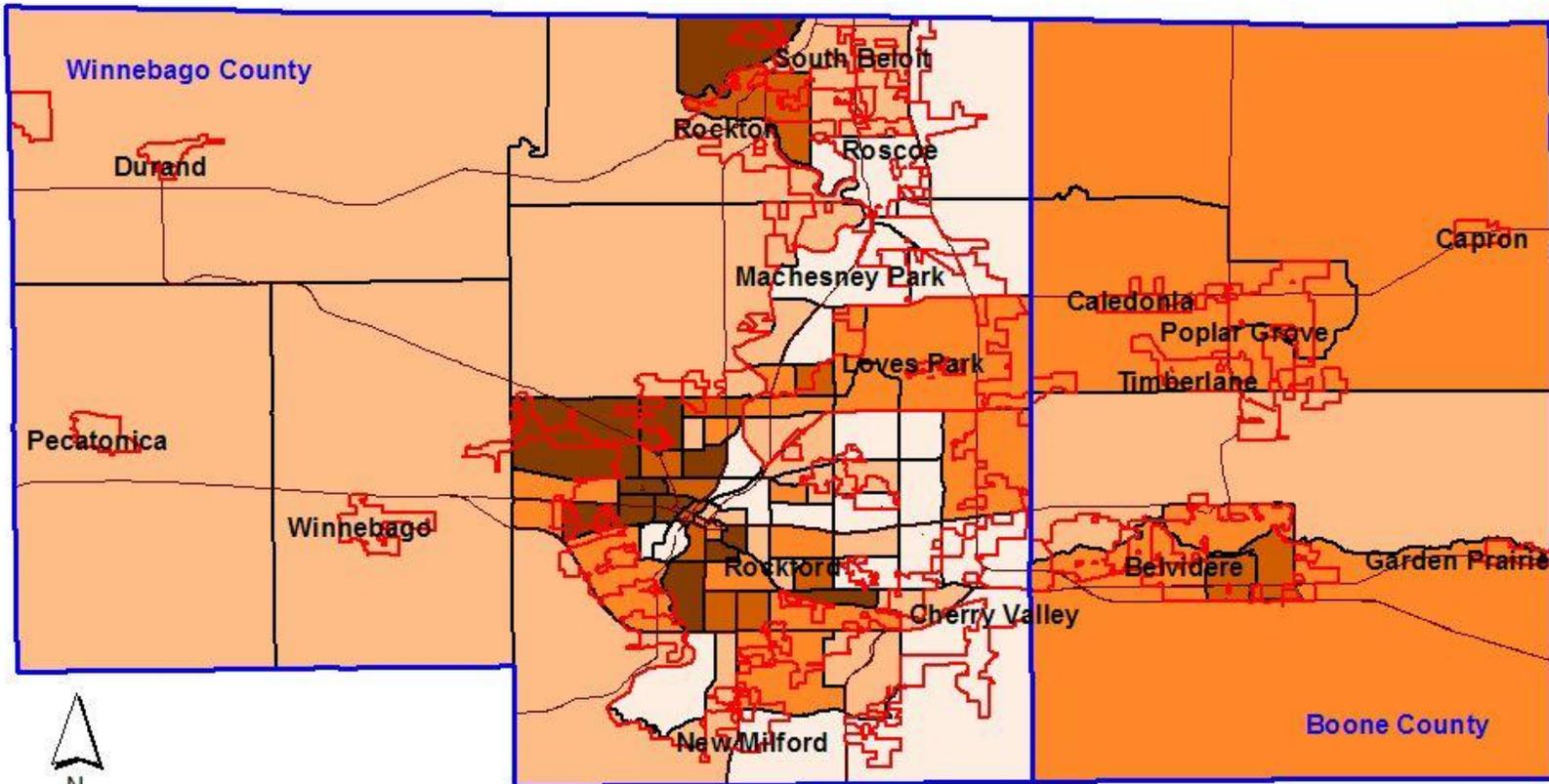
County, City, or Village	% Less than High School Degree	White % Less HS	Black % Less HS	Hispanic % Less HS
Boone Co.	12.5%	13.1%	7.7%	49.9%
Winnebago Co.	12.5%	13.0%	27.1%	38.6%
Belvidere	20.9%	20.8%	12.5%	50.3%
Caledonia	5.1%	4.6%	0.0%	0.0%
Cherry Valley	7.5%	8.0%	0.0%	20.6%
Loves Park	7.7%	10.6%	0.5%	32.0%
Machesney Park	10.7%	13.6%	9.6%	23.8%
New Milford	7.9%	15.3%	0.0%	0.0%
Poplar Grove	8.7%	10.2%	0.0%	40.6%
Rockford	16.5%	15.7%	27.7%	40.9%
Roscoe	5.8%	8.0%	41.5%	0.0%
Timberlane	1.6%	2.2%	0.0%	31.3%
Winnebago	2.1%	2.6%	0.0%	0.0%

Source: Five-Year Estimates, 2007-2011 American Community Survey

Map 1.9: Unemployment Rate, 2007-2011



Map 1.10: Percent Less than High School Degree, 2007-2011



- Counties
 - Cities
 - Highways
- Percent Less than High School Degree
- 0 - 10
 - 11 - 17
 - 19 - 26
 - 28 - 37
 - 41 - 69



Source: 2007 - 2011 American Community Survey

Boone and Winnebago Counties

According to the major employer data as shown on Winnebago County's website, the largest employers in Boone and Winnebago Counties include the Rockford Public Schools with 3,730 employees, the

The largest employer in Winnebago County was the Rockford Public Schools with 3,730 employees, with health care facilities making up four of the top six employers.

Rockford Health System with 3,003 workers and the Swedish American Health System with 2,988 workers. Wal-Mart Stores had 2,750 employees. Rockford Memorial Hospital has 2,700 employees and OSF Saint Anthony Medical Center had 2,303 workers. Hamilton Sundstrand had 2,200 workers, Winnebago County had 1,731 employees, and Chrysler LLC had 1,700 workers.

Table 1.16
Major Employers, Boone and Winnebago Counties

Company	Product/Service	Most Recent Employment Data
Rockford Public Schools	Education	3,730
Rockford Health System	Health Care	3,003
Swedish American Health System	Health Care	2,988
Wal-Mart Stores	Retail	2,750
Rockford Memorial Hospital	Health Care	2,700
OSF Saint Anthony Medical Center	Health Care	2,303
Hamilton Sundstrand	Aircraft Components	2,200
Winnebago County	Government	1,731
Chrysler LLC	Automotive	1,700
UPS	Parcel Sorting Hub	1,600
Woodward	Governors & Aux. Equipment	1,325
City of Rockford	Government	1,122
Harlem Consolidated Schools	Education	1,099
Kroger Company	Food Stores	1,067
Belvidere CUSD 100	Education	967
NCO Group	Customer Service Center	904
Honeywell	Telemarketing	885
Anderson Packaging	Pharmaceutical Packaging	883
Carpenter	Framing Contractors, Truss, Millwork	800
Lowe's	Distribution Center	787
General Mills	Food Processing	750
Total		35,294

Source: Winnebago County website

1.4. Public Transportation

The Rockford Mass Transit District (RMTD) provides fixed route and paratransit service to the residents of Rockford, Loves Park, and Machesney Park. RMTD operates 40 fixed route buses over 17 daytime routes Monday through Saturday, six night routes, and 5 Sunday routes. RMTD provides paratransit - origin to destination - service to persons with disabilities that prevent their use of fixed route services.

Map 1.11 on the following page shows daytime bus routes in Rockford, Loves Park, and Machesney Park. Map 1.12 on page 37 show nighttime and Sunday bus routes. Map 1.13 on page 38 shows the RMTD bus route in Belvidere.

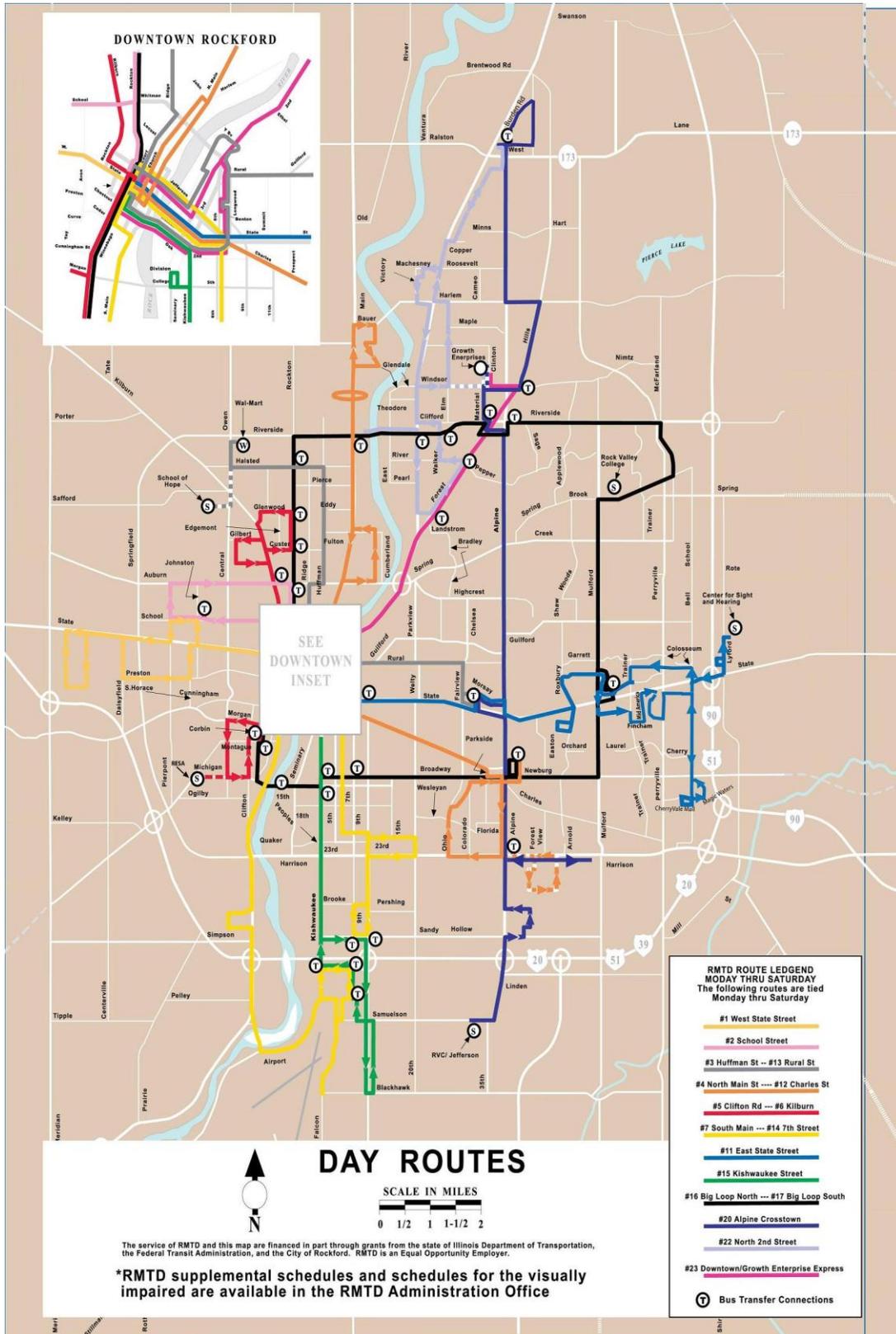
The public transportation system provides adequate routes to and from major employment centers and lower income neighborhoods in Rockford. While the

The RMTD system provides access to major employment centers and neighborhoods where residents are more likely to utilize public transportation.

economics of public transit, particularly in smaller communities, prevents complete coverage that would allow any worker a reliable and speedy commute to any job location within the city, the distribution of routes in the RMTD system provides access to major employment centers and neighborhoods where residents are more likely to utilize public transportation on their commutes to work.

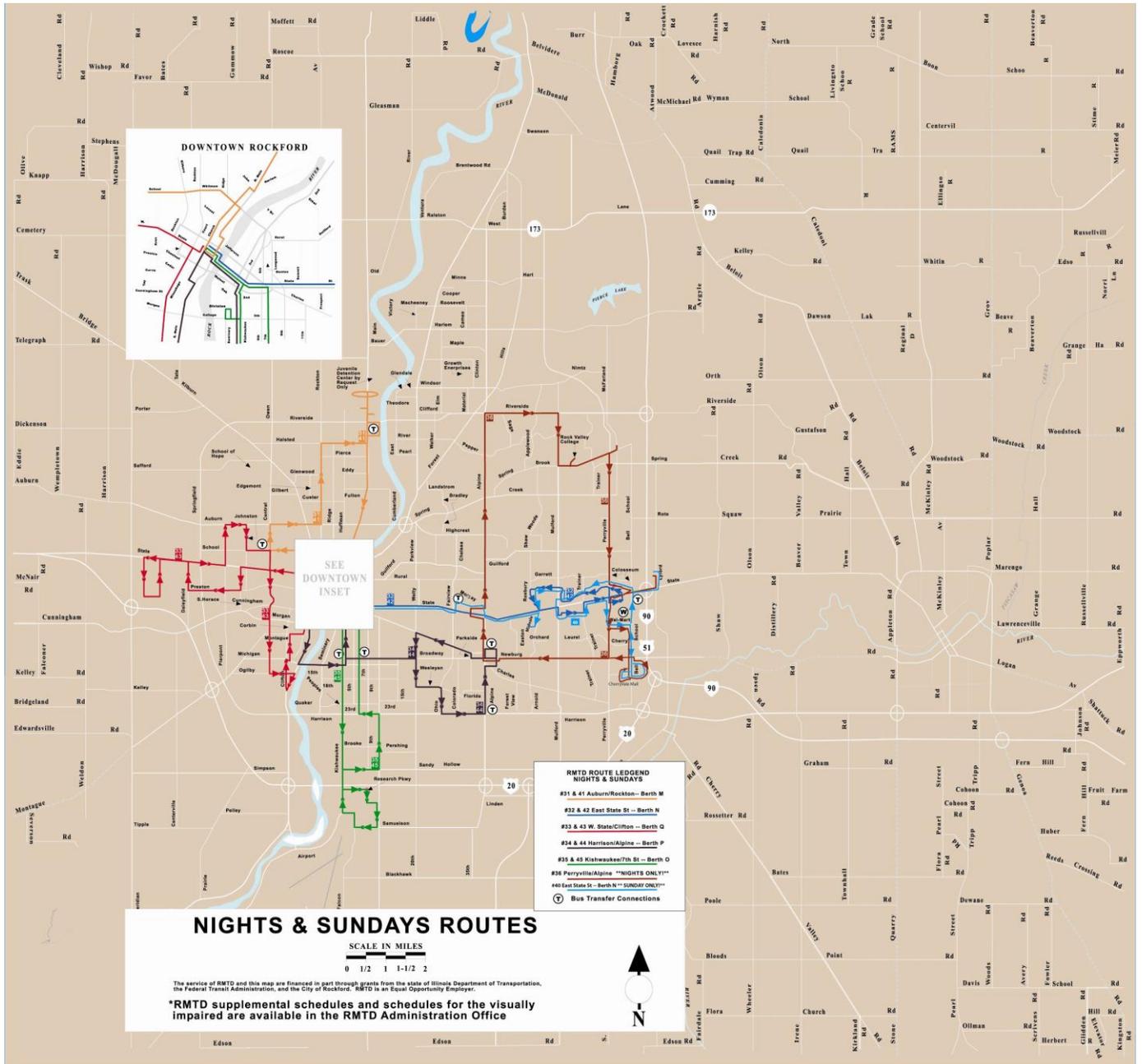
With an eye towards sustainable communities, future housing development should emphasize transit-oriented development (TOD) principles, encouraging construction of new, higher density housing in locations that take advantage of existing community services and access to public transportation. With TOD-focused planning, the RMTD system and extended night and weekend hours would work well in providing the best network possible given funding limitations.

Map 1.11: Public Transportation Routes, Day



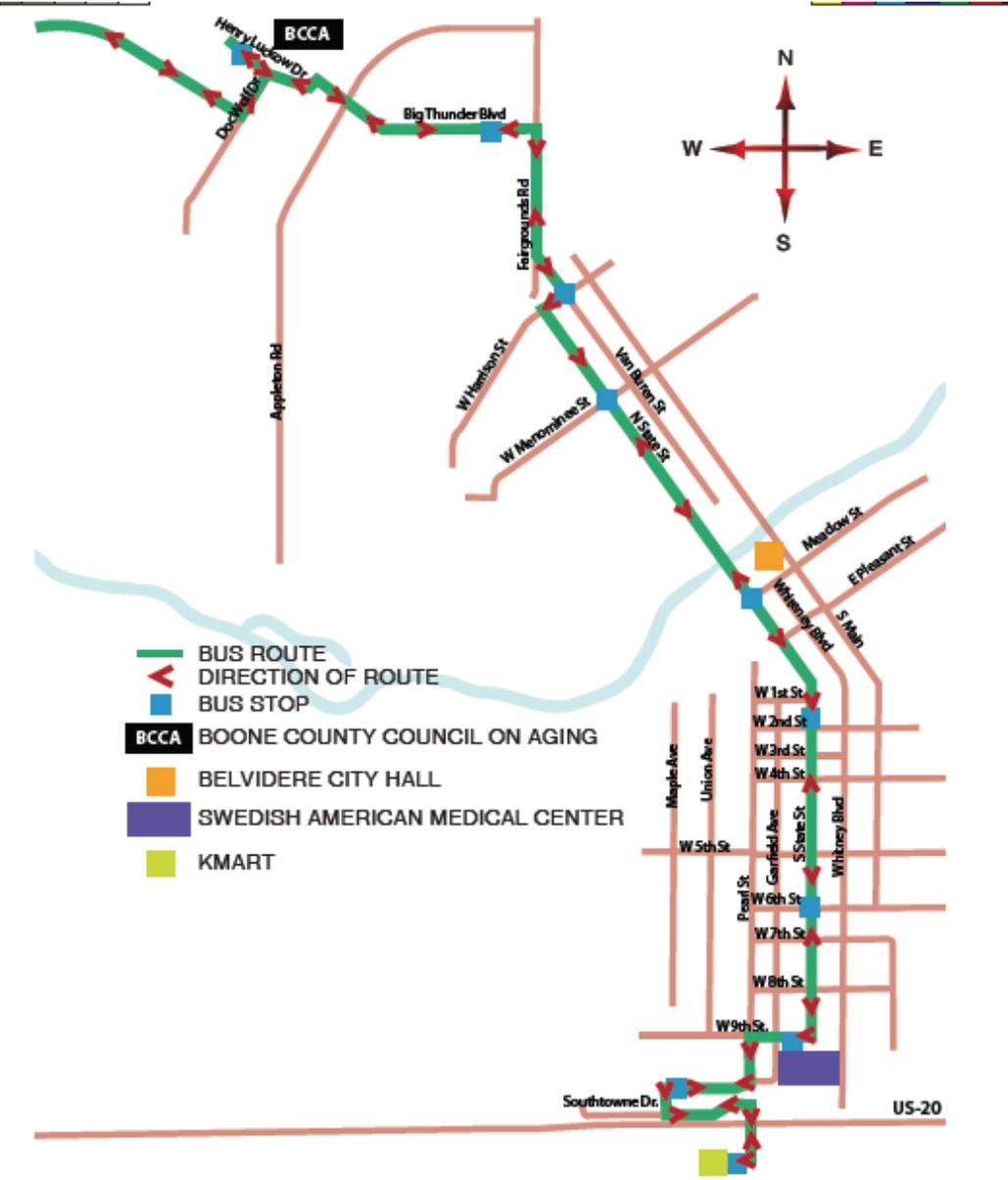
Source: Rockford Mass Transit District (RMTD), <http://www.rmtd.org/RMTD.jpg>

Map 1.12: Public Transportation Routes, Night



Source: Rockford Mass Transit District (RMTD), http://www.rmtd.org/RMTD_Nights.jpg

Map 1.13: Public Transportation Routes, Belvidere



Source: Rockford Mass Transit District (RMTD), http://rmtd.org/flashmaps/belvidere_route_pdf.pdf

1.5. Housing

Boone and Winnebago Counties

According to the 2010 Census, the total number of housing units in Boone County was 19,970 with 1,465 or 7.3 percent vacant units. As shown in Table 1.17, below, there were 15,414 housing units in Boone County in 2000. This represents a 30 percent increase in the number of housing units in Boone County between 2000 and 2010. In 2010, almost 75 percent were owner-occupied, 18 percent were renter-occupied. The median housing value in the county was \$171,300 and the median contract rent was \$580 between 2007 and 2011.

Table 1.17
Tenure for housing in Boone and Winnebago Counties, 1990, 2000, and 2010

Tenure	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
Boone County						
Owner-occupied	7,917	69.0%	11,473	74.4%	14,912	74.7%
Renter-occupied	3,033	26.4%	3,124	20.3%	3,593	18.0%
Vacant	527	4.6%	817	5.3%	1,465	7.3%
Total	11,477	100.0%	15,414	100.0%	19,970	100.0%
Winnebago County						
Owner-occupied	65,774	64.7%	75,615	66.1%	79,345	63.0%
Renter-occupied	30,953	30.4%	32,365	28.3%	36,156	28.7%
Vacant	4,939	4.9%	6,424	5.6%	10,464	8.3%
Total	101,666	100.0%	114,404	100.0%	125,965	100.0%

Source: 1990, 2000, and 2010 US Census

For Winnebago County, in 2010 there were a total of 125,965 housing units, an increase of about 10 percent from 2000.

The number of housing units in Boone County grew by 30 percent between 2000 and 2010 and 10 percent in Winnebago County.

Sixty-three percent of the housing units were owner-occupied, 28.7 percent were rental, and 8.3 percent were vacant. The median value was \$129,200 and the median contract rent was \$567.

Table 1.18, on the following page, shows that of all housing units in the Boone County, 78.5 percent were categorized as single-family detached, 2.7 percent as

single-family attached, 6.4 percent contained two to four units, 5.5 percent as multifamily, and seven percent as mobile home or other.

In Winnebago County, 69.1 percent were single-family detached, 3.1 percent were single-family attached, 13.1 percent contained two to four units, 12.7 percent were multifamily, and two percent were mobile home or other.

Table 1.18

Housing type for Boone and Winnebago Counties, 2007-2011

Units in Structure	Number	Percent
Boone County		
Single-family Detached	15,561	78.5%
Single-family Attached	533	2.7%
2-4 Units	1,262	6.4%
Multifamily	1,082	5.5%
Mobile Home or Other	1,384	7.0%
Total	19,822	100.0%
Winnebago County		
Single-family Detached	86,885	69.1%
Single-family Attached	3,890	3.1%
2-4 Units	16,480	13.1%
Multifamily	16,024	12.7%
Mobile Home or Other	2,456	2.0%
Total	125,735	100.0%

Source: 2007-2011 American Community Survey

As shown on Table 1.19, on the following page, 21.3 percent of all housing units in the Boone County were built prior to 1950, 5.7 percent were built between 1950 and 1959, 10.4 percent were built between 1960 and 1969, 12.2 percent were built between 1970 and 1979, and 50.4 percent were built after 1979. About 37 percent of the housing stock is more than 40 years old, built prior to 1970. These units may contain lead-based paint or likely be in need of repairs and maintenance.

In Winnebago County, 24.2 percent of all housing units were built prior to 1950, 14.5 percent were built between 1950 and 1959, 14.8 percent were built between 1960 and 1969, 14.6 percent were built between 1970 and 1979, and 31.9 percent were built after 1979. About 53 percent of the housing stock is more than 40 years old, built prior to 1970.

Over 53 percent of housing units in Winnebago County are more than 40 years old, housing units that may contain lead-based paint or likely be in need of repairs and maintenance.

According to the 2007-2011 ACS data shown in Table 1.20, homeownership rate among Whites in Boone County was 84.5 percent, compared to 50.7 percent among African-Americans and 65.5 percent among Hispanics. In Winnebago County, the

homeownership rate among Whites was 74 percent, compared to 35 percent for African-Americans and 58.2 percent for Hispanics.

Maps 1.14, on following page, and Map 1.15, on page 43, indicate the distribution of single-family and multifamily housing across Boone and Winnebago Counties. Map 1.16, on page 44, provides a geographic representation of the distribution of the oldest housing stock in the counties. Maps 1.17 and 1.18, on pages 45 and 46, provide a geographic depiction of the distribution of housing values and rents across the two counties.

Table 1.19
Age of Housing Stock in Boone and Winnebago Counties, 2007-2011

Year Built	Number	Percent
Boone County		
Built 2005 or Later	1,558	8.0%
Built 2000 to 2004	2,966	15.1%
Built 1990 to 1999	3,334	17.0%
Built 1980 to 1989	2,013	10.3%
Built 1970 to 1979	2,382	12.2%
Built 1960 to 1969	2,035	10.4%
Built 1950 to 1959	1,107	5.7%
Built 1940 to 1949	693	3.5%
Built 1939 or Earlier	3,493	17.8%
Total	19,581	100.0%
Winnebago County		
Built 2005 or Later	5,343	4.2%
Built 2000 to 2004	8,804	7.0%
Built 1990 to 1999	14,865	11.8%
Built 1980 to 1989	11,247	8.9%
Built 1970 to 1979	18,317	14.6%
Built 1960 to 1969	18,553	14.8%
Built 1950 to 1959	18,246	14.5%
Built 1940 to 1949	8,522	6.8%
Built 1939 or Earlier	21,838	17.4%
Total	125,735	100.0%

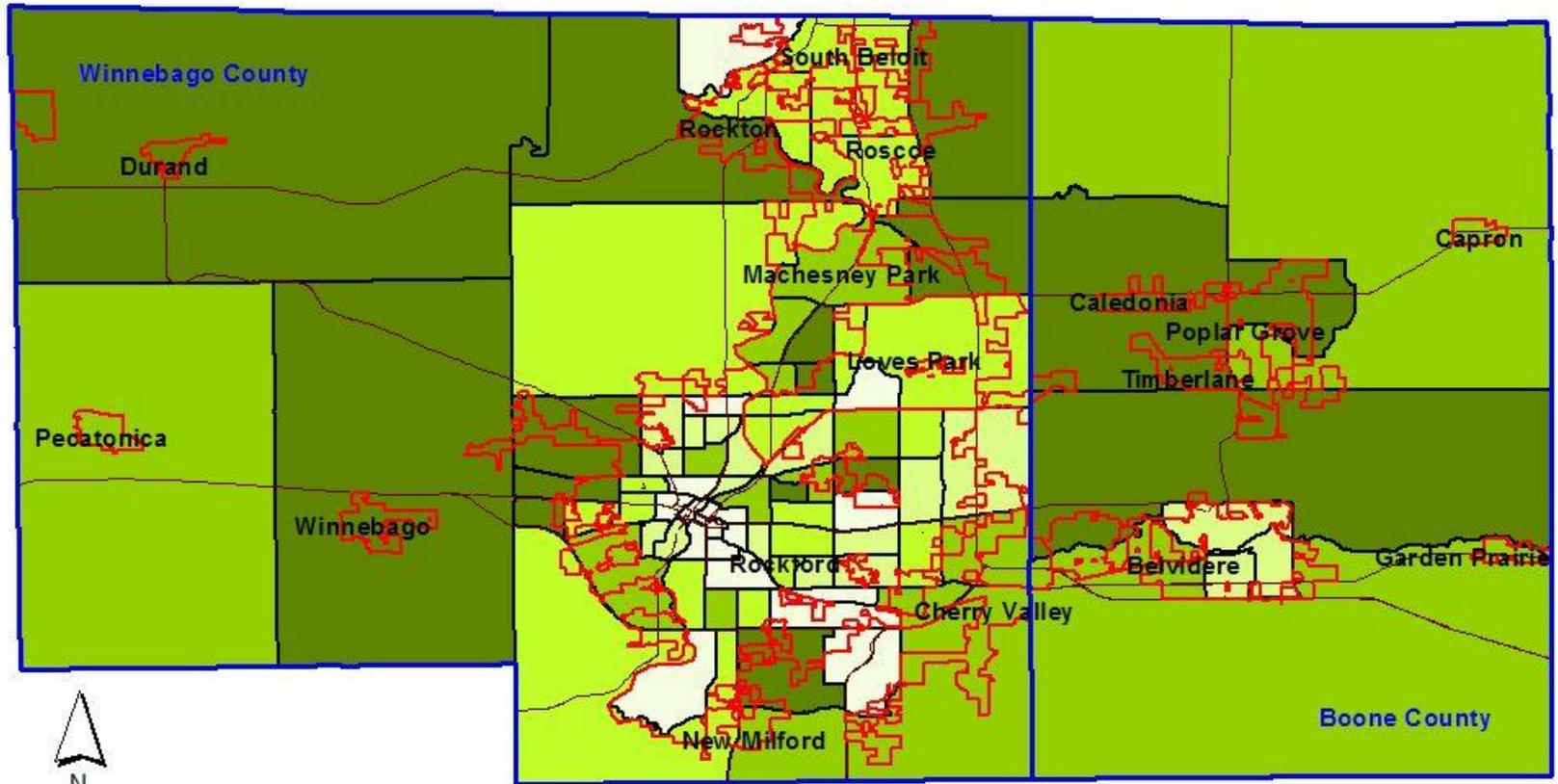
Source: 2007-2011 American Community Survey

Table 1.20
Tenure by Race in Boone and Winnebago Counties, 2007-2011

Tenure by Race	Owner-Occupied		Renter-occupied	
	Number	Percent	Number	Percent
Boone County				
White	14,058	84.5%	2,579	15.5%
African-American	220	50.7%	214	49.3%
Hispanic	1,480	65.5%	779	34.5%
Winnebago County				
White	70,564	74.0%	24,766	26.0%
African-American	4,568	35.0%	8,486	65.0%
Hispanic	4,482	58.2%	3,226	41.8%

Source: 2007-2011 American Community Survey

Map 1.14: Percent Single-Family Housing Units, 2007-2011

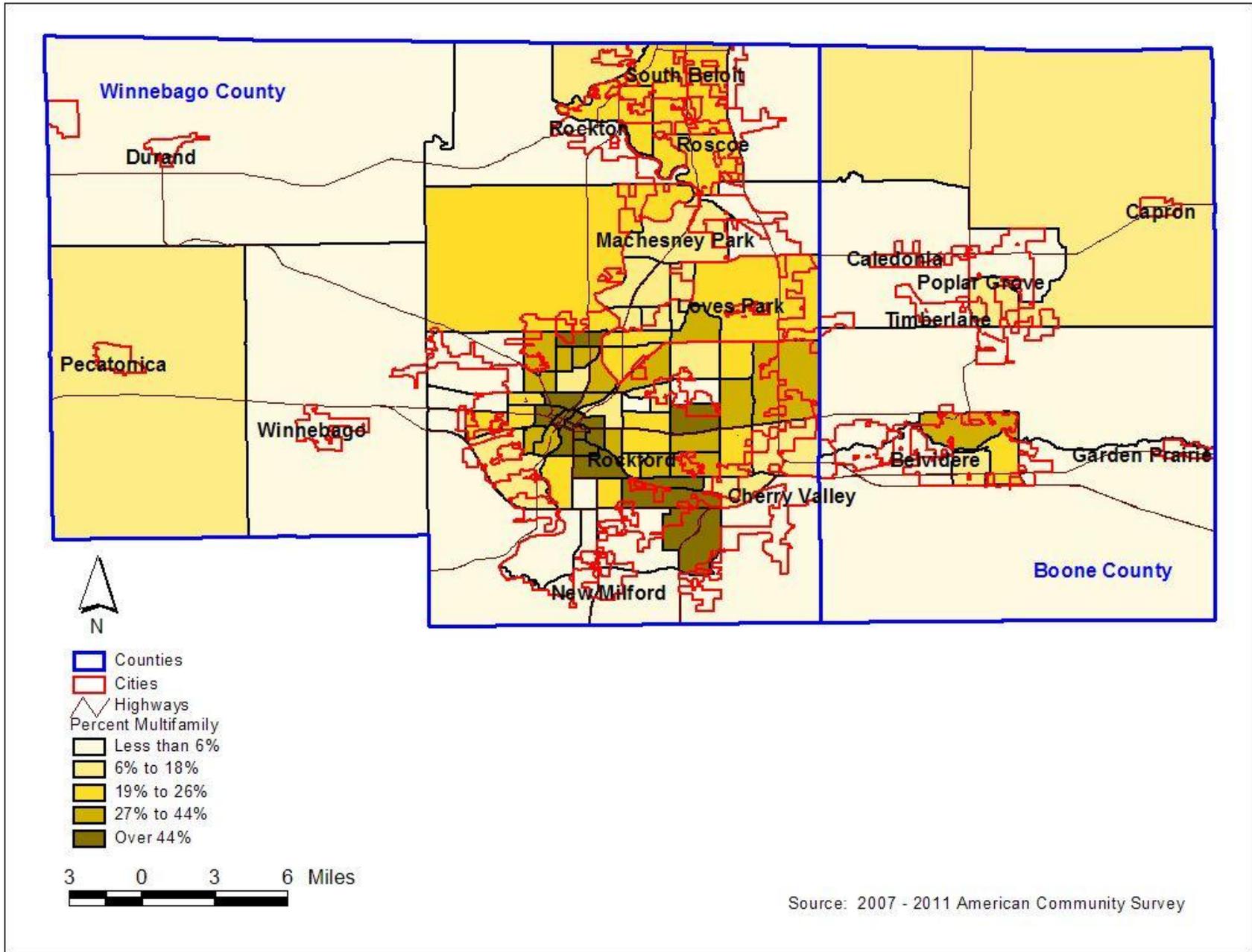


-  Counties
-  Cities
-  Highways
- Percent Single-family
 -  55% or Less
 -  56% to 73%
 -  74% to 81%
 -  82% to 90%
 -  More than 90%

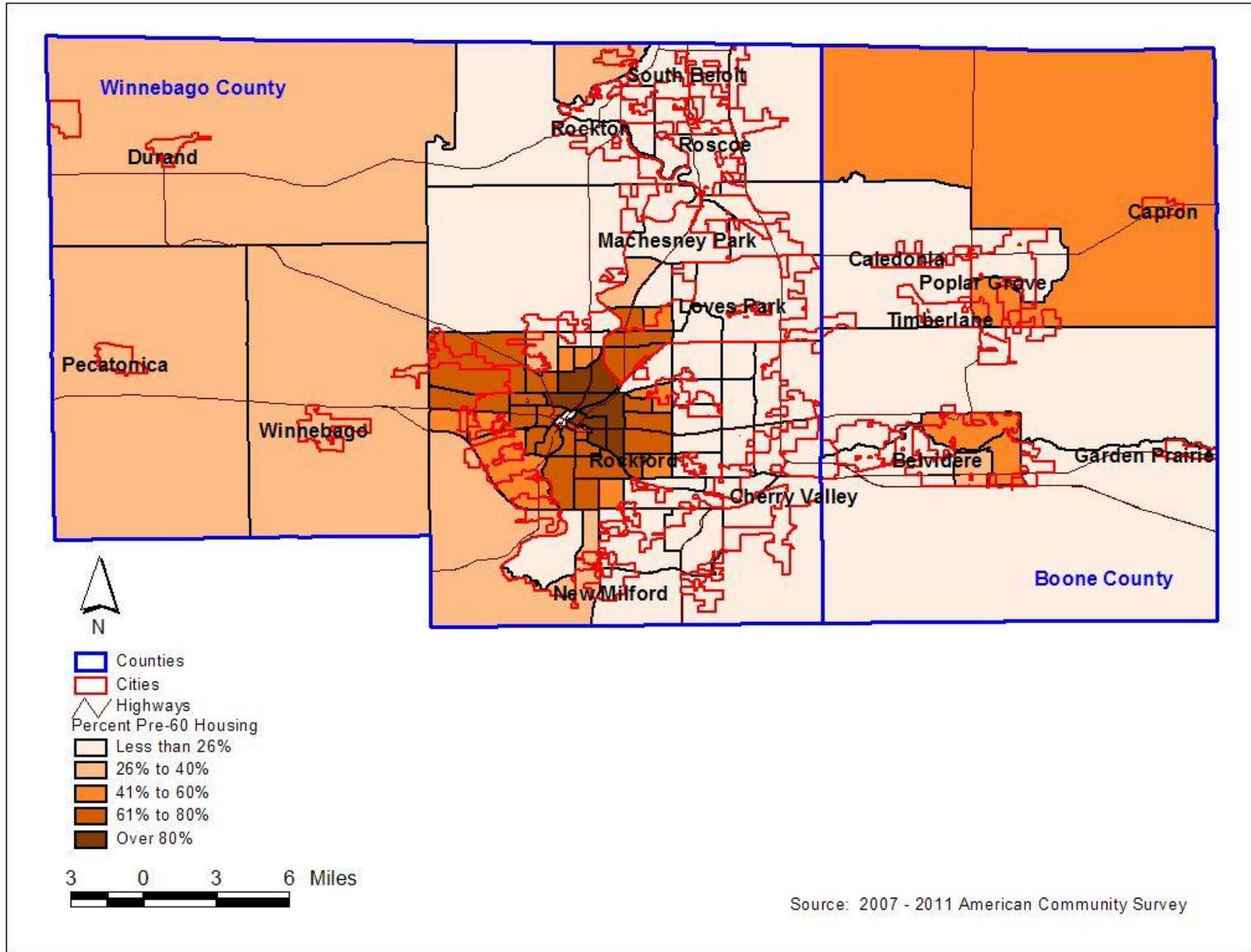


Source: 2007 - 2011 American Community Survey

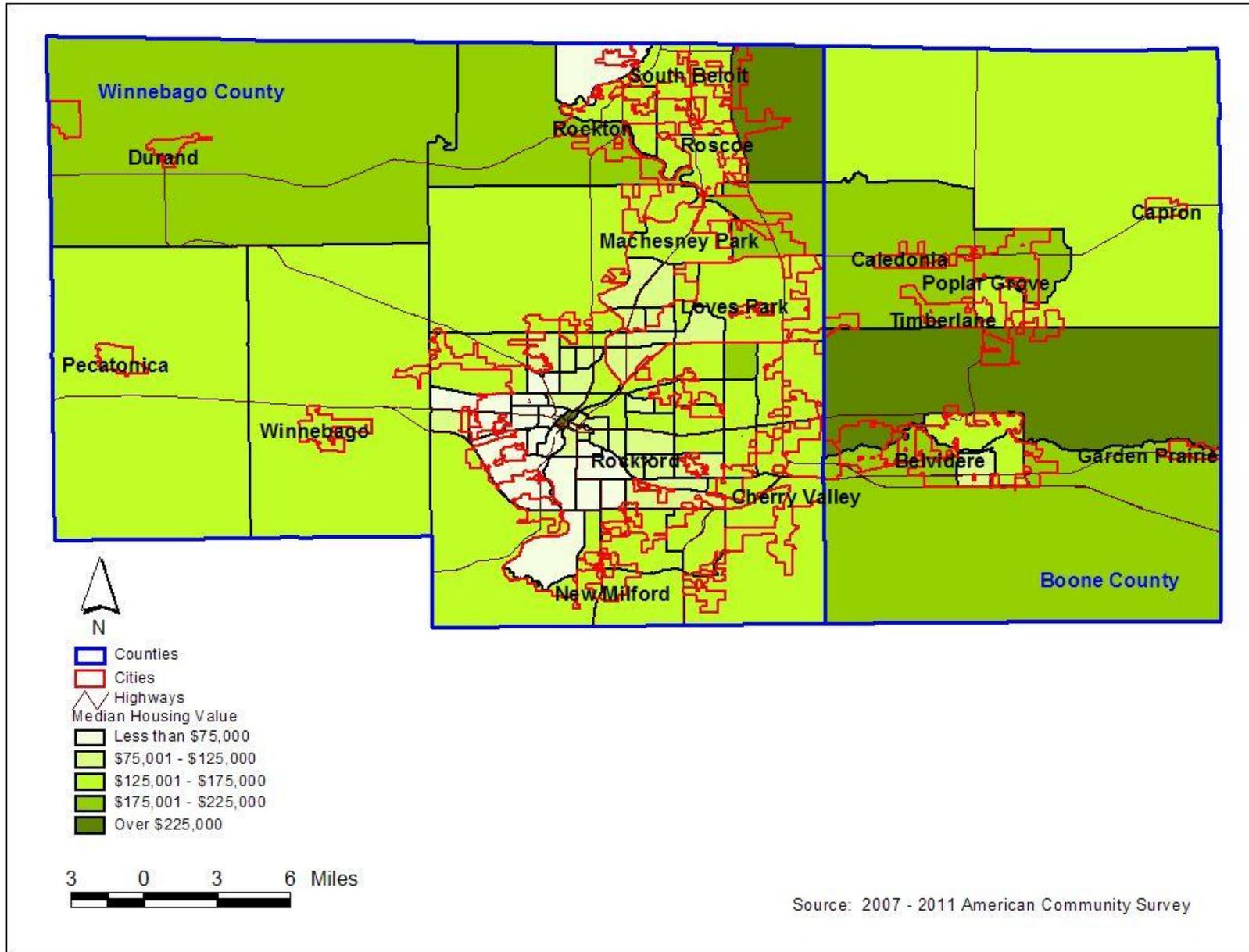
Map 1.15: Percent Multifamily Housing Units, 2007-2011



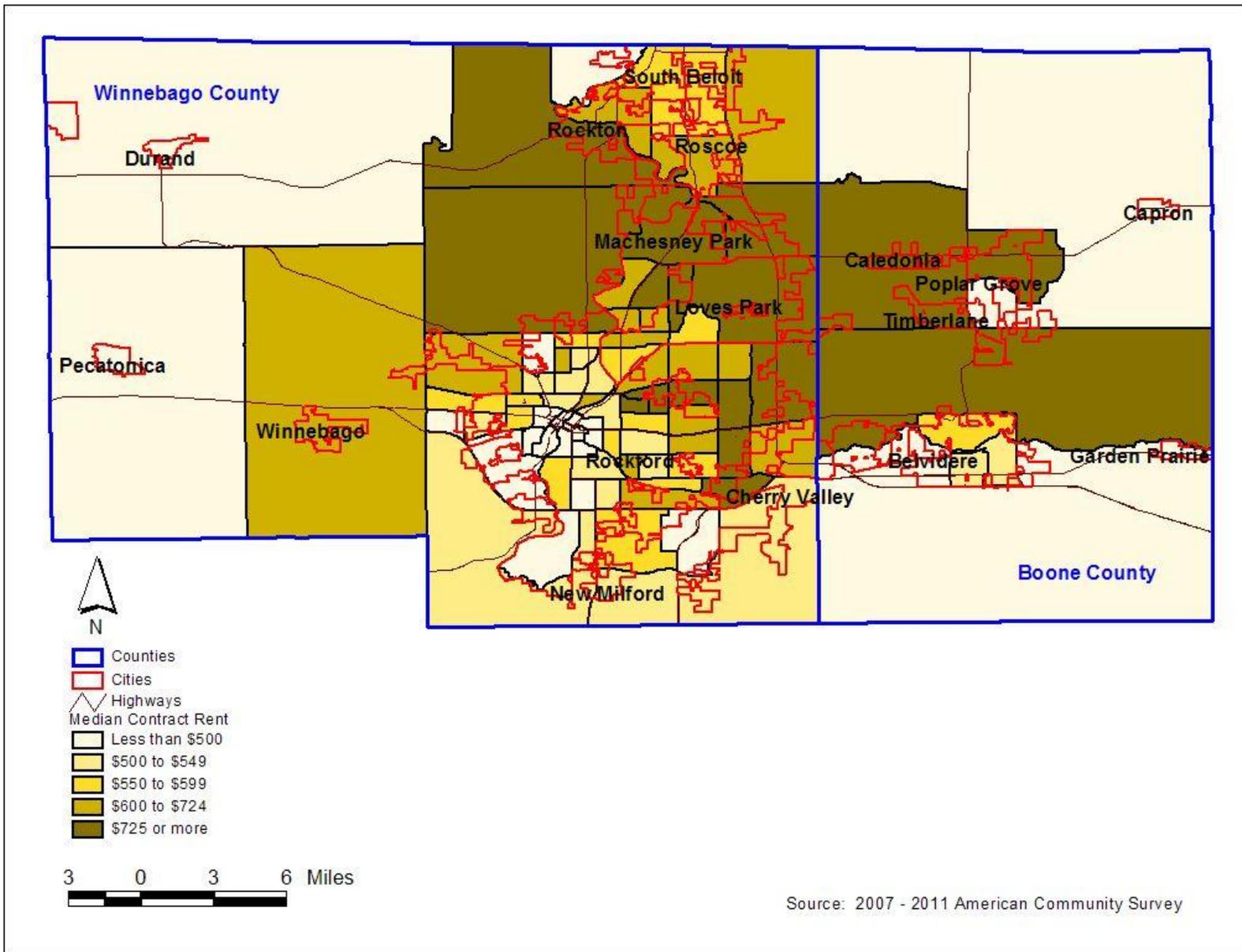
Map 1.16: Percent Pre-1960 Housing Stock



Map 1.17: Median Housing Value, 2007-2011



Map 1.18: Median Contract Rent, 2007-2011



Cities

According to the 2010 U.S. Census, Rockford had 68,159 housing units, of which 8,553 or 12.5 percent of units were reported to be vacant. Loves Park, the second largest city in the two counties, had 10,042 housing units, 875 of which (8.7%) were vacant. Vacancy rates in the other cities and villages in the two counties ranged from 2.4 percent to 9.7 percent.

According to the 2007-2011 ACS estimates (5-year average) shown in Table

Over 47 percent of housing units in Rockford were owner-occupied and 12.5 percent were vacant.

1.21 below, of the 68,159 housing units in Rockford, 47.3 percent were owner-occupied, 35.7 percent were renter-occupied, and the remaining 12.5 percent were vacant. Rockford was the only city in the two counties where owner-occupancy rates were below 50 percent. In the other cities and villages, owner-occupancy rates ranged from 65.4 percent in Roscoe to 92.5 percent in Timberlane.

Table 1.21
Tenure for housing for Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Owner-occupied		Renter-occupied		Vacant		Total
	Number	Percent	Number	Percent	Number	Percent	Number
Boone Co.	14,912	74.7%	3,593	18.0%	1,465	7.3%	19,970
Winnebago Co.	79,345	63.0%	36,156	28.7%	10,464	8.3%	125,965
Belvidere	6,267	66.0%	2,311	24.3%	924	9.7%	9,502
Caledonia	60	85.7%	4	5.7%	6	8.6%	70
Cherry Valley	1,054	70.5%	383	25.6%	58	3.9%	1,495
Loves Park	6,576	65.5%	2,591	25.8%	875	8.7%	10,042
Machesney Park	7,231	77.2%	1,676	17.9%	463	4.9%	9,370
New Milford	247	72.2%	59	17.3%	36	10.5%	342
Poplar Grove	1,676	83.6%	208	10.4%	121	6.0%	2,005
Rockford	32,258	47.3%	24,348	35.7%	8,553	12.5%	68,159
Roscoe	2,550	65.4%	1,029	26.4%	322	8.3%	3,901
Timberlane	335	92.5%	0	0.0%	27	7.5%	362
Winnebago	957	84.8%	144	12.8%	27	2.4%	1,128

Source: 2007-2011 American Community Survey

Table 1.22 on the following page shows that of all housing units in Rockford, 60.3 percent were categorized as single-family detached,

Sixty percent of housing units in Rockford are single-family detached.

3.5 percent as single-family attached, 18.2 percent contained two to four units, 17.4 percent as multifamily, and 0.5 percent as mobile home or other between 2007 and 2011. Rockford, Belvidere, and Cherry Valley were the only three communities within the two counties where the percentage of units in the multifamily category exceeded 10 percent of all units. In New Milford, over 41 percent of housing units were mobile homes or other. In Caledonia 98.6 percent of homes were single-family detached and as were 100 percent in Timberlane.

Table 1.22
Housing type for Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Single-family Detached		Single-family Attached		2-4 Units		Multifamily		Mobile Home or Other		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Boone Co.	15,561	78.5%	533	2.7%	1,262	6.4%	1,082	5.5%	1,384	7.0%	19,822
Winnebago Co.	86,885	69.1%	3,890	3.1%	16,480	13.1%	16,024	12.7%	2,456	2.0%	125,735
Belvidere	6,206	65.3%	230	2.4%	975	10.3%	1,006	10.6%	1,085	11.4%	9,502
Caledonia	69	98.6%	1	1.4%	0	0.0%	0	0.0%	0	0.0%	70
Cherry Valley	1,056	70.6%	107	7.2%	40	2.7%	292	19.5%	0	0.0%	1,495
Loves Park	6,363	63.4%	764	7.6%	1,508	15.0%	843	8.4%	564	5.6%	10,042
Machesney Park	8,287	88.4%	51	0.5%	399	4.3%	436	4.7%	197	2.1%	9,370
New Milford	189	55.3%	0	0.0%	10	2.9%	0	0.0%	143	41.8%	342
Poplar Grove	1,512	75.4%	107	5.3%	186	9.3%	7	0.3%	193	9.6%	2,005
Rockford	41,115	60.3%	2,381	3.5%	12,432	18.2%	11,893	17.4%	338	0.5%	68,159
Roscoe	2,430	62.3%	162	4.2%	985	25.2%	185	4.7%	139	3.6%	3,901
Timberlane	362	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	362
Winnebago	1,063	94.2%	6	0.5%	20	1.8%	39	3.5%	0	0.0%	1,128

Source: 2007-2011 American Community Survey

As shown in 1.23 on the following page, 49.9 percent of housing units in Rockford and 64.3 percent of housing units in Caledonia were built prior to 1960. Thirty-six percent of the housing stock in Belvidere was built prior to 1960. These cities had a higher percentage of older housing stock compared to other cities in the county. Seventy-five percent of the housing stock in Timberlane was built after 2000.

Almost half of housing units in Rockford were built prior to 1960, leading to concerns about lead-based paint and housing conditions.

Table 1.24 on the following page shows median housing values and median contract rents in various cities in Boone and Winnebago Counties between 2007 and 2011.

Table 1.23
Age of Housing Stock for Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Built After 2000		Built between 1960 and 2000		Built Before 1960		Total
	Number	Percent	Number	Percent	Number	Percent	Number
Boone Co.	4,973	25.1%	9,550	48.2%	5,299	26.7%	19,822
Winnebago Co.	14,147	11.3%	62,982	50.1%	48,606	38.7%	125,735
Belvidere	1,880	19.8%	4,206	44.3%	3,416	36.0%	9,502
Caledonia	0	0.0%	25	35.7%	45	64.3%	70
Cherry Valley	403	27.0%	752	50.3%	340	22.7%	1,495
Loves Park	2,194	21.8%	5,250	52.3%	2,598	25.9%	10,042
Machesney Park	1,209	12.9%	5,592	59.7%	2,569	27.4%	9,370
New Milford	88	25.7%	191	55.8%	63	18.4%	342
Poplar Grove	1,083	54.0%	650	32.4%	272	13.6%	2,005
Rockford	4,647	6.8%	29,473	43.2%	34,039	49.9%	68,159
Roscoe	1,760	45.1%	1,879	48.2%	262	6.7%	3,901
Timberlane	272	75.1%	78	21.5%	12	3.3%	362
Winnebago	86	7.6%	742	65.8%	300	26.6%	1,128

Source: 2007-2011 American Community Survey

The median housing value in Rockford was \$109,500. Highest values were found in Poplar Grove at \$192,900. The median contract rent in Rockford was \$551 and in Belvidere it was \$566. Highest rents were found in New Milford at \$924 and Poplar Grove at \$851.

Table 1.24
Median Housing Value and Median Contract Rent for Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Median Housing Value	Median Contract Rent
Boone Co.	\$171,300	\$580
Winnebago Co.	\$129,200	\$567
Belvidere	\$132,100	\$566
Caledonia	\$159,200	-
Cherry Valley	\$181,800	\$605
Loves Park	\$123,700	\$621
Machesney Park	\$122,500	\$680
New Milford	\$92,600	\$924
Poplar Grove	\$192,900	\$851
Rockford	\$109,500	\$551
Roscoe	\$174,100	\$802
Timberlane	\$122,500	-
Winnebago	\$152,600	\$677

Source: 2007-2011 American Community Survey

Boone and Winnebago Counties

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2005 through 2009, duplicated in Table 1.25, on the following pages, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households in the Rockford MSA. The table indicates that nearly 60 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and almost 66 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Further, nearly 11 percent of very low-income renters and almost 10 percent of very low-income homeowners pay between 30 and 50 percent of their incomes on housing expenses. Paying more than 30 percent on housing expenses is considered “Cost Burdened” and paying more than 50 percent on housing expenses is considered “Severely Cost Burdened”.

Sixty percent of very low-income renter households in the Rockford MSA are cost burdened paying more than 50 percent of their incomes on housing expenses.

Looking at households earning between 31 percent and 50 percent of the median family income, over 22 percent of low-income renters and 31.5 percent of low-income homeowners pay more than 50 percent on housing expenses. Also, over 42 percent of renters and over 33 percent of homeowners are paying between 30 and 50 percent on housing expenses in the Rockford MSA.

According to the 2005-2009 ACS estimates, 18.6 percent of renter households in the MSA and 17 percent of homeowner households paid more than 30 percent of their household income towards rent, with 22 percent of renter households and about 10 percent of homeowner households paying more than 50 percent on housing expenses.

In Boone County, over 75 percent of very low-income homeowner households and 54 percent of very low-income renter households paid more than 50 of their incomes on housing expenses. The data also show that more than 48 percent of homeowner

households earning between 60.1 and 80 percent of the median household income paid more than 30 percent on housing expenses. Over 45 percent of renter households earning between 50.1 and 60 percent of the median household income paid more than 30 percent on housing expenses.

In Winnebago County, cost burden data show similar impacts on very low-income households, with over 64 percent of homeowner households and 56 percent of renter households paying more than 50 percent of their incomes on housing expenses.

Data in Table 1.26 show cost burdens and severe cost burdens by household type in the Rockford MSA, Boone County, and Winnebago County. Large families typically experience the largest percentages living with cost burdens. In the MSA, 23.5 percent of owner large families pay more than 30 percent on housing expenses. Almost 33 percent of large family renter households pay more than 30 percent and over 29 percent pay more than 50 percent on housing expenses. These numbers are reflected in Boone and Winnebago Counties as well. Almost 40 percent of large renter families in Boone pay more than 30 percent and 46 percent pay more than 50 percent. In Winnebago County, over 31 percent of large renter families pay more than 30 percent and 26 percent pay more than 50 percent.

Forty-six percent of large family renter households pay more than 50 percent of their incomes on housing expenses in the MSA.

Table 1.25: Cost Burden by Tenure and Household Income

Rockford MSA

Tenure	Household Income	Cost Burdened	Percent Cost Burdened	Severely Cost Burdened	Percent Severely Cost Burdened	Total
Owner	<=30% AMI	550	9.8%	3,695	65.8%	5,615
	>95% AMI	4,910	8.8%	290	0.5%	55,945
	30.1-50% AMI	2,830	32.6%	2,730	31.5%	8,675
	50.1-60% AMI	1,625	33.1%	1,080	22.0%	4,910
	60.1-80% AMI	3,850	34.7%	975	8.8%	11,095
	80.1-95% AMI	2,130	29.9%	180	2.5%	7,125
Owner Total		15,895	17.0%	8,950	9.6%	93,365
Renter	<=30% AMI	1,060	10.5%	5,615	55.9%	10,050
	>95% AMI	120	1.8%	4	0.1%	6,604
	30.1-50% AMI	3,090	42.2%	1,650	22.6%	7,315
	50.1-60% AMI	940	33.5%	120	4.3%	2,810
	60.1-80% AMI	695	16.6%	90	2.2%	4,185
	80.1-95% AMI	315	12.8%	0	0.0%	2,470
Renter Total		6,220	18.6%	7,479	22.4%	33,434
Grand Total		22,115	17.4%	16,429	13.0%	126,799

Boone County

Tenure	Household Income	Cost Burdened	Percent Cost Burdened	Severely Cost Burdened	Percent Severely Cost Burdened	Total
Owner	<=30% AMI	40	4.8%	635	75.6%	840
	>95% AMI	1,110	12.9%	50	0.6%	8,620
	30.1-50% AMI	330	32.5%	335	33.0%	1,015
	50.1-60% AMI	160	30.2%	185	34.9%	530
	60.1-80% AMI	740	48.7%	300	19.7%	1,520
	80.1-95% AMI	385	41.6%	15	1.6%	925
Owner Total		2,765	20.6%	1,520	11.3%	13,450
Renter	<=30% AMI	90	10.8%	450	53.9%	835
	>95% AMI	0	0.0%	0	0.0%	405
	30.1-50% AMI	255	34.9%	80	11.0%	730
	50.1-60% AMI	160	45.1%	0	0.0%	355
	60.1-80% AMI	30	7.6%	0	0.0%	395
	80.1-95% AMI	185	41.6%	0	0.0%	445
Renter Total		720	22.7%	530	16.7%	3,165
Grand Total		3,485	21.0%	2,050	12.3%	16,615

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables from ACS, 2005-2009

Table 1.25: Cost Burden by Tenure and Household Income, cont.

Winnebago County

Tenure	Household Income	Cost Burdened	Percent Cost Burdened	Severely Cost Burdened	Percent Severely Cost Burdened	Total
Owner	<=30% AMI	510	10.7%	3,060	64.1%	4,775
	>95% AMI	3,800	8.0%	240	0.5%	47,325
	30.1-50% AMI	2,500	32.6%	2,395	31.3%	7,660
	50.1-60% AMI	1,465	33.4%	895	20.4%	4,380
	60.1-80% AMI	3,110	32.5%	675	7.0%	9,575
	80.1-95% AMI	1,745	28.1%	165	2.7%	6,200
Owner Total		13,130	16.4%	7,430	9.3%	79,915
Renter	<=30% AMI	970	10.5%	5,165	56.0%	9,215
	>95% AMI	120	1.9%	4	0.1%	6,199
	30.1-50% AMI	2,835	43.1%	1,570	23.8%	6,585
	50.1-60% AMI	780	31.8%	120	4.9%	2,455
	60.1-80% AMI	665	17.5%	90	2.4%	3,790
	80.1-95% AMI	130	6.4%	0	0.0%	2,025
Renter Total		5,500	18.2%	6,949	23.0%	30,269
Grand Total		18,630	16.9%	14,379	13.0%	110,184

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables from ACS, 2005-2009

Table 1.26: Cost Burden by Tenure and Household Type

**Rockford
MSA**

Tenure	Household Type	Cost Burdened	Percent Cost Burdened	Severely Cost Burdened	Percent Severely Cost Burdened	Total
Owner	Large family	2,255	23.5%	835	8.7%	9,605
	Non-family, elderly	2,185	21.4%	2,265	22.2%	10,215
	Non-family, non-elderly	2,910	22.7%	1,845	14.4%	12,800
	Small family, elderly	1,915	13.4%	1,105	7.7%	14,290
	Small family, non-elderly	6,965	15.0%	3,140	6.8%	46,450
Owner Total		16,230	17.4%	9,190	9.8%	93,360
Renter	Large family	775	32.8%	695	29.4%	2,365
	Non-family, elderly	870	19.5%	1,030	23.0%	4,470
	Non-family, non-elderly	1,960	16.1%	2,705	22.2%	12,195
	Small family, elderly	445	31.1%	105	7.3%	1,429
	Small family, non-elderly	2,715	20.9%	3,445	26.6%	12,970
Renter Total		6,765	20.2%	7,980	23.9%	33,429
Grand Total		22,995	18.1%	17,170	13.5%	126,789

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables from ACS, 2005-2009

Table 1.26: Cost Burden by Tenure and Household Type, cont.

Boone County

Tenure	Household Type	Cost Burdened	Percent Cost Burdened	Severely Cost Burdened	Percent Severely Cost Burdened	Total
Owner	Large family	740	34.7%	330	15.5%	2,130
	Non-family, elderly	340	30.1%	295	26.1%	1,130
	Non-family, non-elderly	385	28.0%	295	21.5%	1,375
	Small family, elderly	325	15.9%	110	5.4%	2,045
	Small family, non-elderly	1,080	15.9%	635	9.4%	6,775
Owner Total		2,870	21.3%	1,665	12.4%	13,455
Renter	Large family	155	39.7%	180	46.2%	390
	Non-family, elderly	60	16.2%	30	8.1%	370
	Non-family, non-elderly	115	12.8%	115	12.8%	895
	Small family, elderly	135	48.4%	15	5.4%	279
	Small family, non-elderly	390	31.5%	295	23.8%	1,240
Renter Total		855	26.9%	635	20.0%	3,174
Grand Total		3,725	22.4%	2,300	13.8%	16,629

Winnebago County

Tenure	Household Type	Cost Burdened	Percent Cost Burdened	Severely Cost Burdened	Percent Severely Cost Burdened	Total
Owner	Large family	1,515	20.3%	505	6.8%	7,475
	Non-family, elderly	1,845	20.3%	1,970	21.7%	9,085
	Non-family, non-elderly	2,525	22.1%	1,550	13.6%	11,425
	Small family, elderly	1,590	13.0%	995	8.1%	12,245
	Small family, non-elderly	5,885	14.8%	2,505	6.3%	39,675
Owner Total		13,360	16.7%	7,525	9.4%	79,905
Renter	Large family	620	31.4%	515	26.1%	1,975
	Non-family, elderly	810	19.8%	1,000	24.4%	4,100
	Non-family, non-elderly	1,845	16.3%	2,590	22.9%	11,300
	Small family, elderly	310	27.0%	90	7.8%	1,150
	Small family, non-elderly	2,325	19.8%	3,150	26.9%	11,730
Renter Total		5,910	19.5%	7,345	24.3%	30,255
Grand Total		19,270	17.5%	14,870	13.5%	110,160

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables from ACS, 2005-2009

As shown in Table 1.27, below, 39.1 percent of owner households in Boone County were cost burdened and 32.8 percent of the owner households in Winnebago County were cost burdened.

Table 1.27
Owner Housing Costs as a Percent of Household Income in Boone and Winnebago Counties, 2007-2011

Housing Costs as a Percentage of Household Income	Boone County		Winnebago County	
	Number of Owner of Households	Cost Burden 30%	Number of Owner of Households	Cost Burden 30%
With a Mortgage				
Less than \$20,000	533		3,265	
Less than 30.0 Percent	0		77	
30.0 Percent or More	533	100.0%	3,188	97.6%
\$20,000 to \$34,999	822		6,399	
Less than 30.0 Percent	10		766	
30.0 Percent or More	812	98.8%	5,633	88.0%
\$35,000 to \$49,999	1,217		7,216	
Less than 30.0 Percent	257		3,002	
30.0 Percent or More	960	78.9%	4,214	58.4%
\$50,000 or More	8,636		38,292	
Less than 30.0 Percent	6,564		33,220	
30.0 Percent or More	2,072	24.0%	5,072	13.2%
Total Owner Households	11,208		55,172	
Less than 30.0 Percent	6,831		37,065	
30.0 Percent or More	4,377	39.1%	18,107	32.8%
Not Mortgaged				
Less than \$20,000	523		3,929	
Less than 30.0 Percent	154		1,362	
30.0 Percent or More	369	70.6%	2,567	65.3%
\$20,000 to \$34,999	740		5,030	
Less than 30.0 Percent	553		4,316	
30.0 Percent or More	187	25.3%	714	14.2%
\$35,000 to \$49,999	644		3,872	
Less than 30.0 Percent	627		3,757	
30.0 Percent or More	17	2.6%	115	3.0%
\$50,000 or More	1,642		9,285	
Less than 30.0 Percent	1,629		9,249	
30.0 Percent or More	13	0.8%	36	0.4%
Total Owner Households	3,549		22,116	
Less than 30.0 Percent	3,180		18,684	
30.0 Percent or More	586	16.5%	3,432	15.5%

Source: 2007-2011 American Community Survey

Overall, African Americans and Hispanics in particular, face a number of demographic concerns that typically impact housing choice and affordability negatively in the county. One of the most revealing indicators that minorities lag far behind Whites in obtaining housing of their choice is in the category of homeownership. The homeownership rate among Whites in Boone County was 84.5 percent, 33.8 percentage points higher than African-Americans at 50.7 percent and in Winnebago County the White homeownership rate was 74 percent, 39 percentage points higher than that of African-Americans, reporting a homeownership rate of 35 percent.

Cities

According to the 2007-2011 ACS estimates shown in Table 1.28, below, 52.1 percent of renter households in Rockford paid more than 30 percent of their household income towards rent and 29.4 percent of renter households paid more than 50 percent of their household income towards rent. Almost 47 percent of renter households in Belvidere paid more than 30 percent of their household income towards rent and 21.5 percent of renter households paid more than 50 percent of their household income towards rent during the five-year period.

Table 1.28

Gross Rent as a Percent of Household Income in Cities in Boone and Winnebago Counties, 2007-2011

County, City, or Village	Less than 30.0 Percent		30.0 Percent or More		50.0 Percent or More		Not Computed	Total
	Number	Percent	Number	Percent	Number	Percent	Number	Number
Boone Co.	1,346	44.7%	1,403	46.6%	660	21.9%	262	3,011
Winnebago Co.	14,753	42.1%	17,070	48.8%	9,250	26.4%	3,187	35,010
Belvidere	1,044	45.2%	1,075	46.5%	497	21.5%	192	2,311
Caledonia	2	50.0%	0	0.0%	0	0.0%	2	4
Cherry Valley	257	67.1%	82	21.4%	49	12.8%	44	383
Loves Park	1,249	48.2%	1,136	43.8%	390	15.1%	206	2,591
Machesney Park	822	49.0%	736	43.9%	423	25.2%	118	1,676
New Milford	55	93.2%	0	0.0%	0	0.0%	4	59
Poplar Grove	59	28.4%	138	66.3%	30	14.4%	11	208
Rockford	9,376	38.5%	12,678	52.1%	7,157	29.4%	2,294	24,348
Roscoe	582	56.6%	427	41.5%	202	19.6%	20	1,029
Timberlane	0	0.0%	0	0.0%	0	0.0%	0	0
Winnebago	64	44.4%	80	55.6%	30	20.8%	0	144

Source: 2007-2011 American Community Survey

As shown in Table 1.29, below, 30.6 percent of owner households in Rockford paid more than 30 percent on housing expenses and 11.9 percent of the owner households were paid more than 50 percent of their incomes on housing expenses. In Belvidere, 35.9 percent of owner households paid more than 30 percent on housing expenses and 11.6 percent of the owner households were paid more than 50 percent of their incomes on housing expenses.

Table 1.29
 Owner Housing Costs as a Percent of Household Income in Cities in Boone and Winnebago Counties,
 2007-2011

County, City, or Village	Less than 30.0 Percent		30.0 Percent or More		50.0 Percent or More		\$0 or No Income	Total
	Number	Percent	Number	Percent	Number	Percent	Number	Number
Boone Co.	9,794	65.5%	4,963	33.2%	1,788	12.0%	192	14,949
Winnebago Co.	55,749	71.5%	21,539	27.6%	7,741	9.9%	717	78,005
Belvidere	3,983	63.6%	2,251	35.9%	730	11.6%	33	6,267
Caledonia	54	90.0%	6	10.0%	1	1.7%	0	60
Cherry Valley	728	69.1%	395	37.5%	143	13.6%	14	1,054
Loves Park	4,981	75.7%	1,566	23.8%	572	8.7%	29	6,576
Machesney Park	5,363	74.2%	1,774	24.5%	653	9.0%	94	7,231
New Milford	184	74.5%	52	21.1%	19	7.7%	11	247
Poplar Grove	956	57.0%	571	34.1%	212	12.6%	149	1,676
Rockford	24,049	68.2%	10,806	30.6%	4,199	11.9%	403	35,258
Roscoe	1,843	72.3%	679	26.6%	157	6.2%	28	2,550
Timberlane	221	66.0%	114	34.0%	26	7.8%	0	335
Winnebago	798	83.4%	155	16.2%	69	7.2%	4	957

Source: 2007-2011 American Community Survey

Similar to the trends in the overall county, African Americans and Hispanics in the cities of Boone and Winnebago Counties, face a number of demographic concerns that typically impact housing choice and affordability negatively. One of the most revealing indicators that minorities lag far behind Whites in obtaining housing of their choice is in the category of homeownership. In Rockford, the homeownership rate among Whites was 66.1 percent, 33.4 percentage points higher than African-Americans at 32.7 percent. In Belvidere, the homeownership rate among Whites was 75.4 percent, 34 percentage points higher than African-Americans at 41.4 percent.

SECTION 02

FAIR HOUSING LAW, PUBLIC POLICY, ENTITLEMENT AND PHA
PROGRAM, COMPLAINT ANALYSIS

Section 2: Fair Housing Law, Court Case, Public Policies and Regulatory Analysis

Introduction

It is important to examine how jurisdictions in the Rockford Metropolitan Agency for Planning (RMAP) Region's laws, regulations, policies and procedures will ultimately affect fair housing choice and social equity. Fair housing choice is defined generally as the ability of people with similar incomes to have similar access to location, availability and quality of housing. Therefore, impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing.

The first part of this section, Section 2.1, will address the existing statutory and case law that work to remove impediments and promote fair housing choice. The Federal Fair Housing Act can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Relevant judicial court case decisions pertaining to fair housing were reviewed and are incorporated in the analysis. Other related regulations and case law that provide further interpretation, understanding, and support to the Federal Fair Housing Act were considered and will also be discussed.

The City of Rockford and the State of Illinois have enacted fair housing legislation substantially equivalent to Federal Fair Housing Law. Therefore, our analysis of applicable fair housing laws focused on the City of Rockford and State of Illinois Fair Housing Acts. In the analysis the City and State statues were compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed with respect to how they can facilitate fair lending. Section 2.2 summarizes the level of fair housing enforcement activity in the City of Rockford and the RMAP region.

A more difficult, but intertwined, aspect of evaluating barriers to fair housing choice involves an analysis of public policy, programs and regulations that impact the availability of affordable housing. Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for people of all incomes. We examined government subsidies and public funding appropriations used to provide housing assistance for very low- and low-income households. This included an analysis of City of Rockford operated Community Development Block Grant (CDBG), and Home Investment Partnership (HOME) programs and the operations of the Rockford and Winnebago County Housing Authorities provided in Section 2.3. Numerous documents were collected and analyzed to complete this section. The key documents are Consolidated Plans, current and previous Annual Action Plans, and the Consolidated Annual Performance Evaluation Reports (CAPER); Rockford and Winnebago County Housing Authority Annual Plan, Five Year Plan, Administrative policies and Annual Contributions Contract. City and RHA staff also provided information on its current and future initiatives utilizing CDBG funds and other federal grants including HUD Choice Neighborhood Planning Grant Initiative.

Our analysis of development regulations, government advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by city and county governments, advisory boards and commissions and the City of Rockford and Winnebago County Housing Authority Boards.

2.1. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968, and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate on the basis of race, color, sex, religion, national origin, handicap, or familial status. Generally, the Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential

lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
 - ✓ Providing false or misleading information about a housing opportunity,
 - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
 - ✓ Discouraging or refusing to allow a protected class member to inspect available units;
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:
 - ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
 - ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
 - ✓ Advising prospective renters or buyers that they would not meld with the existing residents;
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
 - ✓ Using different provisions in leases or contracts for sale,
 - ✓ Imposing slower or inferior quality maintenance and repair services,
 - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,
 - ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
 - ✓ Evicting minorities, but not whites, for late payments or poor credit;
- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:

- ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
- ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
 - ✓ Implementing a policy that has the effect of excluding a minority area, or
 - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must allow reasonable modifications in the property so people with disabilities can live successfully. Due to the volume of questions and complaints surrounding this aspect of the federal act, in March 2008, the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD) released a joint statement to technically define the rights and obligation of persons with disabilities and housing providers.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. The fine for the first offense can be up to \$11,000; the second offense within a five year period, up to \$27,500; and for a third violation within seven years up to \$55,000.

The prohibition in the Fair Housing Act against advertising that indicates any "preference, limitation or discrimination" has been interpreted to apply not just to the

wording in an advertisement but to the images and human models shown. Ad campaigns may not limit images to include only or mostly models of a particular race, gender, or family type.

As a test to determine if advertising relative to housing and real estate in the local housing market have impediments to fair housing, a review of local advertisements in real estate publications from March and April 2013 was conducted. These types of advertisements cover housing and real estate throughout the region. It should be noted that the time-period is insufficient to conclusively establish a pattern of discrimination. The data does however provide an accurate snapshot of the advertising available, and a general overview of the state of compliance with fair housing law. The advertising, especially those with images of prospective or current residents was reviewed, with a sensitivity toward:

- Advertising with all or predominately models of a single race, gender, or ethnic group;
- Families or children in ad campaigns depicting images of prospective residents;
- Particular racial groups in service roles (maid, doorman, servant, etc.);
- Particular racial groups in the background or obscured locations;
- Any symbol or photo with strong racial, religious, or ethnic associations;
- Advertising campaigns depicting predominately one racial group;
- Campaigns run over a period of time, including a number of different ads, none or few of which include models of other races;
- Ads failing to contain Equal Housing Opportunity (EHO) statements or logos, or contains the statement or logo, but it is not readily visible; and
- Ad campaigns involving group shots or drawings depicting many people, all or almost all of whom are from one racial group.

Publications advertising the sale or rental of housing directed toward persons in the greater Rockford MSA were reviewed including Apartment Finder, The Real Estate Book, and various local real estate sales publications. There were no major concerns revealed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair

Housing Act. Most of the advertisers advertise with the equal housing opportunity logo or slogan. Including the logo helps educate the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and a city or county in that state have a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a county or city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers.

In addition, the process for investigating and conciliating complaints must mirror HUD's. HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. However, this process can be initiated by a phone call. HUD will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent, address and description of the housing involved, and a

concise statement of the facts, including the date of the occurrence, and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within 100 days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or a determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The FHIP certification process is contingent on the type of funding for which the agency is applying. There are four programs to which an agency can apply; Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

Court Decisions

Walker v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. - The *Walker* public housing/Section 8 desegregation litigation began in 1985 when one plaintiff, Debra Walker, sued one Dallas, Texas area suburb, Mesquite. The lawsuit contended that Mesquite's refusal to give its consent for DHA to administer Section 8 certificates within Mesquite violated the 14th Amendment and the other civil rights law prohibiting racial discrimination in housing. The early stage of *Walker* resulted in the entry of the 1987 consent decree involving DHA and HUD without any liability findings. The suit was subsequently amended to bring in DHA, HUD, and the City of Dallas and to provide for a class of Black public housing and Section 8 participants who contended that the Dallas Housing Authority segregated person in public housing by race leading to racial concentrations of African Americans in minority concentrated areas. The suburbs, with the exception of Garland, gave their consent to the operation of DHA's Section 8

program within their jurisdiction and were dismissed from the case. The City of Dallas was subsequently found liable for its role in the segregation of DHA's programs in the Court's 1989 decision, **Walker III**, 734 F. Supp. 1289 (N.D. Tex. 1989).

HUD and DHA were subsequently found liable for knowingly and willingly perpetuating and maintaining racial segregation in DHA's low income housing programs. HUD was found liable not just for its failure to affirmatively further fair housing under the Fair Housing Act but also for purposeful violations of the Fifth Amendment to the U.S. Constitution, Title VI of the 1964 Civil Rights Act, 42 U.S.C. §§ 1981, 1982, and 1983. The district court found that the defendants had the remedial obligation to not only cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

Court orders entered in this case have provided the following desegregation resources:

(a) approximately 9,900 new assisted units have been made available to **Walker** class members.

(b) approximately \$22 million was made available for the creation of housing opportunities in predominantly white areas of the Dallas metroplex.

(c) \$2 million was provided for the operation of a fair housing organization that focused on the problems of low income minority families.

(d) Hope VI funding for 950 units in the West Dallas project.

(e) \$94 million was provided by the City of Dallas for neighborhood equalization and economic development in the public housing project neighborhoods.

(f) \$10 million was provided for mobility counseling to be used in connection with the Settlement Voucher program.

Similar to the Walker case, Young v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing.

The Young case involved 70 plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the segregated black projects, desegregation of the tenant population in previously segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and \$13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

Some of the orders, agreements, and reports from this case that are attached are:

- A. The final judgment that was entered by the Court in 1995,
- B. The order modifying final judgment entered in 2004. This order includes a HUD manual on creating desegregated housing opportunities as exhibit 3 to the order,
- C. The agreement between the plaintiffs and the State of Texas for the last \$4.4 million of the total \$13 million that the State contributed to the neighborhood equalization activities required by the Final Judgment.

At the inception of the Fair Housing Act, insurance companies took the position that they were not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act "applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant." The case was a class action lawsuit brought by eight African-American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family's contention was that the Act was never intended to prohibit insurance

redlining. The appeals Court stated, “Lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable.” A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a \$100 million judgment due to illegally discriminating against black homeowners and predominantly black neighborhoods.

Another case was settled for \$250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes’ real estate agents were accused of steering prospective African-American buyers away from predominantly White neighborhoods and Whites were almost never shown homes in predominantly African-American zip codes.

In 2009 a landmark housing discrimination case was settled between the Connecticut Fair Housing Center and the New Horizons Village Apartments. In this case, the State of Connecticut Office of Protection and Advocacy for Person with Disabilities sued New Horizons Village, an apartment complex which provides independent housing for people with severe physical disabilities. Under the consent decree, New Horizons will no longer be allowed to require tenants to open their private medical records for review and require them to prove they can “live independently”. CT Fair Housing Center stated “The Fair Housing Act is clear that it is impermissible to limit the housing choices of people with disabilities based on stereotypes about their ability to care for themselves; people with disabilities are entitled to the same freedom to choose how and where they want to live as people without disabilities.”

In *County of Edmonds v. Oxford House*, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. The Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In *Oxford House v. Township of Cherry Hill*, 799 F. Supp. 450 (D. N.J. 1991), the federal court rejected a state court ruling that recovering alcoholic and

drug addicted residents in a group home do not constitute a single-family under the Township's zoning ordinance. In *Oxford House-Evergreen v. County of Plainfield*, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the county's conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

"Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination." - was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the *Olmstead* case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with "the most integrated setting" provision of the ADA.

In a historic federal settlement order to resolve a lawsuit brought by the Anti-Discrimination Center (ADC) against Westchester County, NY. Westchester County conducted its own Analysis of Impediment to Fair Housing and did not examine race and its effects on housing choice. Only income was studied from a demographic perspective. Westchester did not believe that racial segregation and discrimination were the most challenging impediments in the County. ADC filed lawsuit against Westchester stating that the entitlement is not taking appropriate steps to identify and overcome impediments of fair housing. The Court stated that grant recipients must consider impediments erected by race discrimination, and if such impediments exist, it must take appropriate action to overcome the effects of the impediments. The settlement order issued in August 2009 found that Westchester had "utterly failed" to meet its affirmatively furthering fair housing obligations throughout a six-year period. All entitlements receiving federal funds must certify that they have and will "affirmatively further fair housing." Because of the tie to federal funds, a false certification can be seen as fraudulent intent. Westchester was ordered to submit an implementation plan

of how it planned to achieve the order's desegregation goals. One major outcome from the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a \$3,000 civil penalty.

In 2005, the Connecticut Commission on Human Rights and Opportunities (CHRO) issued a charge of discrimination on the basis of disability when an apartment manager refused to rent to a person with a disability on the first floor of the complex due to the absence of access ramp. The apartment manager was unwilling to make a modification to add a ramp. The court recognized that the renter has a disability and the defendant knew the fact and refused to make accommodations. The court concluded that the renter was entitled to compensatory and emotional distress damages of \$10,000 and imposed a civil penalty of \$1,000.

In 2007, the 9th Circuit Court of Appeals gave a decision in support of Fair Housing Council of San Fernando Valley that Roommates.com has violated the fair housing laws by matching roommates by gender, sexual orientation, and parenthood. By asking prospective roommates to put in their status on these criteria and allowing prospective roommates to judge them on that basis is a violation of Fair Housing Act.

In 2005, the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle, Texas. The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded garage size, drive up the cost of starter homes by over \$38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances similar to the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them at some later date. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case is pending appeal.

Homelessness and the Fair Housing Act

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or where the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,

- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence, so mistreatment of the homeless is not generally covered by Fair Housing Law. The ability of persons to find affordable housing is a protected right of Fair Housing; therefore the inability of people to find affordable housing which may lead to homelessness, is in conflict with the Fair Housing Law.

Unfair Lending Practices

Unfair lending practices are more difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use this data to help substantiate a discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The U.S. Supreme Court ruled in June 2009 that states may investigate national banks to determine if they have discriminated against minorities seeking home loans. Furthermore states may charge accused violators if found guilty. The new legislation

stemmed from a discrimination investigation of national banks by the New York attorney general. The federal Office of the Comptroller of the Currency (OCC) sought legal action through the courts to stop the attorney general's investigation because legal principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

2.2. Enforcement

It has long been settled that fair housing testing is legal and that non-profits have standing to sue so long as certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

The Department of Housing and Urban Development enforces federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status. The Regional HUD Office in Chicago conducts investigations of fair housing complaints that are reported directly to their office. Illinois is part of HUD's Region V. When the HUD Regional Office investigates complaints of discrimination, an investigator generally spends time in the jurisdiction, on-site, interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. A detailed discussion of the complaints filled with HUD follows in Section 2.5.

When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act and or Illinois Ordinances has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in Federal District Court.

Education and Outreach

The City of Rockford is the only entitlement jurisdiction in the region. The City's Neighborhood Development Division directs fair housing complaints to and makes referrals to HUD for enforcement. This agency is also responsible for conducting public education, training and outreach of fair housing rights and remedies in Rockford. Education of the public regarding the rights and responsibilities afforded by fair housing law is an essential ingredient of fair housing enforcement. This includes outreach and education to the general public, landlords and tenants, housing and financial providers, as well as citizens, concerning fair housing and discrimination. It is important that potential victims and violators of housing and/or lending discrimination law be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, "We do not rent to Hispanics," they may say, "Sorry we do not have any vacancies right now, try again in a few months," when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, "no families with children or minorities allowed" to be discriminatory. A series of ads run over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will probably do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

2.3. Production and Availability of Affordable Units / CDBG Grant Administration

An assessment of characteristics affecting housing production, availability, and affordability in the region, including utilization of CDBG and HOME entitlement grant funding and the adequacy and effectiveness of programs designed and implemented utilizing entitlement funding by the City of Rockford was conducted. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need. We also assessed the extent to which the agencies prioritized funding and utilized programs to address impediments identified in the City's Fair Housing Impediment Analyses conducted prior to FY 2013. The City of Rockford's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation provided by the city were utilized.

The 2012 Consolidated Annual Performance and Evaluation Report submitted to HUD indicated that the City of Rockford received approximately \$2,919,104 in entitlement funding for FY 2012. Total budget for FY 2012 including program income was \$2,993,994.17.

\$ 1,923,517.00	CDBG
\$ 903,029.00	HOME
\$ 41,774.37	CDBG-PROGRAM INCOME
\$ 27,315.77	HOME-PROGRAM INCOME
\$ 92,558.00	ESG
\$ 2,993,994.17	TOTAL

The analyses also included an assessment and evaluation of the City of Rockford and Winnebago County Housing Authorities and their programs' ability to reach their target markets. This included the Rockford Housing Authority's Admissions and Continued Occupancy Policy (ACOP), Strategic Plan 2009 - 2014, 5 Year and 2013 Annual Plan, HUD SEMAP Scores, Area Voucher Payment Standards, Section 8 Administrative Plan, Jane Adams Consent Decree and the Ellis Heights Housing Choice Neighborhood Plan Grant

Applications and preliminary findings for the Ellis Heights and Fair Grounds Areas. The agency documents and reports listed above were also reviewed from the Winnebago County Housing Authority.

2.4. Regulatory and Public Policy Review

The City of Rockford has enacted substantially equivalent fair housing law. Having a local fair ordinance, especially one that is substantially equivalent to the federal Fair Housing Act, exemplifies a jurisdiction's local commitment to enforcing fair housing regulations and it provides public awareness of individuals' rights under the Fair Housing Act. The city and county zoning ordinances, development code and public policies for jurisdictions in the region were examined to reveal any current ordinances or policies that impede fair housing choice. Our analysis determined that land development codes and zoning regulations include allowances through the codes for construction of a variety of types of housing including single family and multifamily housing. The regulations provide for the consideration of variances to development barriers that affect the feasibility of producing housing within the jurisdictions. However, the codes fail to provide requirements or incentives to increase affordable housing or inclusion of affordable housing as a requirement for development permitting.

2.5. Conclusions and Implications for Fair Housing Barriers and Impediments

The City of Rockford has enacted local fair housing law. The State of Illinois has enacted fair housing law that is substantially equivalent to the Federal Fair Housing Act. The City of Rockford Neighborhood Development Division provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights and remedies in Rockford.

Real estate related publications advertising the sale or rental of housing and advertising home improvements and remodeling, directed toward persons in the greater Rockford MSA were reviewed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the

Federal Fair Housing Act. Some advertiser included EHO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons.

The 2012 Consolidated Annual Performance and Evaluation Report submitted to HUD indicated that the City of Rockford received approximately \$2,919,104 in entitlement funding for FY 2012. Total budget for FY 2012 including program income was \$2,993,994.17. One of the most pressing issues faced by the City of Rockford Neighborhood Development Division and the City is neighborhood revitalization of the neighborhoods predominately situated west of the Rock River. These neighborhoods were identified as minority and poverty concentrated areas by RCAP formula and are home to the highest concentrations of public and assisted housing and neighborhood conditions that fall far short of providing an acceptable quality of life and decent and affordable housing for those who live there.

Likewise the Rockford Housing Authority faces similar concerns with the need to de-concentrate and improve the quality of public and assisted housing in those same neighborhoods. Both the Rockford and Winnebago County Housing Authorities face issues with concentrated utilization of Section 8 Program Vouchers in the neighborhoods west of Rock River. Winnebago County Housing Authority has concentrated utilization of its Section 8 Program Vouchers in Rockford City despite the fact that their coverage area is also Winnebago County.

The city and county zoning ordinances and public policies in the RMAP region were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted as a result; however it is recommended that the City of Rockford and jurisdictions throughout the region evaluate "inclusinary or incentivized zoning as a means of increasing the number of affordable housing units and funding for affordable housing initiatives.

SECTION 03

COMMUNITY ENGAGEMENT AND FOCUS GROUPS

Section 3: Community Engagement and Focus Group Sessions

Introduction

This section will report on the results from the community engagement process for the Regional Analysis of Impediments and Fair Housing Equity Assessment. Community engagement included a series of public meetings and focus group sessions hosted by Rockford Metropolitan Agency for Planning (RMAP) and the Rockford Housing Authority (RHA) attended by stakeholders, public housing and Section 8 program residents, and general public. Interviews and meetings were held with city and county officials.

Focus group sessions were held on March 12th, 13th, and 14th, 2013 at the RMAP's Regional Design Center, 315 North Main Street in Rockford and the Boone County Administrative Building, 1212 Logan Avenue in Belvidere with administrators from local colleges, universities, and school districts; non-profit organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; Public Housing Residents Council members, the general public and other community representatives. The Rockford Housing Authority hosted public meeting on August 29th and 30th, 2013 at the RHA offices, 223 Winnebago Street in Rockford and the Oleson Plaza public housing development, 511 North Church Street with the RHA Board of Directors, Residents Council, and public housing residents.

Additional input was received through supplemental interviews with Rockford City staff, City Council Members and Boone and Winnebago County and suburban city government representatives. Attendees were gathered through invitations sent to select resident and community leaders, organizations, industry professionals and public officials and a public meeting notices published in the local newspaper. At each focus group session, general issues related to the housing market, neighborhoods and concerns pertaining to fair housing choice were discussed. RGMA hosted a series of Open House meetings at their Regional Design Center on October 16th, 17th, and 18th, 2013 for interested parties to review and provide input on the overall Sustainable Communities Planning Grant Initiative including the RAI and the FHEA.

It should be noted that the comments summarized in this section represent the comments and views of the community engagement participants and those participating in supplemental interviews. JQUAD has made every effort to document all comments as a matter of record, and to ensure that the comments, as presented on the following pages, have not been altered to reflect our analysis, investigation or substantiation of information obtained during these sessions. Comments and information obtained during interviews were later analyzed and to the extent substantiated or corroborated by the data and analysis, included in Section 06: Impediments and Remedial Actions. Comments from the community engagement participants include the following.

3.1. Concerns and Comments

Social-Economic Conditions

Social-economic issues were of major concern to participants in the focus group sessions, public meetings as well as those persons participating in the supplemental interviews. Frequently mentioned in the focus group sessions and interviews was the perception that seniors were particularly impacted as the supply of affordable housing becomes scarce and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to many local area residents. Others believed the number of persons lacking sufficient income for housing and housing related cost was on the rise, severely impacting housing choice for the lowest income households. Participants indicated that insufficient income and cost burden is not only a concern with regard to social equity and the plight of the elderly and lower income households, but limited incomes are also having an adverse impact on the condition and quality of single family owner occupied housing due to deferred maintenance and residents inability to afford maintenance and utility cost. The impact of a lack of job opportunities, insufficient incomes to afford housing maintenance and their mortgage payments for persons living in the RMAP region were also cited as contributing factors to housing and neighborhood decline.

Focus group participants wanted to have a greater emphasis placed on financial assistance to acquire housing suitable to meet the needs of the evolving demographics

in the region and specific problems faced by residents and the working poor relative to foreclosure and elderly residents on fixed incomes. Participants also felt that increased housing counseling-both pre-purchase and post purchase support was needed to help applicants qualify for financing and to remain current with mortgage payments and home maintenance needs. Increased funding should be identified to provide rental assistance to those needing assistance with rent and utilities and security deposits necessary to initiate a lease. In some instances, homebuyers will need assistance with providing greater down payments and equity investments when buying a home in order to replace the loss of private mortgage insurance. Participants emphasized the need for increased funding for project based rental assistance due to limitations in the Section 8 Vouchers program. HUD established Section 8 fair market rents are often times inadequate to acquire quality multifamily rental housing outside of the City of Rockford and within the areas of the city east of the Rock River.

Housing Supply, Neighborhood Conditions, and Infrastructure and Regulatory Controls

Participants' desired greater emphasis placed on building codes and regulatory controls being utilized to improve housing conditions, cost and accessibility. Participants recommended incorporating energy efficiency and green building standards in construction of affordable housing; the need for infrastructure to support new housing development and emergency repair funding for owner occupied housing. Increased funding for drainage, sidewalks, and increased emphasis on code enforcement were also cited as needs for residents living in the City of Rockford.

Participant emphasized the need to improve the physical condition of public and assisted housing and the neighborhoods surrounding those developments. They were also concerned with the concentration of poverty, racial and ethnic populations, and public and assisted housing in the areas west of the Rock River in Rockford and the impacts of such concentrations on minority neighborhoods. Participants were concerned with the proliferation of vacant lots and legislative barriers to the City of Rockford's ability to recapture and redevelop properties in blighted neighborhoods.

Decreased funding for HUD Entitlement funded programs and public housing initiatives, new units and modernization of existing units were also viewed as primary barriers to affordable housing. Local budgets for infrastructure and regulatory programs such as code enforcement and demolition were also cited as barriers.

Public Policy and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite programs funded by the City of Rockford, some residents appear to be unaware of their rights under fair housing law and that the number of violations reported and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by those who violate the laws. For example, attendees and persons interviewed felt that in some instances, people do not register fair housing complaints for fear of retaliation by their landlords, or if they report violations such as housing code, enforcement will result in higher rents or evictions actions by their landlords.

Participants also felt that residents needed increased access to homebuyer education and counseling when considering purchase of a home and rental housing and tenant's rights counseling and advocacy for renters. They were concerned that first-time home buyers often do not know where to go for help or how to start the process of purchasing a home. Others cited housing barriers faced by the "untouchables", persons such as ex-offenders, convicted sex offenders and others recently discharged from the criminal justice system.

Access to Banking and Financial Institutions Products, and Basic Goods and Services

Predatory lending practices were identified as an issue. Perception were that predatory lenders are absorbing much of the market formerly controlled by FDIC insured banks and other reputable financial institutions and fast becoming lenders of choice in some low income and minority concentrated areas. In other instances, persons facing economic hardships are being preyed upon due to their inability to qualify for traditional

lending and banking services. For example, predatory businesses provide individuals with loans backed by the title to their car or house at relatively high interest rates. Lenders are quick to foreclose in the event the borrower misses a payment. Attendees and persons interviewed were concerned that a growing number of people have fallen prey to subprime loans because they have a poor credit rating or limited to no credit history.

Lending, Foreclosures and the Mortgage Industry

The inability to obtain home mortgages was seen as a barrier that limits housing choice. Criminal background histories and immigration status are relatively new factors contributing to the inability to qualify for home purchases and rental housing leases. Credit issues appeared to be the major barrier, based on focus group participants' comments. Both a lack of qualified applicants and an adequate pool of applicants for mortgages, coupled with the inability of some housing units to qualify based on lending program guidelines were cited as barriers. Participants felt that greater emphasis should be placed on credit counseling and financial literacy being accessible to a broader population including youth and young adults age eighteen to thirty. Greater emphasis should be given to preventing damage to one's credit history and providing a solid foundation that could prevent future financial problems. Persons with a criminal felony record and those convicted of sex crimes are having particular problems finding housing to rent as well as qualifying for mortgages.

Special Needs Housing

Participants were concerned that greater funding be provided for the elderly to age in place, and to provide housing for others in need of special needs housing. Participants cited statistics relative to the growth expected in the elderly population over the next decade which will elevate this problem. Without such funding elderly and disabled persons are sometimes placed in nursing homes prematurely, even though they could otherwise continue to live on their own with some limited assistance or ADA accessibility modifications where they currently reside. Participants were also concerned that limited options exist for persons in need of transitional housing for

persons recently paroled, victims of domestic violence, mentally ill, physically handicapped, and homeless or at risk of becoming homeless. Others cited a need for more permanent supportive housing. Other participants asked that CDBG funding be provided to support the operational cost of providing meals on wheels and operation of food pantry programs.

Public Transportation and Mobility

Participants cited limited mobility and public transportation as impediments to housing choice. These limitations also included a concern for elderly and disabled persons in need of public transportation to access supportive services. Public transportation was deemed inadequate, for persons commuting to major employment centers outside of the City of Rockford. Limited public transportation was also cited as a barrier for public and assisted housing and Section 8 program clients choosing to live in Winnebago and Boone County and outside of RCAP concentrated areas.

3.2. Other Issues and Solutions

Attendees indicated a need for increased emphasis on mitigating the impacts of increased incidents of discrimination or impediments to housing for persons with disabilities, renters with past criminal records or prior convictions for sexual abuse related crimes, those in need of special needs housing or facing evictions, foreclosures and homelessness.

Participants voiced support for a greater emphasis on credit education and housing consumer counseling. Increased financial literacy courses taught in high schools was a best practice identified by the facilitator for the focus group session and well received by participants.

Participants cited the need for additional funding for fair housing outreach, education and enforcement for the general public, and fair housing training for landlords and homeowner associations and other industry organizations.

SECTION 04

HMDA ANALYSIS

Section 4: Home Mortgage Disclosure Act (HMDA) Analysis

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the HMDA databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 2005 through 2011.

The data reported in this report are summarized by a variety of methods. Tables 4.1 through 4.4 provide information for the Rockford Metropolitan Statistical Area (MSA), made up of Boone and Winnebago Counties. Charts 4.1 through 4.6 display the data graphically. The maps, provided at the end of this section, present data by census tracts for Boone and Winnebago Counties with city boundaries shown on the maps.

4.1. Analysis

Table 4.1 provides a look at the number of loan applications and origination rates in the Rockford MSA by loan type, ethnicity, income, and loan purpose.

Over 39,000 conventional loan applications were reported in the Rockford MSA between 2005 and 2011.

Looking first at loan type, conventional home purchase loans were the most frequent loan applications with over 80 percent of home purchase loan applications, while government-insured home purchase loans (FHA and VA) had higher origination rates, 74.4 percent compared to 69.1 percent for conventional loans. The majority of the conventional home purchase loan applications were submitted in the first three years of the study period, 2005 through 2007, as shown in Chart 4.6. In 2005, almost 12,000 applications were recorded,

compared to just over 1,000 for government-insured loans. By 2009, conventional applications had decreased to about 2,000, close to the same number of government-insured applications reported.

The second section of Table 4.1 reports number of loan applications and origination rates by ethnicity. The largest number of applications was from

White origination rates for all loans during the period from 2005 through 2011 was almost 63 percent.

White applicants at over 107,000, with the highest origination rate at 62.5 percent. The second largest number of applications was from Hispanic applicants at just over 10,000 applications. Hispanic origination rates were significantly lower than Whites at 48.8 percent. Black applications numbered under 7,000 with origination rates under 41 percent. Comparing origination rates by ethnicity by applicant income in Chart 4.2 shows much higher origination rates for White applicants within all income groups. Origination rates for very low-income White applicants exceed origination rates for all other ethnicities in all income groups, with the exception of Asian applicants in all but the very low-income category and Hawaiian applicants in middle and upper-income categories. Hispanic and Black applicants, the second and third highest number of applications reported, showed significantly lower origination rates, even when comparing very low-income White applicants to upper-income Hispanic and Black applicants. Upper-income Black origination rates were under 50 percent, while Hispanic upper-income origination rates were slightly above 50 percent, compared to the very low-income White origination rate of over 53 percent.

The third section of Table 4.1 shows the distribution of loan applications by applicant income. The largest number

High- and low-income applicants were the largest two number of applications by income group.

of applications reported was from high-income applicants with over 40,000 applications and an origination rate at almost 66 percent. The next largest number was from low-income applicants with over 32,000 applications and an

origination rate of over 57 percent. Not surprisingly, the table shows that each successive higher income had a higher origination rate than the previous income group.

The last section of Table 4.1 shows loan applications and origination rates by loan purpose. The most loan

There were over 85,000 refinance loan applications submitted during the study period.

applications were for refinance loans at over 85,000, compared to over 48,000 for home purchase loans and less than 11,000 for home improvement loans. Home purchase loans had the highest origination rate at 70 percent, compared to about 55 percent for refinance loans and less than 49 percent for home improvement loans. These data are reflected in Chart 4.1.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose) for the MSA. On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications that result in loan originations. For instance, the percentage of originations in Table 4.2 indicates that 79.4 percent of originations for the MSA were for conventional loans whereas the origination rate is 69.1 percent from Table 4.1. For comparison, ethnic percentages were included under the “Percent of Population” column to compare the percentage of originations by ethnic group to their percentage in the population for that geography.

For Loan Type, “Conventional” shows the highest percentages, at about 79 percent. Government-insured loans,

Almost 80 percent of home loan originations were for conventional loans.

which are government insured and have more stringent lending criteria, were approximately 21 percent of the originations. Referring back to Table 4.1, government insured loans had a significantly higher origination rate than conventional, at about 74 percent for government insured versus 69 percent for conventional.

In the Rockford MSA, for Ethnicity, “White” shows the highest percentage of originations at about 88 percent of

Whites accounted for almost 88 percent of all loan originations during the study period.

the total. The percentage of originations is almost 10 percentage points higher than the percentage of Whites in the population. African-American applicants account for only 3.5 percent of originations, while their presence in the population was almost 11 percent of all residents. Hispanic applicants accounted for just over six percent of all originations, with over 12 percent of the total population. This is likely a reflection of the reality that African-Americans and Hispanics are more likely to fall within lower-income groups and, therefore, less likely to qualify for mortgage financing. For Income, the highest income group (>120% median) displays the highest percentage of originations, over 35 percent of all originations. It stands to reason that the highest income group would have the greatest success in being approved for loans. Loan Purpose data show that home purchase loans accounted for about 40 percent of the originations. Refinance loans were the most frequent purpose with over 54 percent. Home improvement loans accounted for over six percent of all originations.

Table 4.3 examines origination rates, total number of applications, and denials, all by year and loan type. The changes in the housing market over the study

Conventional loan applications submitted dropped from a high of almost 12,000 in 2005 to less than 2,000 in 2011.

period show up in some interesting patterns. The most noticeable change over the seven years shown is the steep decline in conventional loan applications from a high of almost 12,000 in 2005 down to a low of less than 2,000 in the last year shown. Refinance loan applications also show a steady decline from 2005, except for a significant spike in 2009 with a high for the seven years of over 15,000 loan applications. The low was just over 9,000 in 2011. Government-insured loans started the seven-year period and ended the period at close to the same number of applications (1,024 and 1,109 respectively), but peaked in 2009 at almost 1,900 applications. These data are shown in Chart 4.6

Origination rates for conventional loans were fairly steady, ranging from about 67 percent to almost 73 percent.

Origination rates for government-insured applications peaked at over 80 percent in 2006.

Government-insured origination rates peaked at over 80 percent in 2006 and dropped to under 72 percent by the end of the study period. Refinance origination rates peaked in 2009 at over 66 percent during the same year that the number of applications peaked. The origination rate for refinance was up from a little under 46 percent in 2005. Home improvement origination rates were also fairly steady through the seven year period at around 50 percent. These data are shown in Chart 4.5.

The total number of denials showed fairly consistent decline through the

Credit History was the largest category for loan denials.

seven year period for conventional, refinance, and home improvement loans. These data reflect the decline in total number of loan applications during the study period. Government-insured loan application denials peaked in 2008, the year before the peak in total loan applications. These data are shown in Charts 4.3 and 4.4. Another interesting illustration found in the charts is the denial category of “Other”. During the first two years of the study period “Other” was the most common or second most common reason for denials. Chart 4.4 shows that those denials were primarily from refinance loan applications, with a smaller but significant number from conventional loan applications. The largest category for all four loan types and all seven years was “Credit History”.

Table 4.4 compares applications reported between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, the number of loan applications from White applicants was

The percentage of applications received from Whites was about equal to their percentage in the total population, though their percentage of originations was larger than their percentage in the population.

much higher than from minorities. For home purchase loans, the percentage of

applications from Whites was almost 73 percent for Whites and 21 percent for minorities. White applicants for home improvement loans represented about 71 percent of applications. Refinance loans reported almost 75 percent submitted by Whites. As shown earlier, Whites account for about 79 percent of the population of the MSA. While these application numbers are well in line percentage-wise, when comparing total applications to population size. As mentioned earlier, though, Whites have a much larger percentage of originations, somewhat out-of-line with their percentage in the population.

Looking at the income group comparison, similar patterns hold up for all income categories. The percentage of applications from Whites is highest for all categories. The percentage peaks at about 68 percent for the high-income group. Not surprisingly, denials were highest for the very low-income group, for minorities, Whites, and not provided, as well. The high-income group also had the most applications.

Map 4.2 through 4.6 present loan activities by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest shades indicate those areas where denials were highest in comparison to originations. Map 4.6 shows the ratio for all loan types combined.

The ratio for the least successful areas, those in the darkest green, represents those areas where at least 69 loans were denied for each 100 originated. Lighter shaded areas have more successful loan applicants.

The maps show applications and the ratio of denials to originations with the darkest areas showing where the least activity is located or where the least success in originating loans occur.

Map 4.1 shows the total number of loan originations by census tract. Less active areas are shown in the darker colors, with the most active areas in lighter colors. Like the other maps, the dark areas are meant to indicate areas of concern,

either for a lack of loan activity or for their low rate of application originations in relation to denials.

4.2. Conclusions

In Boone and Winnebago Counties and the cities within the two counties, the least success in lending was found in the refinance loan sector and the highest success was found in home purchase loan sector. Home purchase loans were the most frequent loan type.

Overall, the origination rates among Whites were higher than minorities in home purchase, home Improvement and refinance loans in the MSA. Though, Hispanics and African-Americans accounted for the second and third highest number of applications after Whites, respectively, the percentage of loan originations for both were significantly lower compared to their percentage in population in the MSA.

Applicants' poor credit history or higher debt-to-income ratios accounted for the highest percentage of loan denials among all races and ethnicities.

Overall, the lending activity decreased in the recent years due to the impacts of the economic slowdown and the sub-prime lending crises. However, lower interest rates tend to increase opportunities for borrowers to buy housing or refinance existing higher interest loans, accounting for the spike in refinance loan activity in 2009.

Lending activity decreased over the seven years of the study period, reflecting the impacts of the economic slowdown and the national housing crisis.

Table 4.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Application and Origination Rates
Rockford, IL MSA (Boone and Winnebago Counties)
2005 - 2011**

	Number of Apps.	Orig. Rate
Loan Type:		
Conventional	39,296	69.1%
Government-insured	9,440	74.4%
Ethnicity:		
Native	895	49.1%
Asian	2,046	56.0%
Black	6,721	40.6%
Hawaiian	218	46.3%
White	107,347	62.5%
Hispanic	10,019	48.8%
Income:		
<50% median (very low)	17,082	51.1%
50-79% median (low)	32,626	57.1%
80-99% median (moderate)	20,853	59.6%
100-120% median (middle)	16,406	61.0%
>120% median (high)	40,279	65.9%
Loan Purpose:		
Purchase	48,736	70.1%
Refinance	85,526	54.8%
Home Improvement	10,934	48.7%
Totals	145,196	59.5%

Table 4.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Rockford, IL MSA (Boone and Winnebago Counties)
2005 - 2011**

	Number of Originations	Percent of Originations	Percent of Population
Loan Type:			
Conventional	27,145	79.4%	
Government-insured	7,027	20.6%	
Ethnicity:			
Native	530	0.6%	0.3%
Asian	1,306	1.5%	2.2%
Black	3,032	3.5%	10.6%
Hawaiian	115	0.1%	-
White	75,888	87.9%	78.5%
Hispanic	5,491	6.4%	12.3%
Income:			
<50% median (very low)	9,725	11.3%	
50-79% median (low)	20,973	24.3%	
80-99% median (moderate)	13,949	16.2%	
100-120% median (middle)	11,314	13.1%	
>120% median (high)	30,401	35.2%	
Loan Purpose:			
Purchase	34,172	39.6%	
Refinance	46,865	54.3%	
Home Improvement	5,325	6.2%	
Totals	86,362		

Table 4.3

**Analysis of Home Mortgage Disclosure Act Data, 2005-2011
Applications, Originations, and Denials by Year and Loan Type
Rockford, IL MSA (Boone and Winnebago Counties)**

Origination Rates

Year	Conventional	Government	Refinance	Home Improvement
2005	66.6%	75.6%	45.5%	46.0%
2006	68.3%	80.5%	46.7%	51.7%
2007	72.0%	76.5%	47.0%	50.1%
2008	69.3%	71.6%	51.0%	45.4%
2009	72.9%	73.8%	66.2%	49.7%
2010	70.4%	73.7%	65.7%	49.6%
2011	71.9%	71.7%	61.7%	48.9%

Total Number of Applications

Year	Conventional	Government	Refinance	Home Improvement
2005	11,710	1,024	13,722	2,369
2006	11,275	1,150	12,510	2,421
2007	7,293	985	11,914	2,323
2008	3,312	1,728	11,215	1,695
2009	2,018	1,887	15,207	853
2010	1,958	1,557	11,669	661
2011	1,730	1,109	9,289	612

Denials by Year by Loan Type

Year	Conventional	Government	Refinance	Home Improvement
2005	1,684	96	5,030	979
2006	1,633	104	4,259	967
2007	844	131	3,900	916
2008	427	276	3,359	658
2009	257	219	2,462	323
2010	243	212	2,093	246
2011	243	153	1,941	235

Table 4.4

**Analysis of Home Mortgage Disclosure Act Data
Activity for Rockford, IL MSA (Boone and Winnebago Counties), 2005-2011**

	# Apps.	% of Apps.	% Denied
Home Purchase Loans			
Minorities	9,733	20.6%	21.5%
White	34,346	72.8%	11.3%
Not Provided	3,076	6.5%	18.2%
Home Improvement Loans			
Minorities	2,084	18.3%	52.1%
White	8,050	70.6%	32.4%
Not Provided	1,268	11.1%	49.8%
Refinance Loans			
Minorities	12,856	14.2%	37.5%
White	67,664	74.6%	21.3%
Not Provided	10,183	11.2%	37.3%
Income Groups			
<50% MFI			
Minorities	4,438	28.2%	40.2%
White	12,500	57.2%	28.9%
Not Provided	2,000	14.6%	46.1%
50 to 79% MFI			
Minorities	7,394	26.6%	33.5%
White	25,786	58.3%	21.1%
Not Provided	3,619	15.1%	38.9%
80 to 99% MFI			
Minorities	4,141	23.3%	21.2%
White	17,617	61.4%	19.4%
Not Provided	2,434	15.3%	35.0%
100 to 120% MFI			
Minorities	2,966	22.4%	31.8%
White	14,605	63.6%	18.4%
Not Provided	1,878	14.0%	31.4%
>120% MFI			
Minorities	5,734	17.7%	26.3%
White	39,552	67.9%	14.6%
Not Provided	4,596	14.4%	26.6%

Chart 4.1: Origination Rates by Loan Type by Tract Income

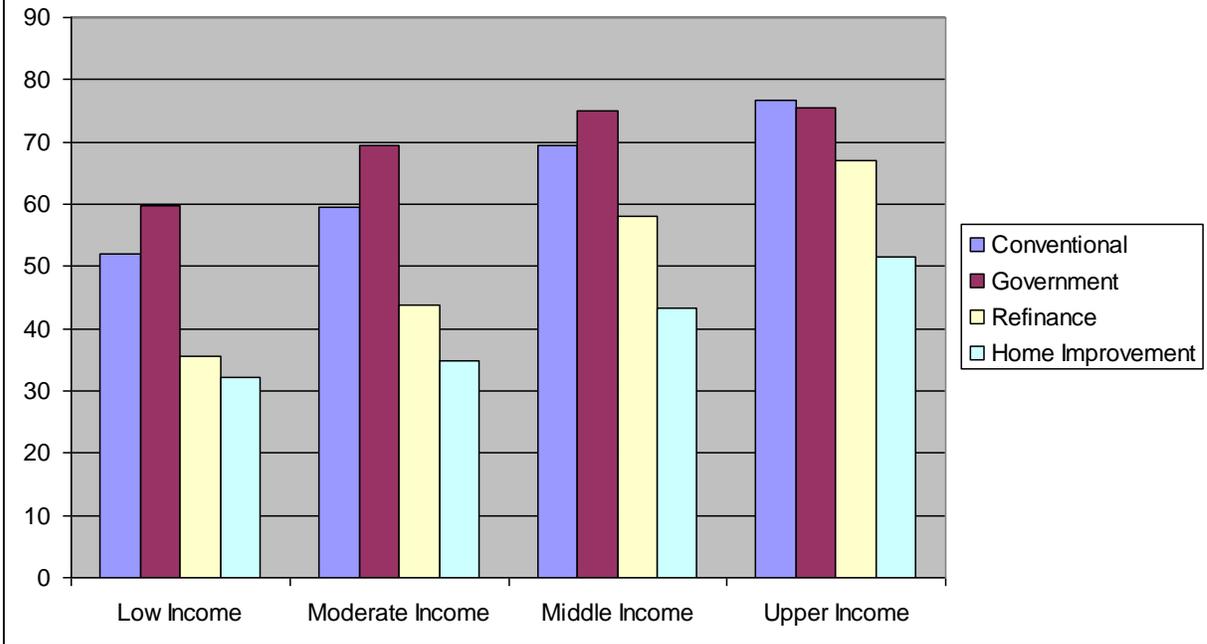


Chart 4.2: Origination Rates by Ethnicity by Applicant Income

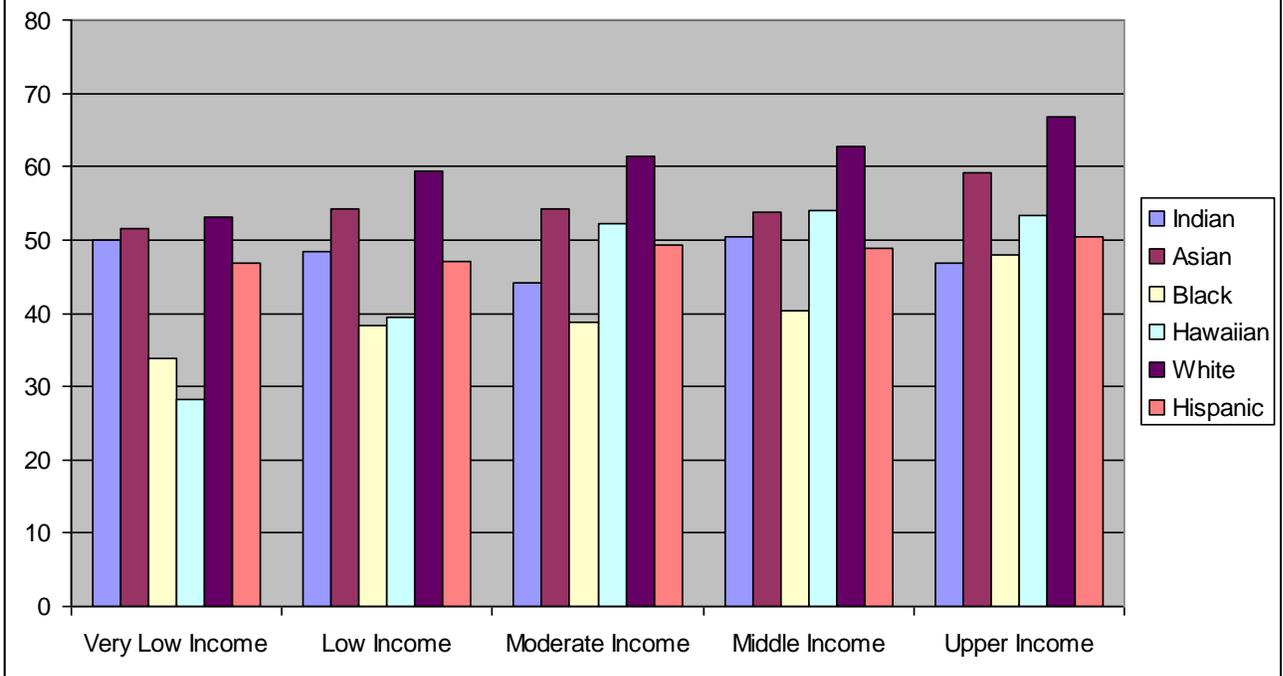


Chart 4.3: Reason for Denial by Year, All Loan Types

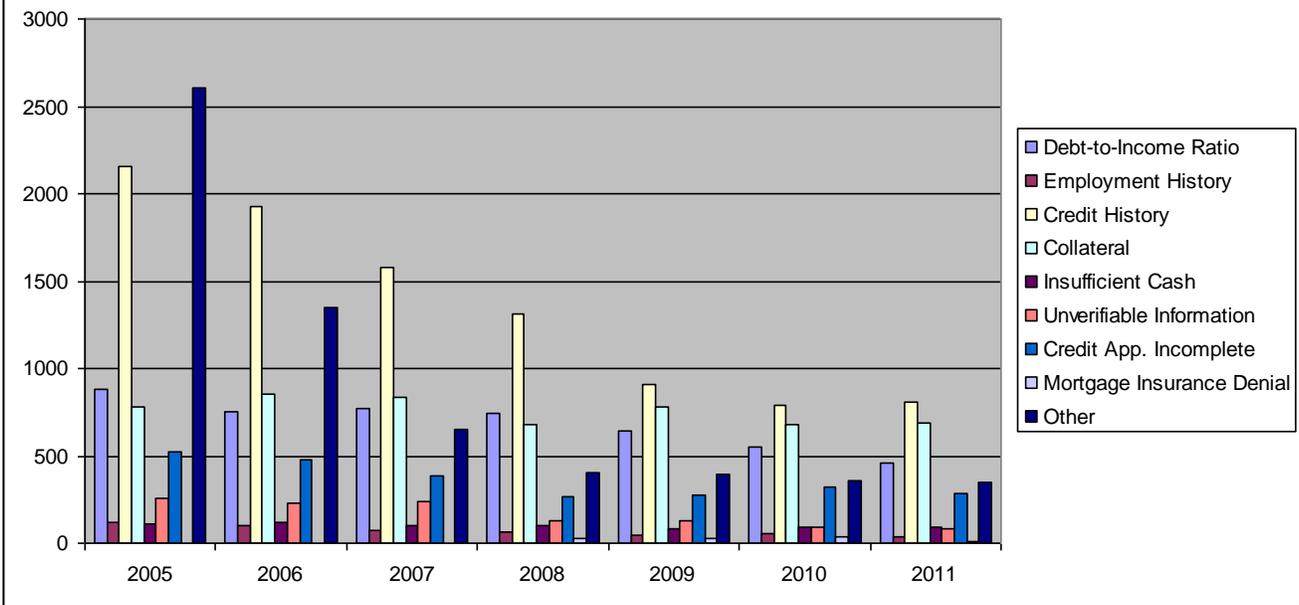


Chart 4.4: Reason for Denial by Loan Type

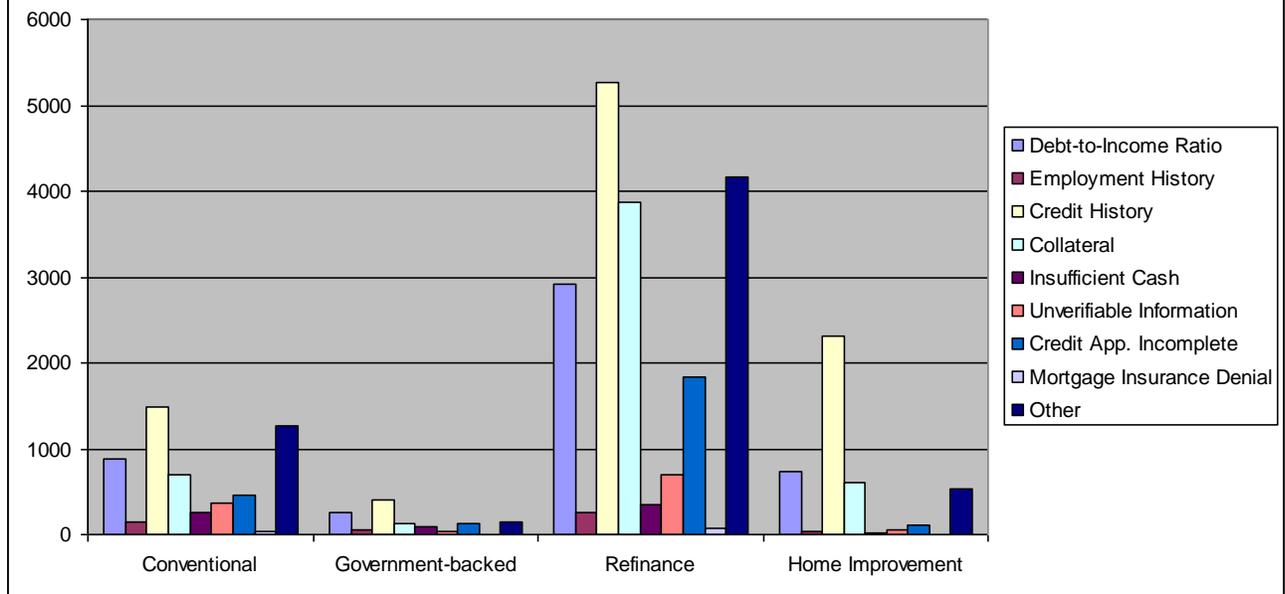


Chart 4.5: Origination Rates by Loan Type by Year

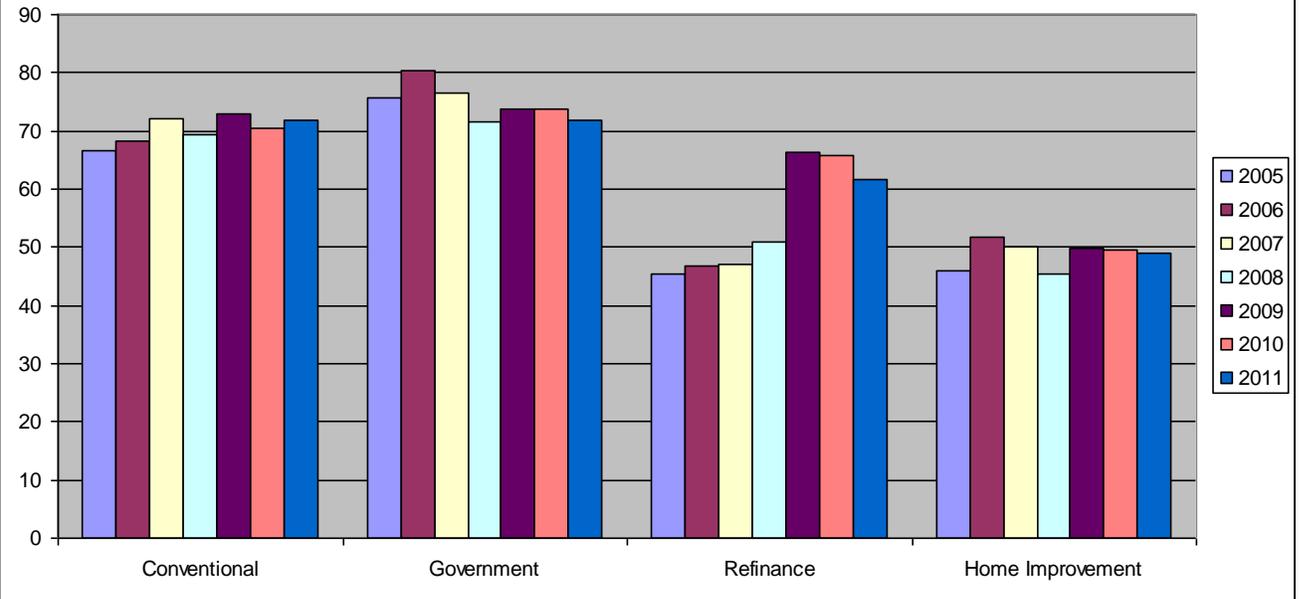
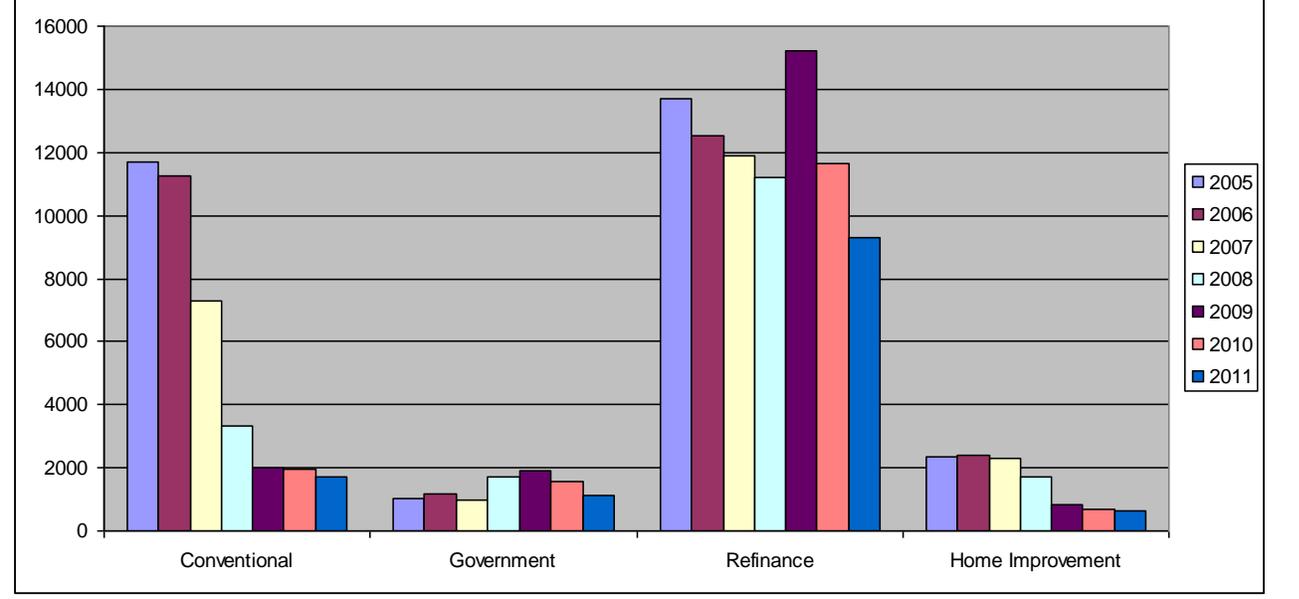
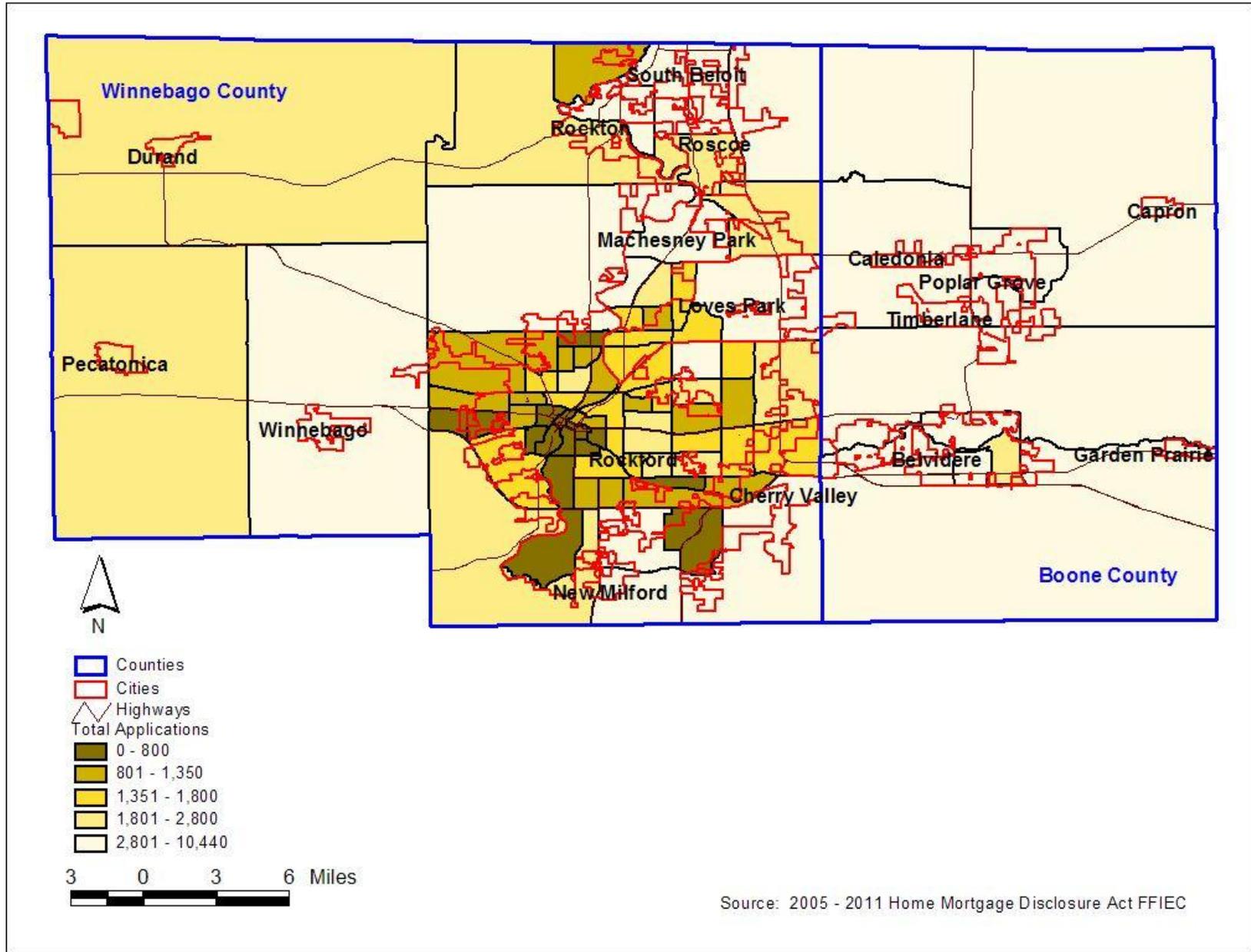


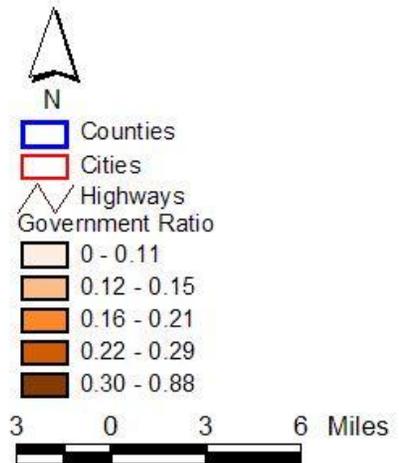
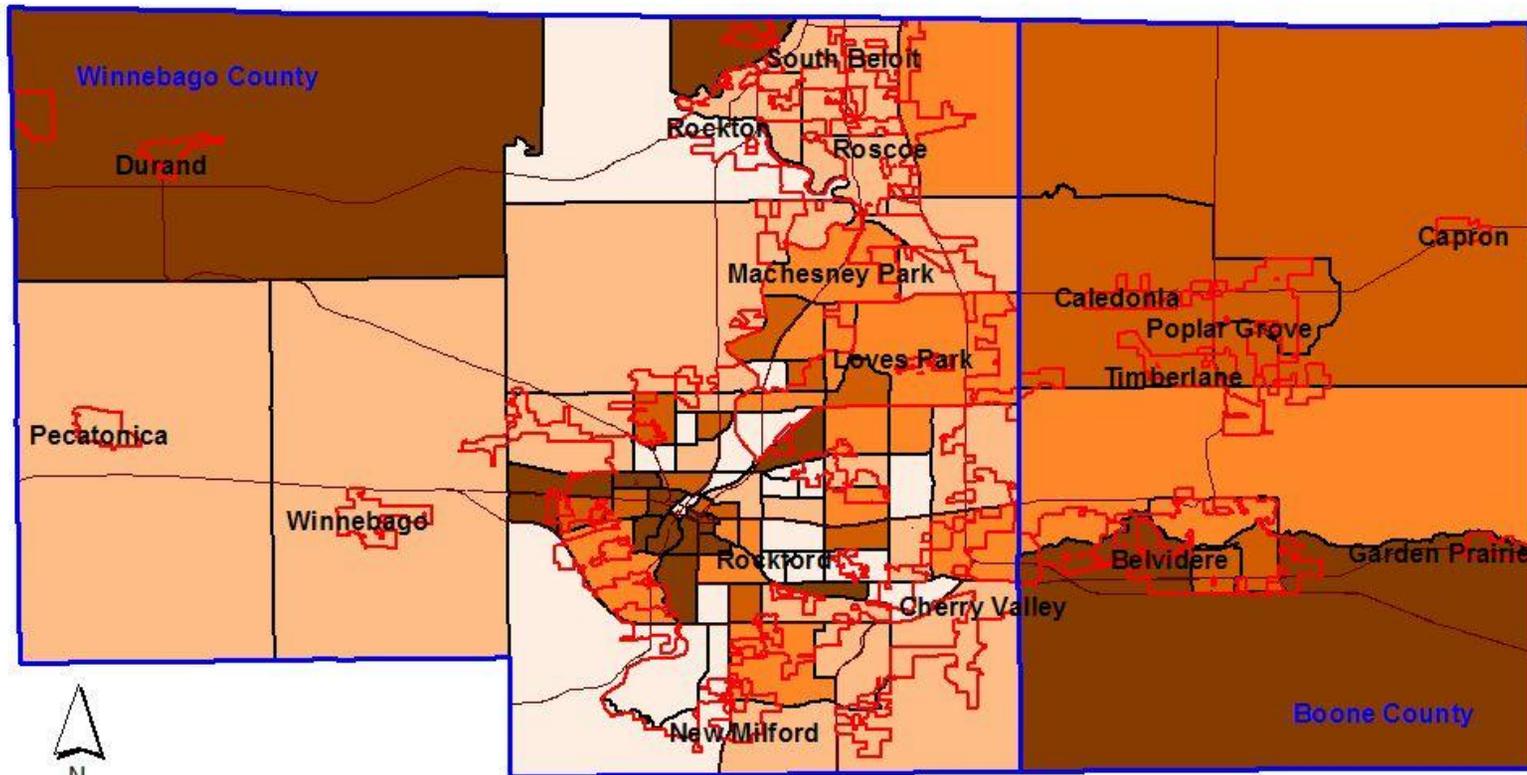
Chart 4.6: Total Applications by Loan Type by Year



Map 4.1: Total Applications, All Loan Types

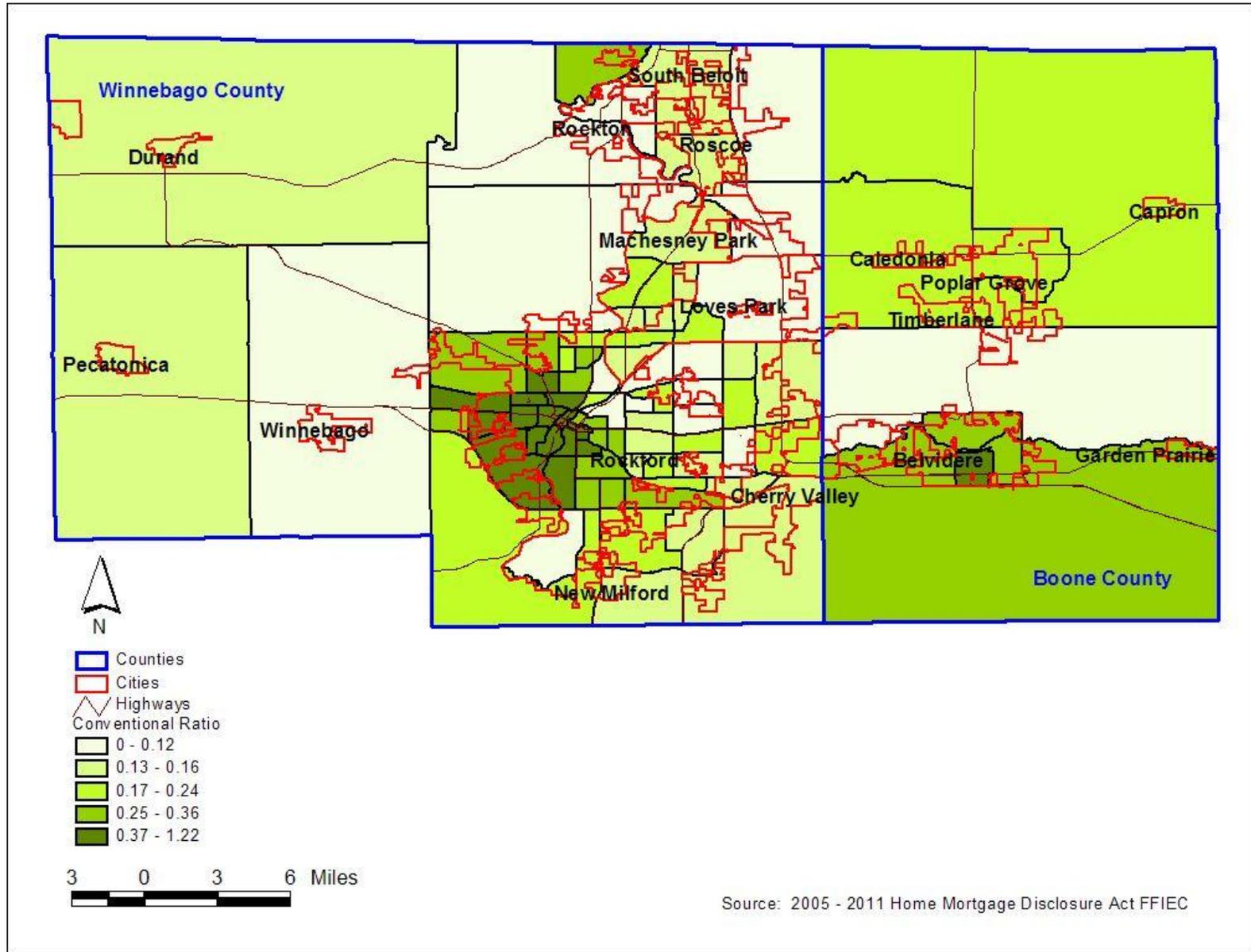


Map 4.2: Ratio of Government-backed Loan Denials to Originations

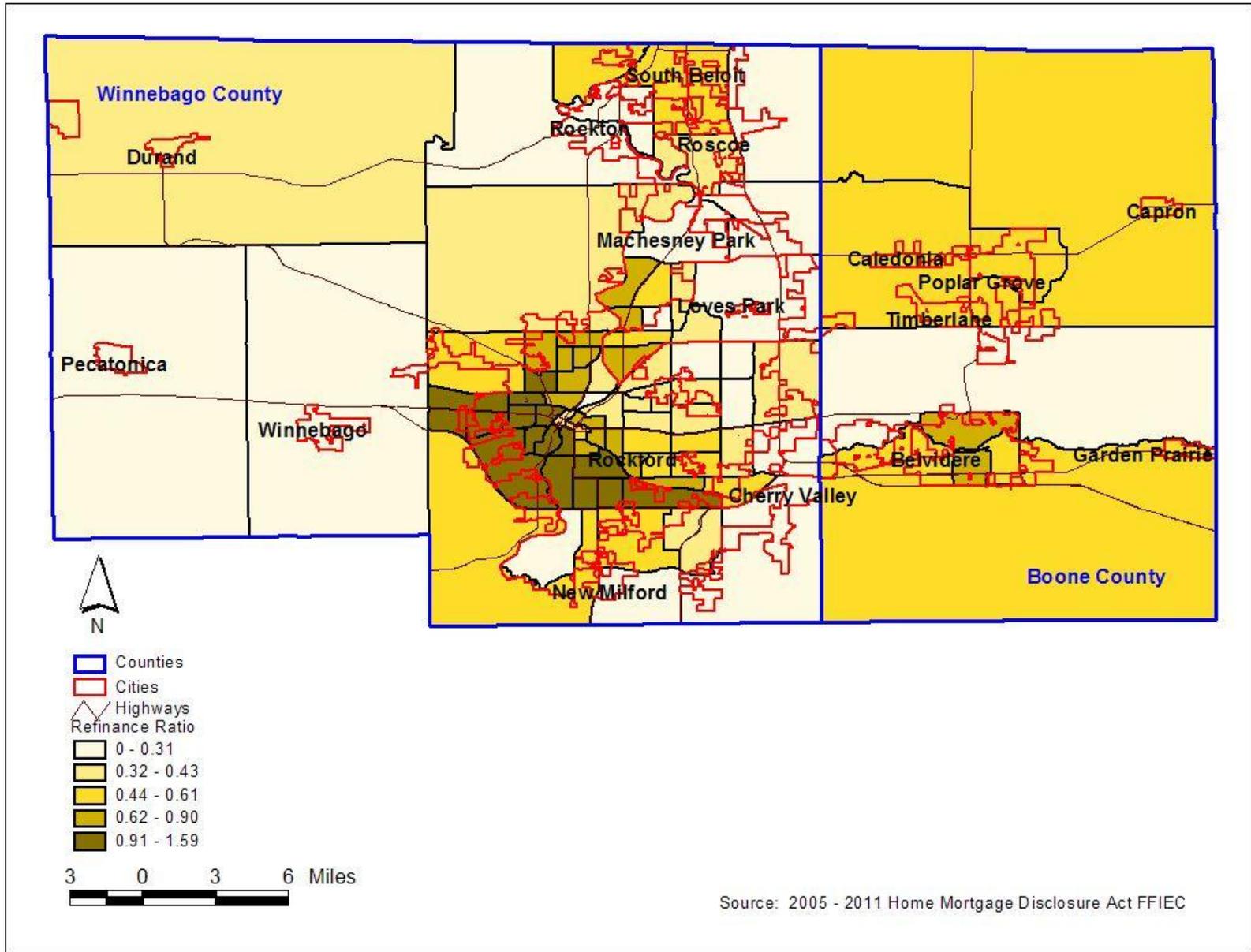


Source: 2005 - 2011 Home Mortgage Disclosure Act FFIEC

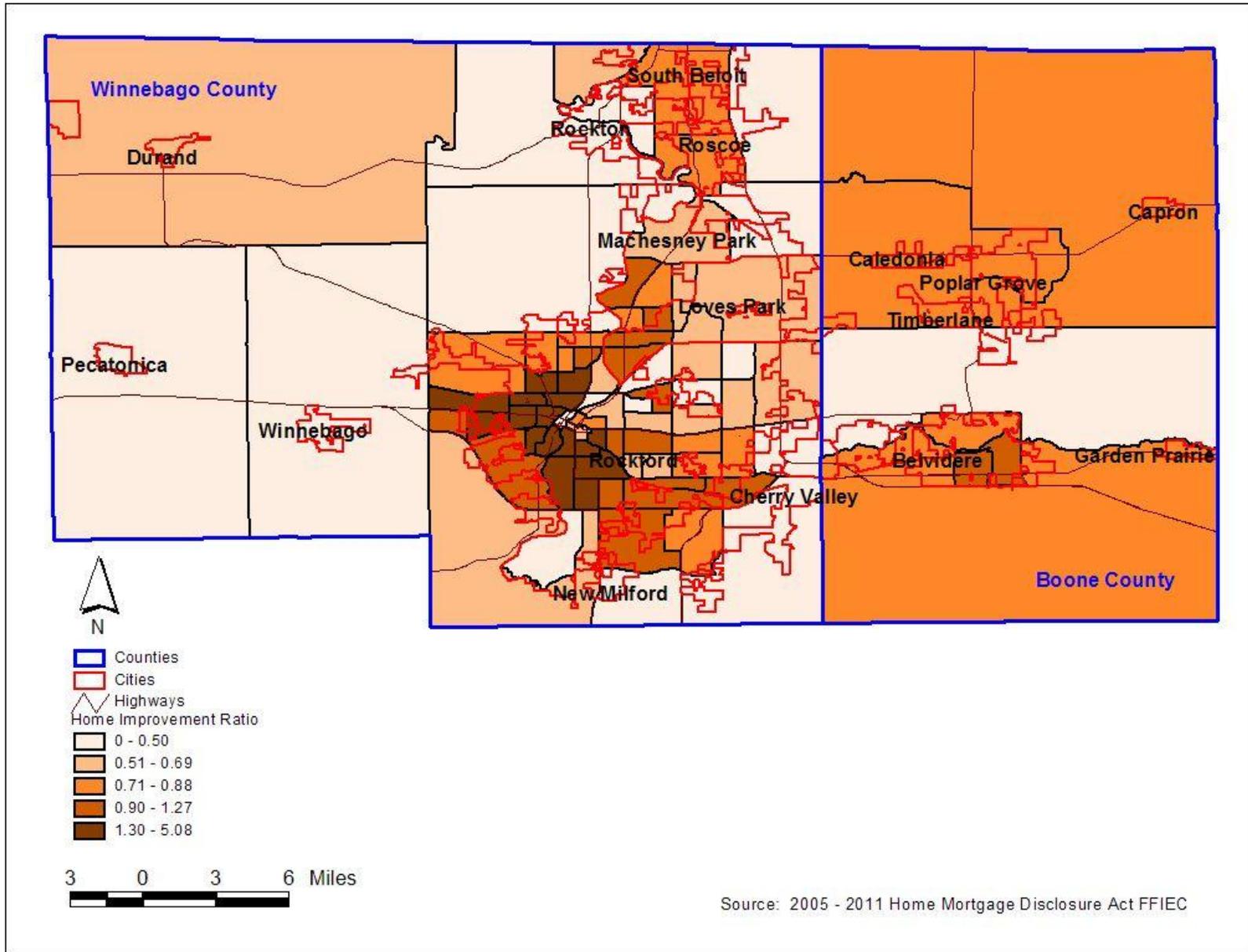
Map 4.3: Ratio of Conventional Loan Denials to Originations



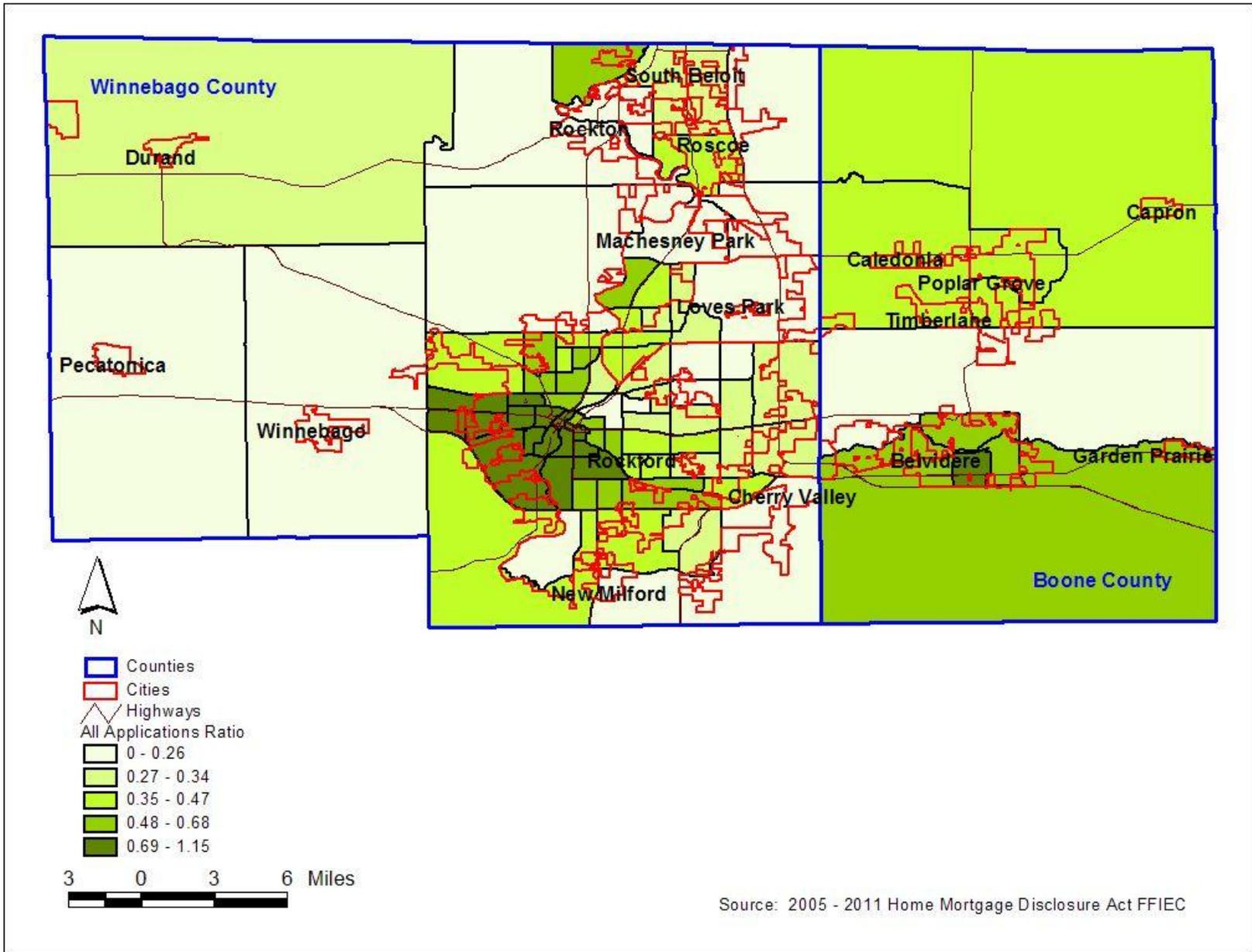
Map 4.4: Ratio of Refinance Loan Denials to Originations



Map 4.5: Ratio of Home Improvement Loan Denials to Originations



Map 4.6: Ratio of All Loan Types Denials to Originations



SECTION 05

FAIR HOUSING INDEX AND SOCIAL EQUITY ASSESSMENT (FHEA)

Section 5: Fair Housing Index and Social Equity Assessment

Introduction

The **Fair Housing Index** is a measure developed by JQUAD specifically for Analyses of Impediments to Fair Housing. The index combines the effects of several demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. Data for ten variables, shown in the Fair Housing Index table are standardized and added to classify the conditions in various census tracts into degree of problems that may cause impediments to fair housing choice. The map provides a general indication of geographic regions within Boone and Winnebago Counties and the cities within the counties where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing. From a social equity perspective the index serves to quantify the extent to which sub-populations within a given geography suffer from a lack of opportunity, which can lead to an unsafe or unhealthy environment, characterized by concentrations of poverty, unemployment, and other demographic indicators. The analysis is highly technical and utilizes advance statistical research. Therefore, in addition to the methodology in Section 5.1 below that describes the statistical techniques, Section 5.2 presents the key findings in less technical terms.

The **Social Equity Assessment** is designed to document the extent to which the most critical demographics impacting fair housing choice are performing below the regional or area median. The Community Profiles and Home Mortgage Disclosure Act Analysis provide the basis for this assessment, including a disparate impact analysis to determine if the protected class members are disproportionately impacted when compared to Whites or regional and citywide medians. Table 5 on the following page provides an analysis of the Demographic Variables by MSA and the three jurisdictions comprising the MSA, and a comparison by Race and Ethnicity. A reversal in the trends for demographics where protected class member populations are performing below the area

median and those experiencing disparate impacts is viewed as most impactful in removing the barriers to fair housing choice. Based on the results of the aforementioned Fair Housing Index and Social Equity analyses, we have identified gaps between the adequacy of physical infrastructure in the region and the ability of the region to address its' impediment to fair housing choice. Improving the current status and conditions within the region will require infrastructure improvements in the areas of transportation and mobility; public funded infrastructure and improved neighborhood conditions; livable wages, job creation, education, and job training; and de-concentration of poverty, race/ethnicity, and public and assisted housing; in addition to improvements in housing conditions, affordability, availability, and accessibility. The social equity recommendations for improving these infrastructures and remediation of trends for populations performing below the regional median will be presented in the Impediments and Remedial Actions Section of the report.

Table 5 : Social Equity Table Comparison for MSA - RACE and Ethnicity

Demographic Variables	Rockford	Winnebago Co.	Boone Co.	Rockford MSA	White	African-American	Hispanic
HMDA Orig diff from MSA	-	-	-	59.5%	62.5% 3.0%	40.6% -18.9%	48.8% -10.7%
XPubTrans diff from MSA	1.03% 0.26%	0.85% 0.08%	0.09% -0.68%	0.77%	0.65% -0.1%	3.76% 3.0%	0.99% 0.2%
XLessHS diff from MSA	18.20% -1.05%	14.70% -4.55%	14.50% -4.75%	19.25%	12.98% -6.3%	26.59% 7.3%	41.49% 22.2%
XUnemp diff from MSA	13.40% 2.20%	11.00% -0.20%	11.80% 0.60%	11.20%	6.60% -4.6%	13.20% 2.0%	10.35% -0.9%
MedHHI diff from MSA	\$38,864 -\$10,860	\$47,597 -\$2,127	\$61,613 \$11,889	\$49,724	\$52,997 \$3,273	\$23,197 -\$26,527	\$38,828 -\$10,896
Poverty diff from MSA	24.7% 8.9%	16.8% 1.0%	10.2% -5.6%	15.8%	11.8% -4.0%	45.3% 29.5%	28.5% 12.7%
XPre60 diff from MSA	49.94% 12.91%	38.66% 1.63%	26.73% -10.30%	37.03%	- -	- -	- -
MedRent diff from MSA	\$551 -\$17	\$567 -\$1	\$580 \$12	\$568	- -	- -	- -
MedValue diff from MSA	\$109,500 -\$25,400	\$129,200 -\$5,700	\$171,300 \$36,400	\$134,900	- -	- -	- -
XMinority diff from MSA	30.12% 12.60%	19.04% 1.52%	9.25% -8.27%	17.52%	- -	- -	- -
XFemHH diff from MSA	17.17% 8.56%	13.40% 4.79%	11.19% 2.58%	8.61%	10.46% 1.9%	34.13% 25.5%	20.27% 11.7%

5.1. Fair Housing Index Methodology

Data for ten variables were gathered, by census tract, for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 2005 through 2011 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data and race/ethnicity data, all other data were found in the 2007-2011 American Community Survey (ACS) 5-Year estimates of Population and Housing. Each variable contained data for every census tract in each county as defined by the ACS estimates.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and range in value from -1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.8253.

Once the relationship of the variables was established, each variable was standardized. This involves calculating a Z-score for each record by variable. For instance, for the variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance that the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to

be reported in the same units (standard deviations from the mean) and, thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high poverty concentrations increases the likelihood that there may be problems relative to housing conditions and housing choices in the area based on correlations between these variables found in the census data. Therefore, the percent minority variable would be given a negative value. Conversely, in areas of high housing values, the current residents are likely not having problems with fair housing choice. High housing value, therefore, would be assigned a positive value. Each variable was considered in this light and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows High Risk areas as those census tracts with standard scores below -2.00 . Scores between -1.99 and -1 are designated Moderate Risk areas. Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk. The results are summarized in the following section.

It should be emphasized that the data used to perform this analysis do not directly report fair housing violations. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, lower incomes, high unemployment, low educational

attainment, low property values, and, most likely, are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied.

Included following the map is the correlation table (Table 5.1). MedValue is the median home value according to the 2007-2011 ACS estimates. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 2004 to 2009.

Table 5.2 provides a sense of the disparity between the low and high values for each variable in the analysis, along with the median value to provide perspective as to the extent to which that disparity impacts social equity as measured by each variable. The same 10 variables are shown in this table.

5.2. Findings

Looking first at the correlation table (Table 5.1), the correlation between the percentage of minority and the percentage of female-headed households with children is high and positive (0.7921); this correlation indicates that the minority community has a higher rate of female-headed households with children than the non-minority community. The loan origination to denial ratio has a high correlation to percent of female-headed households with children (0.8054) as well. This means that in areas with high concentrations of female-headed households with children, the loan origination rate is very low.

The percent unemployed variable has a moderate, positive correlation to percent minority (0.6345) and percent female-headed households (0.6064), indicating that areas with high unemployment also have larger minority populations and more female-headed households.

Median housing value has a moderate positive correlation to median household income (0.6129). This would indicate, unsurprisingly, that areas with higher incomes have higher housing values. Median housing value also has negative correlations to percent pre-60 housing stock (-0.5515), percent minority (-0.5326), and percent female-headed household (-0.5568). These correlations suggest that areas with higher housing values have lower percentages of minorities and female-headed households.

The ratio of home loan denials to originations has moderate to high positive correlations with the percentage of minority (0.8253) and the unemployment rate (0.6819). The origination/denial ratio also has a moderate, negative correlation to median household income (-0.6877). These correlations indicate that areas with high percentages of minorities and unemployment have a lower likelihood of receiving loan originations, while areas with higher household incomes have more success with loan originations.

Median household income has moderate, positive correlations with median rent (0.6244) and median housing value (0.6129) indicating that areas with higher incomes have higher housing values and rents. Conversely, income has negative correlations with percent minority (-0.7271), showing that lower incomes are associated with larger minority populations

As indicated on Map 5.1, on the following page, the census tracts designated as having Moderate to High Risk of fair housing related problems are concentrated in the central parts of Rockford, just west and south of downtown. Boone County and the western half of Winnebago County fall into the Low Risk and the Very Low Risk categories.

These areas of greatest concern contain the housing stock most likely experiencing a decline in housing conditions, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. These areas contain a concentration of lower income groups and persons with lower than average level of educational attainment.

Map 5.1: Fair Housing Index

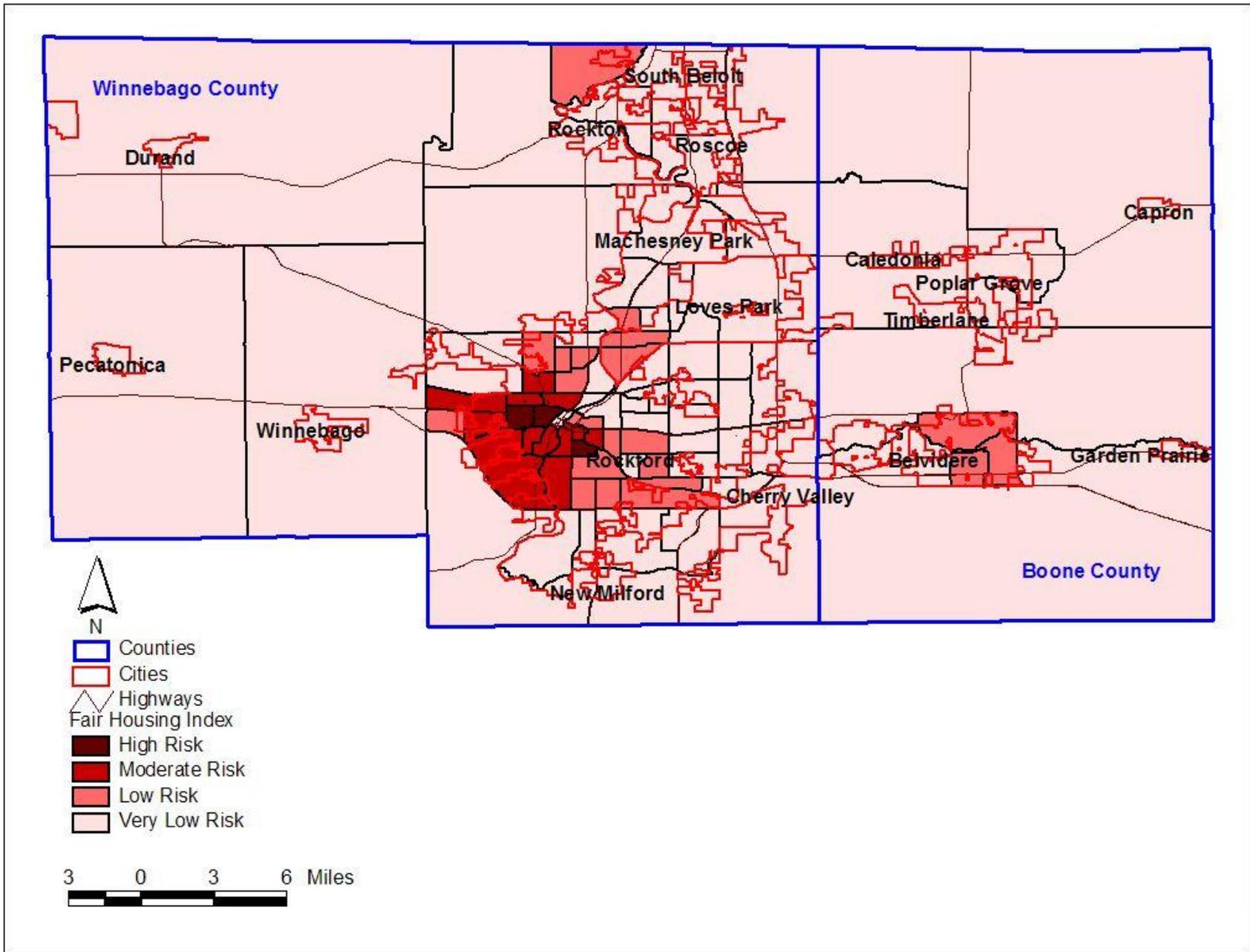


Table 5.1: Correlation Table of Fair Housing Index Variables

	TotalRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue	XMinority	XFemHH
TotalRat	1.0000									
XPubTrans	0.5320	1.0000								
XLessHS	0.5638	0.4329	1.0000							
XUnemp	0.6819	0.3719	0.4708	1.0000						
MedHHI	-0.6877	-0.4296	-0.4739	-0.4644	1.0000					
XPre60	0.5338	0.3095	0.3108	0.4427	-0.5236	1.0000				
MedRent	-0.3961	-0.2682	-0.2725	-0.2689	0.6244	-0.3321	1.0000			
MedValue	-0.4511	-0.2258	-0.3236	-0.4937	0.6129	-0.5515	0.3762	1.0000		
XMinority	0.8253	0.5198	0.4467	0.6345	-0.7271	0.4254	-0.4339	-0.5326	1.0000	
XFemHH	0.8054	0.5452	0.5498	0.6064	-0.5906	0.5340	-0.2724	-0.5568	0.7921	1.0000

Variable Definition

XFemHH % Female Headed Households, 2007-2011
XMinority % Minority, 2010 US Census
MedValue Median Home Value, 2007-2011
MedRent Median Contract Rent, 2007-2011
XPre60 % of Housing Built Prior to 1960, 2007-2011
MedHHI Median Household Income, 2007-2011
XLessHS % Less than High School Degree, 2007-2011
XUnemp % Unemployed, 2007-2011
XPubTrans % Taking Public Transportation to Work, 2005-2011
TotRat Ratio of Home Loan Denials to Originations, All Loan Types, 2005-2011

Table 5.2: Disparity Between High and Low Values by Variable

	TotalRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue	XMinority	XFemHH
Low Value	19.0787	0.0%	0.0%	1.2%	12928	1.3%	290	40800	3.3%	0.0%
Median Value	41.4518	0.3%	19.6%	7.1%	47692	40.5%	586	125400	24.4%	8.7%
High Value	115.294	12.5%	68.8%	19.0%	97125	93.4%	1191	421900	91.4%	41.1%
Disparity High-Low	96.2154	12.5%	68.8%	17.8%	84197	92.1%	901	381100	88.1%	41.1%

SECTION 06

REGIONAL ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE (RAI)

Section 6: Regional Analysis of Impediments and Fair Housing Equity Assessment Recommendations – Impediments and Remedial Actions

Overview

The Regional Analysis of Impediments (RAI) and Fair Housing Equity Assessment (FHEA) are integral components and contribute to the critical underpinnings of the Sustainable Communities Regional Planning Initiative. Through the planning process and analyses, RMAP strives to create a more inclusive conversation on regional issues, with a particular emphasis on engaging those who have traditionally been marginalized from the community planning process. Through the inclusion of these two components in the planning process, the resulting plan should provide new insight into the disparate burdens and benefits experienced by the diverse populations across the RMAP Region. Recommendations are intended to address these disparities.

The FHEA is the most recent tool set forth by HUD to identify and reduce fair housing disparities and is expected to increase the effectiveness of the existing and more comprehensive tool, the Regional AI. The RAI offers considerable value in assessing fair housing issues and solutions from a regional perspective, as many of the fair housing issues that are most intractable are not locally restricted and solutions are most certainly in need of regional participation in order to be successful.

As currently conceived, the FHEA is quite similar to the Regional AI in scope and content, and it is the goal of this analysis to integrate the FHEA and RAI to identify actionable remedial actions and policies for addressing this region's fair housing and social equity issues more effectively and proactively. For the RMAP region's local CDBG and HOME entitlement communities, opting into the Regional AI will allow them to forgo submitting their own individual Analysis of Impediments (AI) while helping to address their own housing equity issues in a more comprehensive and collaborative way than was previously possible.

Both the FHEA and Regional AI will examine evidence concerning the level and types of discrimination and barriers or impediments to fair housing choice that occur in the RMAP regional study area, and the capacity of the various jurisdictions in the region to participate in a regional approach to fair housing initiatives and fair housing assistance programs. In addition, both the FHEA and Regional AI will provide specific fair housing recommendations or guidance to inform the region's analysis of their current compliance status relative to fair housing. Both analyses will review and relate recent or current allegations of systemic discrimination against private or public entities, including civil rights lawsuits, pending fair housing enforcement actions, settlements, or consent decrees that signal the presence or resolution of key fair housing and civil rights concerns.

Regional Analysis of Impediments - The regional analysis of impediments is designed to identify impediments to fair housing choice through a study methodology that includes gathering community input through interviews and focus group sessions; the construction of a demographic analysis resulting in a community profile, fair housing index, analysis of the Home Mortgage Disclosure Act data; and the analysis of fair housing law and public policy including a court litigation, legislation, regulatory, fair housing complaint and entitlement grant program review. The Community Profiles and Home Mortgage Disclosure Act analysis provide the basis for the demographic assessment, including a disparate impact analysis to determine if the protected class members afforded protection under the Federal Fair Housing Act of 1968, as amended, are disproportionately impacted when compared to Whites or regional and citywide medians. The Fair Housing Index examines the standardized form of ten total variables providing a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination.

The scope of the Regional AI has some variations in scope compared to the entitlement jurisdiction AI performed in conjunction with the Consolidated Plan requirements. The RAI includes an examination of best practice policies, ordinances, and regulations that affirmatively further fair housing to inform alternative approaches to addressing

impediments and remedial actions. This includes compiling examples of community development strategies that improve community infrastructure, housing stock, de-concentration of areas of poverty, race, and ethnicity while maintaining a mix of incomes and culture. The RAI also identifies gaps between physical infrastructure and housing availability by comparing current status and conditions with recommended infrastructure improvements such as livable wages, job creation, education, job training and public transportation.

Fair Housing Equity Assessment - The Fair Housing Equity Assessment is designed to document the extent to which the most critical demographics impacting fair housing choice are contributing to protected class members who are documented as performing below the regional or area median. Most important to the process are measuring and reducing racial and ethnic isolation and segregation in the region; identifying and reducing racially and ethnically concentrated areas of poverty; and identifying and reducing social and economic disparities. A reversal in the trends for demographics performing below the area median and those with disparate impacts is viewed as most impactful in removing the barriers to housing choice. In addition to the aforementioned requirements, the RAI and FHEA together are intended to identify baseline conditions for fair housing and social equity and opportunities to improve access to “areas of opportunity” across the region in order to elevate these populations closer to the regional median.

Dissimilarity Index Assessment - As part of the FHEA, we performed a Dissimilarity Index designed to measure the evenness of a group’s population distribution across a broad region. The resulting number indicates percentage of the two measured groups’ population that would have to change residence for an even distribution of the two races. The Dissimilarity Index is between 0=Lowest and 100=Highest. For example, an African American-White dissimilarity index of 60 would be considered high, since it would mean that over half of the white population would need to move for both populations to be evenly distributed across a geographic area. This tool could only be used for the Rockford MSA, the most populous geographic areas since dissimilarity cannot be accurately assessed when the racial/ethnic group being measured does not

make up a significant portion of the overall population, as is the case for many non-white racial and ethnic groups.

Racial and Ethnic Concentrated Areas of Poverty - The U. S. Department of HUD has defined “Areas of Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 3 times or more the poverty level of the MSA and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration would be to achieve minority concentrations and poverty level less than defined above by R/ECAP and to transform these areas of concentration into “Opportunity Areas”. Opportunity Areas – areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation. Our analysis also documented the concentration of public housing, section 8 voucher utilization, and other federally assisted and subsidized housing developments and State assisted Low Income Housing Tax Credit Assisted developments (LIHTC) in R/ECAP Census Tracts. These analyses were also performed as part of the FHEA.

Based on the results of the RAI and FHEA analyses, we have identified gaps between the adequacy of physical and regulatory infrastructure and the need for structured regional governance in order to enhance the ability of the RMAP Region to address its’ impediment to fair housing choice and social equity. Improving the current status of social equity, fair housing choice, and physical conditions within the region will require improvements in transportation and mobility; publically funded infrastructure; improved neighborhood conditions; livable wages, job creation, education, and job training; and de-concentration of poverty, race/ethnicity, and public and assisted housing; in addition to improvements in housing conditions, affordability, availability, and accessibility. A system of regional governance and participation shared by all jurisdictions in the region will be essential for implementation policies, regulations, planning and programming. In some instances, the region will need to influence and affect change at state and federal level in order to implement effective regional policy.

RAI / FHEA Goals

- ❖ Assess current public and private strategies to meet the region's housing, infrastructure, and community development needs and identify new strategies and approaches to enhance Fair Housing choice among residents.
- ❖ Raise awareness of housing, infrastructure, and community development needs among local and regional officials, service providers, enforcement staff and the private sector.
- ❖ Identify and cultivate areas for potential governmental, nonprofit and private sector partnerships within the RMAP region.
- ❖ Foster coordination among service providers and jurisdictions throughout the region to maximize the use of limited fiscal resources to improve housing choice.
- ❖ Broaden housing opportunities for low to moderate income residents and strengthen neighborhoods by stimulating community development and investment.
- ❖ Provide direction to the counties and municipalities of the RMAP region to foster an ongoing commitment to ensuring fair housing choice.
- ❖ Analysis of existing socio-economic conditions and trends, with a particular focus on those that affect housing and special populations;
- ❖ Evaluates public and private organizations that impact housing issues in the region and their practices, policies, regulations and insights relative to fair housing choice;
- ❖ Assesses the range of impediments to fair housing choice that exist within both urban and rural jurisdictions of the region;

- ❖ Identifies specific recommendations and activities for the RGMA, Rockford and Winnebago Housing Authorities, as well as other local jurisdictions in the region to address any real or perceived impediments that exist;
- ❖ Develops effective measurement tools and reporting mechanisms to assess progress in meeting fair housing goals and eliminating barriers to fair housing choice;
- ❖ Identifies racial and ethnic segregation and integration, including factors contributing to segregation and drivers of integration in the region;
- ❖ Identifies racial and ethnic concentrated areas of poverty, race and ethnicity, and public and assisted housing including location of RCAP / ECAP census tracts and racial and ethnic groups most impacted;
- ❖ Identifies location of opportunity areas, disparity in access to opportunity areas, barriers inhibiting certain groups from accessing such areas, and address inequities in access to opportunity through public investments; and
- ❖ Documents and assesses fair housing infrastructure including fair housing services and activities, current level of fair housing enforcement, complaints and housing discrimination in the region, and available resources to address discrimination.

RMAP Region's Impediments to Fair Housing Choice

The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act analyses of this report have demonstrated that segregation and concentrated poverty have both historically and perpetuated until now in the Rockford City jurisdiction of the RMAP region. The maps and analyses depict Regionally Concentrated Areas of Poverty (RCAP) and demonstrate how these areas are also concentrated racially and ethnically, and impacted by historical concentrations of public and assisted housing. The RCAP area characteristics and physical conditions are indicative of the ways in which the

economy has suffered as a result of housing market distortions and disinvestment, and proven that public policy and programmatic investments have only minimally improved the situation. This report recommends policies and strategies that the RMAP region collectively, and the individual counties and local governments should undertake to remove and lessen segregation and concentrated poverty, in collaboration with the community, non-profit and private sectors.

Impediments to fair housing choice and remedial actions to remove or lessen their impacts are detailed in this section of the report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of impediments to fair housing choice impacting the Rockford MSA and RMAP Study Area. Five major categories of impediments were analyzed and identified: Real Estate and Housing Market Related Impediments; Public Policy and Fair Housing Infrastructure Impediments; Banking, Finance, and Insurance Related Impediments; Socioeconomic Impediments; and Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions represent alternative ways to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing the impediments. This means that the recommended actions will require further research, analysis, and final program design by the City of Rockford, Rockford and Winnebago Housing Authorities, other individual jurisdictions in the MSA and RMAP for implementation.

6.1 Real Estate and Housing Market Related Impediments

Impediment: Housing Affordability and Insufficient Income.

Housing Affordability

Affordability and Financing for Housing is Limited. Affordability is impeding housing choice in the region. The high cost of housing compared to the incomes of many households; the limited supply of affordable and subsidized housing in the region, much of which is in poor and deteriorated condition; subsidized

housing that is largely concentrated in the City of Rockford in R-ECAP areas, particularly concentrated west of the river in Rockford; a lack of affordable housing in close proximity to minimum to low wage job centers outside of the City of Rockford; the lack of affordable housing for seniors and people with disabilities; and the lack of units for large and extended family households are some of the impediments that must be overcome .

The availability of financing presents a primary barrier to producing new subsidized housing. Although the cost of land and construction have declined in recent months, the tightened credit market, and decline in federal, state and local subsidies, have made it challenging for affordable housing developers to take advantage of lower costs. While recent declines in home values have improved housing affordability, many lower income households still encounter difficulty buying a home. This AI analysis indicates that current market prices remain an obstacle to homeownership, particularly for lower-income households. This analysis acknowledges that the sub-prime mortgage crisis and increased foreclosure rates have resulted in a national decline in home values, and increased affordability in single-family homes nationally and in the Rockford MSA. It is important to note, however, that credit markets have tightened in tandem with the decline in home values. As a result, although homes have become more affordable, lender requirements for a minimum down payment or credit score may present a greater obstacle for buyers today.

While declining home values have helped many households enter the ownership market, credit access remains a real challenge for potential homebuyers. In addition, affordable FHA loans and municipally-sponsored first-time homebuyer programs can be difficult to access for buyers, as many loan officers and realtors prefer to focus on conventional mortgages due to the time and effort associated with affordable loan products. Entitlement Jurisdictions and homeownership counselors have responded to these challenges by developing relationships with area lenders who have specific products that focus on this market.

Cost is increasing and subsidy for lower income wage earners is limited.

Rising costs of housing for purchase and a tight supply of affordable rental housing coupled with inadequate household incomes make it that much more difficult for many households to access housing that they can afford. In terms of barriers to home ownership, down payment requirements and property taxes pose big hurdles to many households in accessing homeownership.

There is a lack of housing for population groups making less than 60%, 50% or even 30% of Area Median Income (AMI). Minimum wage is far below a 'living wage', and a person could be working full-time and still not earn enough money to afford rental housing or to purchase a home in the region.

Data gathered from interviews and focus groups identify lack of affordable housing as a barrier to fair housing choice in the region. The solution to this shortfall is still up for debate. Some identify a need to increase the production of affordable housing options. Others feel that enough units exist, but not enough resources to provide subsidies for families who are still unable to afford this housing. Others were concerned that affordable units are primarily in areas of concentrated poverty and deteriorated conditions making these units least desirable to those who can afford them. This is also the case for persons needing public and assisted housing as much of that supply of housing is in RCAP areas. Regional availability and distribution of new or existing affordable units within the region also needs to be addressed in order to insure fair housing choice.

Access to Affordable Housing near Major Employment Centers is limited.

An often-cited concern is the issue of affordability and accessibility as a result of lower cost housing not being in close proximity to or accessible by public transportation to major employment centers in the region. Seniors and persons with disabilities were concerned that fair housing choice is limited outside the City of Rockford, due to their inability to access healthcare and social service centers if they are public transit dependent.

Housing for Seniors and People with Disabilities is limited.

The increase in baby boomers and aging population requires affordable, accessible and senior friendly units, properties and neighborhoods. Currently, seniors and those persons with disabilities are experiencing limited choices in accessible and affordable housing units, and support services for seniors with mental and intellectual disabilities. There is an increasing demand for 'aging in place' modifications in existing housing and neighborhood infrastructure. An aging housing stock contributes to issues with retrofitting existing properties to accommodate seniors and people with disabilities.

Affordable Units for Large and Extended Families are limited.

The region is impacted by a lack of affordable and available housing options for large families with 3 or more children. These families may face discrimination accessing housing through landlords or realtors, sometimes in response to public concern of perceived problems with large families. Multi-generational families and extended families face similar NIMBY issues and this can be particularly difficult for immigrant and ethnic populations with varying cultural differences in the concept of families and living. In the RMAP region, much of the limited supply of large units for rental are limited to Rockford City and offered primarily in public housing authorities and assisted housing properties.

Issues: Lack of affordability, that is households having inadequate income to acquire housing currently available in the market, may be the most critical impediment faced by households in RMAP. Persons desiring housing in Rockford City were particularly impacted. The lowest median housing values in the RMAP region was in the City of Rockford at \$109,500 and median contract rent of \$551 between 2007 and 2011. Median home values for the counties were considerably higher with Boone County reporting a median home value of \$171,300 and Winnebago County \$129,200 for that same period. Median contract rents were also higher in the counties, \$580 for Boone and \$567 for Winnebago. The highest values in the region were reported in Popular Grove and New Milford with

median home values of \$192,900 and median contract rents of \$924 and \$851 respectively. The average median home value for RMAP region was approximately \$166,000 and average median contract rent was \$680 - \$760. The average income required to qualify for a mortgage based on the median home price of \$166,000 is approximately \$45,000 to \$60,000 in household income and the average income to qualify for a contract rent of \$760 is \$30,000 to \$40,000. When you factor in housing related expenses other than mortgage or rent payments such as taxes, insurance, and utilities, home ownership and rental housing is not attainable to many in the RMAP region. In fact, an estimated 21.3 percent of White households, 35.5 percent of Hispanic households, and 42.3 percent of African-American households earned income less than \$35,000 in Boone County and 34 percent of White households, 46.7 percent of Hispanic households, and 62.8 percent of African-American households earned income less than \$35,000 in Winnebago County.

For most jurisdictions in the RMAP region, their citywide and countywide household earnings were at or above the area median income indicated affordability increases for some residents. However, according to the 2007-2011 ACS data, the median household income for Rockford was \$38,864, again the lowest of all the cities in the regional planning area, and making Rockford the exception to median affordability increases for segments of its population. The highest citywide median incomes were in Timberlane at \$106,681, followed by Winnebago Village at \$79,375.

Median incomes for minority populations were much lower than that of Whites. The median household income in Rockford was reported to be \$42,633 for White households, \$21,364 for African-American households and \$34,467 for Hispanic households. The median household income in Boone County for White households was \$62,369, \$43,989 for African-American households, and \$51,875 for Hispanic households, compared to \$61,613 for the overall county. The median household income in Winnebago County for White households was

\$51,199, \$22,901 for African-American households and \$37,925 for Hispanic households, compared to \$47,597 for the overall county.

In Boone County, the modal income classes (the income classes with the highest number of households) for Whites was the \$100,000 or more with 23.5 percent of Whites earning in this income range. In comparison, only 3.7 and 13.7 percent of African American and Hispanic households respectively had earnings in the \$100,000 or more income range. The most frequently reported income class for African-Americans and Hispanics was the \$50,000 to \$74,999 range with 34.1 percent of total African-American households and 25.1 of Hispanics reporting incomes in this range. While the modal category for African-Americans was relatively high, a large percentage had quite low incomes, with almost 28 percent earning less than \$10,000.

In Winnebago County, the modal income class for Whites was the \$50,000 to \$74,999 with 20 percent of Whites earning in this income range. In comparison, 12.8 and 15.3 percent of African American and Hispanic households respectively had earnings in that range. The most frequently reported income class for African-Americans was the less than \$10,000 range with 25.6 percent of total African-American households in this range, and for Hispanic households it was the \$35,000 to \$ 49,999 range with 17.7 of Hispanics reporting incomes in this range. More than 53 percent of African-American households earned less than \$25,000, the bottom three income categories combined, compared to 23 percent of White households.

We do acknowledge that median and modal income are not the only factors to be considered in an assessment of persons ability to qualify for mortgages and that other indicators and mortgage underwriting criteria are important. It is also noteworthy that we found some significant disparate impacts relative to modal and median income for minority households and protected class members. The incomes of lower income persons for all three major racial/ethnic groups and for the cities and counties in the region as a whole underscores that many earn

incomes that are insufficient to acquire housing in the current market regardless of race or ethnicity, and resulting in a significant cost burden for others.

Despite the challenges of affordability and income limitations faced by a number of households, jurisdictions in the RMAP region's homeownership rates were at or above the national average with the exception of Rockford City. According to the 2007-2011 ACS data, in Rockford, 47.3 percent of housing units were owner-occupied, 35.7 percent were renter-occupied, and the remaining 12.5 percent were vacant. Rockford was the only city in the two counties where owner-occupancy rates were below 50 percent. In the other cities and villages, owner-occupancy rates ranged from 65.4 percent in Roscoe to 92.5 percent in Timberlane.

However, cost burden is a major concern as the 2007-2011 ACS estimates reveal a significant percentage of the population at all income levels are paying more than 30 percent of their income for rent and home ownership in the Rockford MSA. The census indicates that nearly 60 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and almost 66 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Further, nearly 11 percent of very low-income renters and almost 10 percent of very low-income homeowners pay between 30 and 50 percent of their incomes on housing expenses. Paying more than 30 percent on housing expenses is considered "Cost Burdened" and paying more than 50 percent on housing expenses is considered "Severely Cost Burdened".

An analysis of households earning between 31 percent and 50 percent of the median family income reveals that over 22 percent of low-income renters and 31.5 percent of low-income homeowners pay more than 50 percent on housing expenses. Also, over 42 percent of renters and over 33 percent of homeowners are paying between 30 and 50 percent on housing expenses in the Rockford MSA.

According to the 2005-2009 ACS estimates, 18.6 percent of renter households in the MSA and 17 percent of homeowner households paid more than 30 percent of their household income towards rent, with 22 percent of renter households and about 10 percent of homeowner households paying more than 50 percent on housing expenses.

In Boone County, over 75 percent of very low-income homeowner households and 54 percent of very low-income renter households paid more than 50 of their incomes on housing expenses. The data also show that more than 48 percent of homeowner households earning between 60.1 and 80 percent of the median household income paid more than 30 percent on housing expenses. Over 45 percent of renter households earning between 50.1 and 60 percent of the median household income paid more than 30 percent on housing expenses.

In Winnebago County, cost burden data show similar impacts on very low-income households, with over 64 percent of homeowner households and 56 percent of renter households paying more than 50 percent of their incomes on housing expenses.

We therefore have identified cost of housing, cost burden, and a shortage of affordable housing as primary impediments to fair housing in RMAP region and Rockford MSA. In addition to insufficient income, other wide ranging and interconnected impediments influence the development, pricing and affordability of housing. These impediments include the rapidly rising cost of land; development fees; or the investment needed to rehabilitate substandard housing. Focus group participants voiced particular concern that the supply of affordable housing for working families was in short supply which is only adding to the overall affordable housing shortage.

Market rents are generally affordable to median-income households, but not for low, very low- and extremely-low income households. With a few exceptions, market rate rents are roughly comparable to the maximum affordable

rents for households earning median income across the region. In contrast, the average market rate rent far exceeds the maximum affordable rent for most low, very low- and extremely low-income households. These households would need to spend substantially more than 30 percent of their gross income to afford market rate rental housing.

Supply of Available Land. In the RMAP region, the availability of land for affordable housing development constrains new housing production. As a result, new affordable residential production will largely occur as infill projects, often a more challenging and costly development type. It is worth noting, however, that infill development offers the benefits of greater transit accessibility, the redevelopment of underused sites, and the preservation of open space. Additionally, locating housing next to job centers, amenities, and transit has the benefit of lowering total housing cost by decreasing automobile transportation costs.

Land Costs. Due to the limited supply and high demand, land costs are high and not cost effective in some instances when developing affordable housing. Local developers indicate that land prices are slowly adjusting during this economic downturn. At the same time, developers generally report that the market is not efficient and that land owners' expectations of what their land is worth has declined less than one would expect given the severity of the housing downturn. Unless land owners are compelled to sell their property, many will wait for the market to recover, thereby perpetuating the restricting land supply and increasing land costs.

Construction Cost. Some cost associated with construction (materials and labor) have fallen nationally in conjunction with the declining residential real estate market according to the U.S. Department of Labor Bureau of Labor Statistics that measures the sales price and cost of materials for specific commodities and products. Thus, construction costs do not appear to be a development constraint in the current economy.

Impacts: Housing affordability impacts the structure and stability of neighborhoods. Income diversified neighborhoods and neighborhoods that are accessible to a mix of incomes have shown a greater potential to maintain themselves as a viable community. That is, people are most likely to maintain housing they own or when it is their housing of choice. While the data supports our concerns relative to affordability and cost burden, based on the 2007-2011 ACS estimates, homeownership rates for RMAP remain healthy and well above the national average. Rockford City represents the one exception in the region with a homeownership of under 45 percent. Most important, cost burden and the lack of income to acquire housing limit housing choice and increase the probability of households will lack the income to maintain their homes or to afford utility and other basic living expenses. To the extent that household income correlates to housing value and conditions, this limitation is even greater. The Census data reveals significant percentages of the city's overall population are cost burdened and or have incomes that are insufficient to qualify for the purchase or rental of housing in RMAP at the median home price. An analysis of household income and cost burden suggests that there is a strong need for additional affordable housing to meet the needs of lower-income households in the region.

Without adequate affordable housing, RMAP households have also shown higher incidents of cost burdened with regard to their monthly mortgage (principal, interest, taxes, insurance, and utilities) or rent payments for all income groups. The good news is that cost burden is trending better in 2011 compared to 2000. Based on 2007 – 2011 ACS cost burden has significantly decreased since 2000. New housing units are being added with a significant increase in housing units between 2000 and 2011. In RMAP, the total number of housing units increased by 29.0 percent between 2000 and 2010. According to the 2010 Census, of the total number of housing units in the city, 72.3 percent were owner-occupied, 16.4 percent were renter-occupied, and the remaining 11.3 percent were vacant.

Remedial Actions:

Action #1: Support the increased production of affordable housing through public private partnerships with developers and capacity building for nonprofits. The City and Counties in the RMAP region will continue to work with local banks, developers and non-profit organizations to expand the stock of affordable housing. A continuation of these efforts should increase the production of new affordable housing units and assistance toward the purchase and renovation of housing in existing neighborhoods. Greater emphasis should also be placed on capacity building and technical assistance initiatives aimed at expanding non-profit, faith based organizations and private developers' production activities in the Region. Alternative resources for Entitlement funded housing programs and to leverage increased capacity among the public and private sector should be sought from Fannie Mae, U.S. Department of Treasury Community Development Funding Institution (CDFI) program, Federal Home Loan Bank and other state and federal sources.

Action #2: Facilitate access to below-market-rate units. Jurisdictions in the RMAP region will assist affordable housing developers by advertising the availability of below-market-rate units via their jurisdictions' websites, referral phone service, and other media outlets. The Cities, Counties and RMAP will also facilitate communication between special needs service providers and affordable housing developers, to ensure that home seekers with special needs have fair access to available units. The Entitlements and RMAP will also work with the affordable housing developers and nonprofit agencies receiving entitlement funds to revise their housing applications to reduce the obstacles that persons with limited English proficiency, and those who are disabled, elderly or homeless may have in submitting completed paperwork within the allowable time.

Action #3: Maintain a list of partner lenders. The Cities, Counties and RMAP will maintain a list of lenders that can help buyers' access below-market-rate loans and locally-sponsored down-payment and mortgage assistance programs.

Action #4: Identify and seek additional sources of funds for affordable housing. The Cities and Counties will seek State and other non entitlement grant resources in an effort to increase funding for first time homebuyer mortgage assistance program. This would support eligible person in the market in acquiring affordable housing within the community and support those responsible for providing financing and engaged in affordable housing development.

Action #5: Encourage private sector support for affordable housing initiatives. The Cities and Counties, in coordination with the Chamber of Commerce, will encourage major employers and lenders to consider Employer-Assisted Housing (EAH) programs, encouraging employers to work with employees in their efforts to purchase housing. In some instances, the Cities, Counties and the Chamber will have to help raise the awareness among local employers and increase their understanding that not all wage levels permit ready entry into homeownership, without some sort of subsidy. This is important in that the private sector and employment community often view the use of subsidies to help low to moderate income households achieve homeownership as a public responsibility. In reality, with limited resources, the various regional governments receiving entitlement and other HUD funding can only assist a small percentage of those in need. The Chamber can play a critical role in researching this issues and encouraging local businesses, local school districts, universities and local hospitals to consider implementing such programs for their employees. Employer-Assisted Housing programs benefit employers, employees, and the community. Employers benefit through greater employee retention. Employees receive aid to move into home-ownership. Ultimately, communities benefit though investment in the neighborhoods where the employers and employees are located.

The most common benefits provided by employers are grants, forgivable loans, deferred or repayable loans, matched savings, interest-rate buy downs, shared appreciation, and home-buyer education (provided by an employer-funded counseling agency). Successful EAH programs use a combination of some of the benefits listed above. One program that has met with success was developed by Fannie Mae, which not only has their own EAH program, but also helps employers implement EAH programs. Fannie Mae's own EAH program has made it possible for 2,200 of its employees to become homeowners. The City of Waco, Texas has implemented an EAH program and made it eligible to all city employees.

6.2 Public Policy and Fair Housing Infrastructure Impediments

Impediment: A Structure for Regional Governance must be created and for implementation of the Regional Analysis of Impediments and Fair Housing Equity Assessment.

Regional Governance is needed in order to implement the RAI and FHEA recommendations for removing impediments to fair housing choice and improving social equity. Consideration should include a regional Human Rights Commission for coordination and insuring measurable participation and implementation. Regional issues and solutions to social equity, housing and neighborhoods, fair housing, de-concentration of race, ethnicity, poverty and public and assisted housing must be elevated to the same level as transportation, infrastructure, cultural arts and entertainment, education and economic development.

Issues: Regional Governance is needed in order to implement the recommendations for removing impediments to fair housing choice and de-concentration of poverty, race and public and assisted housing. A primary goal of the RMAP's RAI and FHEA plan is a regionally balanced supply of housing of all

types and costs and measureable performance toward achieving this goal measured by tracking de-concentration, new housing development dispersed throughout the region and reduction in housing cost burden. Currently, the RMAP Region has to undergo a number of changes in realizing these goals, with multifamily, rental, public and assisted and affordable housing concentrated primarily in the City of Rockford. The African American and Latino populations remain largely segregated in Rockford City. In general, the ability to address impediments and de-concentration and to transition disinvestment areas into opportunity areas will require: 1) implementation of strategies, policies, and programs that increase the likelihood that residents of all races, families of low income, and those who are disabled have and opportunity to live in communities with strong schools, transit, jobs, and all of the other assets that together add up to livability; and 2) implementation of strategies, policies and programs aimed at improving existing assets or creating new ones in disinvested communities, thereby improving livability.

Some strategies and policies will require a larger scale effort and may be more efficiently pursued at the county, region, or state level. The provision of rental and affordable housing in suburban areas closest to suitable job centers must occur in conjunction with the augmentation of economic development in lower-income areas. This will require regional coordination among counties and municipal governments. The first step toward that coordination will be for the county and local governments to use the framework of this report to reexamine their own impediments to fair housing choice. In the long run, it will be beneficial for counties and the region to focus planning, policy tools, and public resources on the specific recommendations in this report.

Remedial Actions:

Regional Governance and Regional Policies, and Regulations

Action #6: Enact a Regional Governance Policy that requires local governments in the RMAP Region to adopt and implement the Regional AI and Social Equity recommendations and their participation in implementation of remedial actions; affirms each jurisdiction's support for the housing and poverty de-concentration plan and creation of a regional affordable housing share plan by all jurisdictions in the region; requires jurisdictions in the RMAP region to adopt and implement the Regional Governance Policy as a pre-requisite to their participation in regional programs and grants resulting from the HUD Sustainable Community Planning Grant. The Regional Governance Policy would include regional Incentives that tie local jurisdictions' benefits from regional transportation, economic development, infrastructure, housing and cultural arts funding to their participation in regional housing and fair housing policies and actions.

Action #7: Enact a Regional Tax Credit Location Criteria and Local Support Policy that is adopted by each government in the region and guides demonstrations of local support to the State for Low Income Housing Tax Credit Applications. The region should lobby the State of Illinois for criteria changes in their developer selection and tax credit award process emphasizing development standards, amenities in developments and location in non minority / non poverty concentrated areas is included in the State LIHTC evaluation policy and scoring system.

Regional Low Income Housing Tax Credit (LIHTC) Project Support Criteria should be developed to guide the regions and individual jurisdictions' evaluation and provision for a letter of support and or funding for Low Income Tax Credit Application to the State of Illinois. The criteria should include limitations or restrictions on supporting applications for developments in current R-ECAP census tracts, concentrations of LIHTC developments in any individual area or

jurisdiction, design criteria that increase amenities to residents, limitations on income concentrations in individual developments similar to those imposed by HUD QHWRA regulations, and CEPTED design standards. These standards should be formally adopted by individual jurisdictions in the region and used to model a state legislative agenda that move toward similar criteria adopted by the State to guide approval of LIHTC applications.

Action #8: Identify and seek additional local sources of funding for affordable housing. The region and its' jurisdictions will enact public policy creating local and regional resources for housing and neighborhood preservation i.e. dedicated sales tax, bond programs for infrastructure, housing trust funds, land bank. The City of Rockford, Boone and Winnebago Counties and the other jurisdictions will also support efforts to increase local funding for affordable housing development and mortgage assistance program. This would support eligible person in the region in acquiring affordable housing within the community and support those responsible for providing financing and engaged in affordable housing development.

In an effort to expand local resources, we recommend that the City of Rockford, Boone and Winnebago Counties, and other jurisdictions initiate efforts to research and consider one particular policy change, inclusionary zoning, as one alternative means of promoting balanced housing development. Inclusionary zoning has been used in other communities to ensure that some portion of new housing development is affordable. As housing prices rise, low to moderate-income residents may be displaced or unable to afford new housing in mixed income areas of the region without the use of Inclusionary Zoning provisions. Mixed-income housing broaden access to services and jobs and provide opportunities for lower-wage earning families to buy homes in appreciating housing markets and, as a result, accumulate wealth.

Inclusionary Zoning, also known as **inclusionary housing**, can be implemented by enacting provisions in the local Zoning or Development

Ordinances that require a given share of new construction houses be affordable to people with low to moderate incomes. The term *inclusionary* zoning is derived from the fact that these ordinances seek to counter *exclusionary* zoning practices which aim to exclude affordable housing from a jurisdiction through the zoning code. In practice, these policies involve placing restrictions on 10% - 30% of new houses or apartments in a given development in order to make the costs of the housing affordable to lower income households. The mix of "affordable" and "market-rate" housing in the same neighborhood is seen as beneficial by many, especially in jurisdictions where housing shortages have become acute. Inclusionary Zoning is becoming a common tool for local jurisdictions in the United States to help provide a wider range of housing options than the market provides on its own. The zoning code must be amended to include this provision and can also be applied when residential planned unit development zoning is requested. Implementation is triggered at the building permitting phase. Inclusionary Zoning could increase the resources for affordable housing through private developer built units or developer dollars allocated in lieu of building units. Inclusionary Zoning could also generate additional resources for affordable housing since the federal grant programs cannot address all of the City's needs for affordable housing. Based on the current level of build out in the City and limited development opportunities, it is recommended that the City consider Inclusionary Zoning in its future development plans.

Inclusionary Zoning Ordinances vary substantially between jurisdictions. These variables can include:

- Mandatory or voluntary ordinance. While many cities and counties require inclusionary housing, many more offer zoning bonuses, expedited permits, reduced fees, cash subsidies, or other incentives for developers who voluntarily build affordable housing.
- A percentage of units dedicated as inclusionary housing. This varies quite substantially between jurisdictions, but appears to range between 10-30%.

- Minimum size of development that the ordinance applies. Most jurisdictions exempt smaller developments, but some require that even developments incurring only a fraction of an inclusionary housing unit pay a fee.
- Whether inclusionary housing must be built on site. Some programs allow housing to be built nearby, in case of hardship.
- Whether fees can be paid in lieu of building inclusionary housing. Fees-in-lieu allow a developer to "buy out" of his/her inclusionary housing obligation. This may seem to defeat the purpose of inclusionary zoning, but in some cases the cost of building one affordable unit on-site could purchase several affordable units off-site.
- Income level or price defined as "affordable," and buyer qualification methods. Most ordinances seem to target inclusionary units to low- or moderate-income households, earning approximately the regional median income or somewhat below. Inclusionary housing typically does not create housing for those with very low incomes.
- Appearance and integration of inclusionary housing units. Many jurisdictions require that inclusionary housing units be indistinguishable from market-rate units, but this can increase costs.
- Longevity of price restrictions attached to inclusionary housing units, and allowable appreciation. Ordinances that allow the "discount" to expire essentially grant a windfall profit to the inclusionary housing buyer, preventing that subsidy from being recycled to other needy households. Therefore, many programs restrict annual price appreciation, often tying it to inflation plus market value of home improvements, striving to balance the community's interest in long-term affordability with the homeowner's interest in accruing equity over time.

Local Policies and Regulations

Action #9: Design and Implementation of a Land Acquisition and Land Bank Program by the City of Rockford and Rockford Housing Authority - The Land Bank Concept involves acquiring unproductive, vacant and developable lots for

affordable single-family and scattered site multifamily housing development. The Land Bank helps to both reduce unproductive expenditures and increase local government revenues. This approach is being implemented in a number of cities largely through a process of acquiring tax foreclosure property. Cities have established certain criteria for acquiring properties and for properties to be considered for Land Bank use. These criteria include: 1) the property must owe five years or more in back taxes; 2) the total taxes and liens must be greater than the value of the property; 3) the purchaser must demonstrated the financial ability to immediately develop the property for affordable housing. The Land Bank generally acquires the foreclosure properties from the Sheriff Sale, maintains the properties and assembles parcels for sale to for-profit and nonprofit developers. Land Bank properties are sometimes acquired as donations by property owners, purchases from owners willing to sale property at reduced prices, and as surplus City-owned land deemed no longer needed for any public purpose.

Action #10: Create Neighborhood Revitalization Plans for existing concentrated areas as a means of elevating those areas to Opportunity Areas.

Neighborhood Revitalization plans and redevelopment initiatives are needed to transform R-ECAP concentrated and distressed neighborhoods and areas with concentrations of public and assisted housing developments into viable and sustainable mixed-income neighborhoods. The planning process will provide guidance for linking housing improvements, diversification of housing types, and reductions in public and assisted housing with appropriate services that improve the quality of life in neighborhoods including, schools, public assets, transportation, and access to jobs. Revitalization plans and reinvestment strategies should be created by the City of Rockford and Rockford Housing Authority for RCAP defined areas and areas experiencing disinvestment in an effort to transform these neighborhoods into “Opportunity Areas”. Planning efforts should focus on both the de-concentration and improvement of public and assisted housing and the housing and neighborhoods surrounding such developments.

Impediment: Increased public awareness of fair housing rights

Issues: The City of Rockford is the only jurisdiction in the region that has enacted local Fair Housing legislation that is substantially equivalent to federal fair housing law. Our analysis of applicable fair housing laws also included the State of Illinois Fair Housing Act. In the analysis the state statutes were compared to the Federal Fair Housing Act. Our Analysis determined that state statute offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. The Cities and Counties of the RMAP region are part of the enforcement geography afforded enforcement coverage by the Chicago, Illinois Regional HUD FHEO Office. While the current system of enforcement provides an acceptable process for filing and investigating fair housing complaints, increased regional fair housing outreach, education and training would be an important step toward raising awareness and establishing more effective local Fair Housing Policy.

Fair housing complaint information was received from the Chicago, Illinois FHEO Division of the Regional Office of the U.S. Department of HUD. The data provides a breakdown of complaints filed for Boone and Winnebago Counties, and City of Rockford. While we were unable to determine if the number of complaints filed over the past 5 years is a sufficient indicator of the public's awareness relative to their fair housing rights, limited public awareness may be a major contributing factor. We believe that regional fair housing outreach, education and training must be increased, as an important step toward raising local awareness and establishing effective regional Fair Housing Policy.

Greater Public Awareness of Fair Housing is needed. Participants in the focus group sessions and key person interviews including representatives of fair housing organizations indicate that general public education and awareness of fair housing issues is limited. Of particular concern is that tenants often do not completely understand their fair housing rights. To address this issue, the City of Rockford, RMAP and fair housing organizations operating in this region should

provide additional fair housing education and outreach programs to both housing providers and the general public. In addition, fair housing outreach to the general community through mass media such as newspaper columns, multi-lingual pamphlets, flyers, and radio advertisements have proved effective in increasing awareness. Fair housing organizations also indicate that outreach to immigrant and populations that are primarily Spanish speaking and other protected classes should be targeted for such outreach.

Increased Fair Housing Services Needed. The AI finds that fair housing is an ongoing concern in the RMAP region. In particular, interviews and focus group participants, and fair housing service providers indicate that many the general public, protected class members, home seekers and landlords all have limited awareness of federal and State fair housing laws. They also remain unfamiliar with protections offered to seniors, disabled, and other special needs populations, as well as families and protected classes.

Impacts: Most communities benefit greatly from having local fair housing legislation, effective outreach, education and training, and local enforcement. Most jurisdictions also have benefited from enforcement and outreach through a state or city having received FHAP and FHIP funding from HUD to enhance its fair housing education and outreach programs, enforcement and activities. With limited knowledge of their rights, the general public and potential buyers or tenants may not realize that their rights have been violated or how to seek remedies offered by federal and state enforcement agencies.

Remedial Actions:

Action #11: Increase fair housing education and outreach. The City of Rockford and RMAP will increase fair housing education and outreach in an effort to raise awareness and increase the effectiveness of its local fair housing ordinances. The initiative will target funding to fair housing education and

outreach to the rapidly growing Hispanic and other immigrant populations. The initiative will also continue organizing fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage. Other alternatives for increasing awareness and effectiveness of fair housing include providing local enforcement. However, entitlement community development resources are limited and therefore local enforcement would necessitate additional funds for investigation and enforcement and expansion of outreach and education. We do not recommend this approach at the current time assuming HUD and nonprofit agencies continues its' enforcement services in the local jurisdiction. Future consideration should be given to a regional approach to local enforcement, perhaps through a partnership of local jurisdictions in the RMAP Region, and a submission of an application for FHAP and FHIP funding being submitted to HUD.

Action #12: Target outreach and training toward housing industry organizations and general public. The City of Rockford and RMAP will partner with fair housing service providers to conduct ongoing outreach and education regarding fair housing for the general public and focused toward protected class members, renters, home seekers, landlords, and property managers. Outreach will include fair housing organizations providing training sessions, public events, city website and other media outlets, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations.

Action #13: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. The City of Rockford and RMAP will encourage Fair Housing Agencies to provide increased fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, the Fair Housing Agency will be asked to submit findings to

the City and RMAP and to conduct educational outreach to landlords that showed differential treatment during the test.

Impediment: Increased efficiency of Public Transportation and Mobility.

Issues: The Rockford Mass Transit District (RMTD) provides fixed route and paratransit service to the residents of Rockford, Loves Park, and Machesney Park. RMTD operates 40 fixed route buses over 17 daytime routes Monday through Saturday, six night routes, and 5 Sunday routes. RMTD provides paratransit - origin to destination - service to persons with disabilities that prevent their use of fixed route services.

The public transportation system, for the most part, provides adequate routes to and from major employment centers and lower income neighborhoods in Rockford. Limitations include limited service after 6:00 pm to accommodate second and third shift workers, and direct routes to some existing and emerging employment centers and social services in the rural and suburban communities within the region. While the economics of public transit, particularly in smaller communities in the region, prevents complete coverage that would allow all worker a reliable and speedy commute to any job location within the region, the distribution of routes in the RMTD system focus on providing access to major employment centers and neighborhoods where residents are more likely to utilize public transportation on their commutes to work.

With an eye towards sustainable communities, future housing development should emphasize transit-oriented development (TOD) principles, encouraging construction of new, higher density housing in locations that take advantage of existing community services and access to public transportation. With TOD-focused planning, the RMTD system and extended night and weekend hours would work well in providing the best network possible given funding limitations.

Impacts: Public transportation limitations include limited service after 6:00 pm to accommodate second and third shift workers, and direct routes to some existing and emerging employment centers and social service locations, particularly to and from rural and suburban communities within the region for public transit dependent residents. While the economics of public transit, particularly in smaller communities in the region, prevents complete coverage allowing all worker a reliable and speedy commute to any job location within the region, the distribution of routes in the RMTD system focus on providing access to major employment centers from neighborhoods where residents are likely to utilize public transportation on their commutes to work.

Remedial Actions:

Action #14: Increased efficiency of Public Transportation and Mobility by focusing on Transit Oriented Development. Future housing development should emphasize transit-oriented development (TOD) principles, encouraging construction of new, higher density housing in locations that take advantage of existing community services and access to public transportation. With TOD-focused planning, the RMTD system and extended night and weekend hours would work well in providing the best network possible given funding limitations.

6.3 Banking, Finance, Insurance and other Industry related impediments

Impediment: Impacts of the Subprime Mortgage Lending Crises and increased Foreclosures.

Issues: The housing foreclosure rates across the country continue to soar and the impacts are being felt in Illinois as well. Numerous web sites are providing numerical counts and locations for homes with foreclosure filings across the country and for jurisdictions in the State of Illinois. RealtyTrac.com shows 36,948 foreclosure filings for the State of Illinois in June 2013. This represents 1 in every 121,276 houses in foreclosure, sixth highest among the states. The state of

Illinois has an average foreclosure rate of 17%. The Illinois foreclosure rate is higher than the national average of 1%. RealtyTrac.com revealed 1,231 and 192 filings for Winnebago and Boone Counties. The City of Rockford recorded 2,418 foreclosures, second highest among Illinois cities with only Chicago being higher.

The rise in foreclosures may relate to the rise and fall of subprime lending market. Subprime lenders offer loans to less-creditworthy borrowers, borrowers that lack sufficient down-payments to afford the property, and risk based borrowers that speculate on the real estate market by acquiring real estate with no equity investment/down-payment in hopes that the property will appreciate in value over a short period of time. These loans are generally offered at higher interest rates or through products involving adjustable interest rates and balloon payments. When the borrower cannot meet the increased mortgage payment they default and the property goes into foreclosure.

Neighborhood Housing Services, NHS, and Neighbor Works America are two national housing intermediaries that have created innovated programs in Chicago, Baltimore, and New York City designed to reduce the impacts of foreclosures and subprime lending in those affordable housing markets.

Remedial Actions:

Action #15: Apply for competitive and non Entitlement State and Federal funding and assistance from nonprofit intermediaries. Eligible jurisdictions within the RMAP Region will pursue CDBG and State HOME and Neighborhood Stabilization Program (NSP) funding if it becomes available to provide home buyer assistance and subsidies to homebuyers to acquire foreclosure property and get it back into commerce. If successful in obtaining additional funding, jurisdictions should consider expanding its' program goals to consider initiatives that reduce mortgage defaults and foreclosure rates among low and moderate income home buyers.

Jurisdictions will work with the State, National Non-Profit Housing Intermediaries and HUD to identify funding that can help reduce the mortgage default rate and foreclosure rates among low and moderate income home buyers and existing home owners. These programs offer initiatives such as loan default prevention programs based on providing counseling to affected borrowers, assistance with identifying alternative products that helps borrowers avoid subprime lending, and assistance with re-negotiation for more favorable terms for borrowers with subprime loans. These intermediaries offer assistance in identifying government assistance programs that serve to assist distressed borrowers and are currently evaluating the feasibility of creating a maintenance and replacement reserve account for affordable home buyers assisted with the entitlement and other federal funds to insure that funds are escrowed to help cover the cost of major repairs. Other alternatives being evaluated include the feasibility of creating a mortgage default and foreclosure prevention account for affordable home buyers assisted with federal funds to insure that funds are escrowed to help cover the cost of unexpected income/job loss and to write down interest rates.

Impediment: Predatory lending and other industry practices.

Issue: Predatory lending is a concern in the RMAP region. Several incidents were cited, by person interviewed and those attending the focus group sessions, suggesting unfavorable lending practices. For some persons, traditional banking and lending relationships have been replaced or relegated to pay-day loan, check-cashing, and title-loan stores. Focus Group participants also complained of extremely high interest rates being charged by not only predatory lenders, but traditional banks and financial institutions for credit cards, auto loans, and other consumer loans. In some instances, the low-income population may be subject to predatory lending because they have a poor credit rating and limited credit history.

Impact: Predatory lending practices often result in a lower-income household losing their home, automobile or other collateral. In some cases, Focus Group participants cited instances where homeowners who had already paid off their original mortgage were losing their home when used as collateral on a loan for a small fraction of the home's value. With low approval rates when submitting loan applications to traditional lenders, residents are more likely to utilize the services of subprime lenders and check-cashing stores that may charge exorbitant interest rates and have severe default penalties. Predatory lending may further impair an individual's credit and monopolize more of a low-income person's monthly income with high interest rates and finance charges, leaving less money for housing and necessities. Consumers felt that they had little recourse to address adverse industry practices that impact their housing choice.

Remedial Actions:

Action #16: Encourage bank and traditional lenders to offer products addressing the needs of households currently utilizing predatory lenders.

The City of Rockford and RMAP will encourage lending institutions to provide greater outreach to the low income and minority households. Greater emphasis on establishing or reestablishing checking, saving, and credit accounts for residents that commonly utilize check-cashing services is desired. This may require traditional lenders and banks to establish "fresh start programs" for those with poor credit and previous non-compliant bank account practices. Lending institutions should therefore be encouraged to tailor products to better accommodate the past financial deficiencies of low income applicants with credit issues.

City and county officials should help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encourage to perform comparability studies to identify real estate comparables that more realistically reflect the values of homes being built in low income areas.

6.4 Socio-Economic Impediments

Impediment: Barriers to Fair Housing Choice Impacts on Special Need Populations

Elderly Persons and Households. Seniors are living longer, lifestyles are changing and desire for a range of housing alternatives increasing. Issues such as aging in place, smaller units with lower maintenance cost, and rental accommodations that cater to those with live-in care givers are of major concern. For other seniors, they often need accessible units located in close proximity to services and public transportation. Many seniors live on fixed incomes, making affordability a particular concern. There is a limited supply of affordable senior housing in the region. In addition, local senior service providers and community workshop participants report that many subsidized senior housing projects serve individuals or couples only and do not accommodate caregivers. In other cases, the caregiver's income may make the senior ineligible for the affordable unit.

Persons with Disabilities. Building codes and ADA regulations require a percentage of units in multifamily residential complexes be wheelchair accessible and accessible for individuals with hearing or vision impairments. Affordable housing developers follow these requirements by providing accessible units in their buildings. Nonetheless, service providers report that demand exceeds the supply of accessible, subsidized units. In contrast to this concern, some affordable housing providers report that they have difficulty filling accessible units with disabled individuals. Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-rate housing, such as lower credit scores, the need for service animals (which must be accommodated as a reasonable accommodation under the Fair Housing Act), the limited number of accessible units, and the reliance on Social Security or welfare benefits as a major income source.

Homeless Individuals. The primary barrier to housing choice for homeless individuals is insufficient income. Service providers indicate that many homeless rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) for income, which are too low to qualify for most market rate and many affordable housing developments. In addition, property managers often screen out individuals with a criminal or drug history, history of evictions, or poor credit, which effectively excludes many homeless persons. There were antidotal comments by those interviewed that some persons have been denied housing based on their immediate rental history being a shelter or transitional housing facility.

Limited English Proficiency (LEP) Individuals. Local service providers state that as financial institutions institute more stringent lending practices and outreach to minority communities has declined with the economy, LEP and undocumented individuals face greater challenges in securing a mortgage. Furthermore, many households in the Spanish-speaking community and other LEP populations rely on a cash economy, and lack the record keeping and financial legitimacy that lenders require. Nationally, national origin is emerging as a one of the more common bases for fair housing complaints.

Female Headed, Female Headed with Children and large Family households. In many communities, female-headed households, female-headed households with children and large families face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of 18 sometimes correlate to increased incidents of reported rental property owners' refusal to rent to tenants with children. The percentage of families that were female-headed with children was 11 percent in Rockford and 9.1 percent in Belvidere according to the 2010 US Census. The percent of female-headed families with children in the other cities and villages in the regional planning area was relatively low, all below 7.5 percent. The percentage

of female-headed households among White households in Boone County was 9.5 percent, compared to 29.9 percent in African-American households, and 13.4 percent in Hispanic households in the county. In Winnebago County, female-headed households accounted for 10.6 percent of White households, 36.4 percent of African-American households, and 18.6 percent of Hispanic households.

Unemployed Persons. The unemployment rate in Rockford was eight percent and Belvidere recorded an unemployment rate of 10 percent between 2007 and 2011. Other jurisdictions in the two counties show unemployment rates at seven percent or below. These data were based on estimates from the American Communities Survey, 5-year average between 2007 and 2011. Unemployment was highest among minority populations. Approximately 6.8 percent of White persons age 16 and over reported being unemployed in Rockford and 9.7 percent of White persons were unemployed in Belvidere. African-Americans persons in the same age group reported a 13.4 percent unemployment rate in Rockford and an 18 percent rate in Belvidere. Hispanics reported an 8.5 percent rate in Rockford and 10.2 percent rate in Belvidere. In the other two largest cities in the two counties, Loves Park and Machesney Park, unemployment rates were not as high nor did it show the disparity between racial and ethnic groups.

The ACS data reveals an unemployment rate of 8 percent for White persons age 16 and over in Boone County and 6.3 percent in Winnebago County between 2007 and 2011. African-Americans persons in the same age group reported a 13.1 percent unemployment rate in Boone County and 13.2 percent rate in Winnebago County. Hispanics were reported at 8.5 percent rate in Boone County and 7.4 percent rate in Winnebago County. As a comparison, the countywide unemployment rate was 11.8 percent in Boone County during the period and 11 percent in Winnebago County.

Issues: Minorities and special needs populations face a disproportionate rate of barriers to fair housing choice than that of mainstream populations. A shared

disadvantage faced by many minority and special needs households are the impacts of living in poverty, lost wages and living on lower, fixed or no income. These limitations are major factors preventing their exercise of housing choice. Minority and special needs populations are hardest hit by poverty and lower income. The poverty data shows major disparities for Hispanics and African-Americans compared to that of Whites and citywide poverty totals. The incidence of poverty in Rockford was 24.7 percent, highest in the regional planning area. In Belvidere, the poverty rate was 14.4 percent. In Poplar Grove the rate was 13.6 percent. In all other cities in the regional planning region, poverty rates were below 10 percent. The poverty data reveals poverty disproportionately impacting the African-American and Hispanic communities in the four largest cities in the regional planning area. The incidence of poverty among African-American households in Rockford was 49.4 percent of their total population between 2007 and 2011, and poverty among Hispanics was reported to be 36.5 percent. A poverty rate of 17.5 percent was recorded among White households for that same period.

Impacts: Households experiencing a severe lack of income and or unemployed typically must accept housing in the lowest income census tracts or rely on public assistance and public and assisted housing wherever it is available. Housing tends to be segregated by income class and sometimes by race or ethnicity, where the housing stock is most likely in poor condition, there are higher reported incidents of criminal activity, and opportunities for improving a person's quality of life are low. Children from these households grow up in an environment that sometimes dooms them to replicate their community's living standards, continuing the cycle of poverty for generations to come. Focus group participants voiced a perception that certain areas of the region are home to a disproportionate number of low-income persons, living in substandard and crime ridden multifamily housing developments. Participants indicated that the concentration of poverty is not only a concern with regard to social equity and the plight of renters, but poverty and low / limited income is also having an impact on

the condition and quality of single family housing in the neighborhoods where there are high concentrations of lower income and elderly home owners. In areas where a majority of homeowners cannot afford routine maintenance, poor housing conditions may quickly become the prevalent state of affairs. Lack of job opportunities and lack of sufficient income to afford decent housing were cited as concerns. Both crime and perception of crime were discussed as critical issues that are hindering some residents in various areas of RMAP.

Remedial Actions:

Action #17: Provide language assistance to persons with limited English proficiency. Many individuals living in RMAP region for whom English is not their primary language may speak English with limited proficiency or, in some cases, not at all. As a result, persons who are limited English proficient (LEP) may not have the same access to important housing services as those who are proficient. The RMAP, its' entitlement jurisdictions and grant-funded agencies will implement and maintain a language access plan (LAP) consistent with federal guidelines to support fair access to housing for LEP persons.

Action #18: Continue to Implement an Affirmative Fair Housing Marketing Plan (AFHMP) to create fair and open access to affordable housing. The City of Rockford, Boone and Winnebago Counties, and RMAP will include provisions in Affirmative Fair Housing Marketing Plans insuring that individuals of similar economic levels in the same housing market areas have equal access to a like range of housing choices regardless of race, color, religion, sexual orientation, gender, familial status, disability, or national origin. The entitlement-funded agencies in the region shall follow the plan and insure that it is consistent with federal guidelines to promote fair access to affordable housing for all persons. The Entitlement jurisdictions in the region will also provide outreach to private landlords not receiving entitlement funding encouraging landlords to facilitate and embrace the Entitlement's AFHMP provision of providing housing to

persons protected under the Fair Housing Act and those with imperfect credit histories, limited rental histories or other issues in their backgrounds.

Action #19: Continue to encourage recruitment of industry and job creation. The City of Rockford, Boone and Winnebago Counties, other jurisdictions in the region and business interest will continue to work on expanding job opportunities through the recruitment of corporations, the provision of incentives for local corporations seeking expansion opportunities, assistance with the preparation of small business loan applications, and other activities whose aim is to reduce unemployment and expand the base of higher income jobs. A particular emphasis should be to recruit jobs that best mirror the job skills and education levels of those populations most in need of jobs. For RMAP as a region, this means jobs that support person with high school education, GED's and in some instances, community college or technical training. These persons are evident in the workforce demographics and in need of jobs paying minimum wage to moderate hourly wages. The jurisdictions within the region should also continue to support agencies that provide workforce development programs and continuing education courses to increase the educational level and job skills of residents. The goal should be to increase the GED, high school graduation, technical training, and college matriculation rates among residents. This will help in the recruitment of industry such as "call centers", clerical and manufacturing jobs. Call centers and customer service centers where employees are recruited to process sales or provide customer service support for various industries, have become more and more attracted to areas with similar demographics to that of RMAP region.

The Aflac Insurance Company is a great example of a "call center operation" that relocated to a smaller city, and is making a difference by dramatically expanding employment in Columbus, Georgia for persons from similar demographic groups to those most in need of jobs in the RMAP region. In 1998, Aflac opened its Computer Service Center housing 600 employees. In 2001, the company opened

its Corporate Ridge office, a 104-acre development housing the company's claim processing and call center operations. Aflac recently opened a new phase of the expansion in 2007, which added 90,000 square feet to the existing Paul S. Amos Corporate Ridge campus building located in Columbus. The City of Columbus provided an incentive package including tax abatement and land assembly and acquisition subsidies in part through the use of their federal grant funds.

We recommend that the City of Rockford, Boone and Winnebago Counties, and other jurisdictions in the RMAP region, in conjunction with local business interest, continue to focus on actively recruiting industries that match the demographics of the populations most unemployed, as a means of improving poverty rates, incomes and home ownership rates in the region. The region should continue providing incentives similar to those used in the past and incentives programs structured by other communities to achieve this goal. Recruiting such industries can assist in increasing the region's tax base, while serving to provide the necessary income for more people to achieve home ownership.

6.5 Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments

Impediment: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

Issue: The potential for neighborhood decline and increasing instability in RMAP' older neighborhoods is a growing concern. Neighborhoods relatively stable today with most of its housing stock in good condition will decline if routine and preventive maintenance does not occur in a timely manner. The population is aging, which means more households with decreasing incomes to pay for basic needs. This increase in elderly households coupled with the steady rise in the cost of housing and the cost of maintaining housing means that many residents will not be able to limit their housing related cost to 30 percent of

household income and still maintain their property. Rental property owners will be faced with increasing rents to pay for the cost of maintenance and updating units rendering rental units unaffordable to households as well.

The entitlement jurisdictions in the RMAP region receive CDBG entitlement annually and allocations of HOME HUD funding. These resources are used for housing, social service and infrastructure improvements but due to funding limitations do not directly impact large segments of the population in need of housing assistance. Increased support from volunteers and community resources will be needed to close the gap between those in need of housing related assistance and resources available.

Impact: Neighborhoods and homeowners and renters must devise a means for residents and landlords to keep pace with the maintenance demands of housing, an aging housing stock, and support those persons unable to maintain their properties on their own. This will enhance and support a healthy neighborhood “Image and Identity” and help attract new residents and retain existing residents and businesses. An essential component of this recommendation will include becoming healthier, sustainable neighborhoods, able to meet the essential quality of life needs of its residents and to improve the physical character of the neighborhood. In some neighborhoods, these attributes are viewed as negative and uninviting both internally by its residents and externally by the community at large. Some neighborhoods are viewed as unsafe and a haven for criminal activities. Whether this is reality or a perception, it has a detrimental effect on the image of the neighborhood either way.

Neighborhood assets must be protected and improved. Structures should be strategically removed if found to no longer contribute to the well being of the community. Maintaining vacant lots, including clearing weed, litter, and junk, and maintaining tree growth, would immediately improve the appearance of neighborhoods. Existing regulatory efforts need to be expanded and additional resources allocated to support enhanced code enforcement in jurisdictions

throughout the region. Other amenities such as providing streetscape enhancements in the medians and pedestrian areas along residential streets, adding street lighting, sidewalks, shrubs, and new development on vacant lots, would significantly improve the neighborhoods. Most of all, there is a need to revive the “sense of community and trust” and encourage participation and cooperation from residents to maintain their homes, yards, and surroundings and to actively participate in community empowerment activities such as Crime Watch, neighborhood associations and self help initiatives.

Remedial Actions:

Action #20: Design and implement a centralized program of self help initiatives. The RMAP region will evaluate the design and implementation of a Centralized Program of Self Help Initiatives based on volunteers providing housing assistance to designated elderly and indigent property owners and assisting them in complying with housing codes. This will require an organized recruiting effort to gain greater involvement from volunteers, community organizations, religious organizations/institutions and businesses as a means of supplementing available financial resources for housing repair and neighborhood cleanups.

While there have been successful initiatives of this nature in the City of Rockford and jurisdictions within the RMAP region and nonprofit agencies, a more comprehensive effort, perhaps coordinated by the City of Rockford or RMAP needs to be designed and implemented that fully utilizes the resources of the community and area businesses. The program will be based on a case management system where the select needs of area property owners are matched with volunteer resource teams capable of solving the various code violations and other needed exterior repairs for select properties. Requests for assistance would be received from code enforcement officials, housing program administrators, social service agencies, community institutions, and homeowners. Priority will be given to those owners immediately affected by an

active code compliance case, a targeted block or area project, and those with life threatening or uninhabitable conditions.

Eligibility for assistance will require verification of income or status as elderly or disabled. Levels of assistance would be based on the specific needs to be addressed and the ability of the property owners and their family to assist in the effort. The region could possibly fund or seek funding from the private sector for a part-time Program Coordinator designated to conduct home visits of each program participant, evaluate the appropriateness for volunteers to perform the work, and determine and advise the homeowner of their responsibilities in support of the effort. The Program Coordinator, upon securing a match between volunteers and property owner, will coordinate project dates, materials, supplies, and project support for the day of the project. Again, some of these activities may have been initiated in the past, so in some instances, our recommendations are that activities be continued, offer an enhanced level of programming, or that the region apply for funds as they become available. Activities that could be considered for the centralized self-help initiatives program include:

- **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.
- **Implement a Youth Build and Repair Program in conjunction with local school districts and or the Rockford and Winnebago Housing Authorities.** Youth Build is a U.S. Department of Housing and Urban Development (HUD) program that teaches young people how to build new homes and repair older ones. HUD offers competitive grants to cities and non-profit organizations to help high-risk youth, between the ages of 16 and

24, develop housing construction job skills and to complete their high school education.

- **Organize a “Compliance Store”** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.
- **Organize "adopt-a-block" and "adopt-an-intersection" campaigns** where neighborhood groups, residents, scout troops, and businesses adopt key vistas and intersections to maintain and implement beautification projects, such as flower and shrub plantings and maintenance.
- **Creating Community Gardens as interim uses on select vacant lots** provide an opportunity for neighborhood residents to work together to increase the attractiveness of their neighborhood. Formats for community gardens range from attaching simple window boxes to homes along a street reflecting a common theme, coordinating garden planting, or converting a vacant lot that may previously have been an eyesore in the neighborhood into a flower or vegetable garden tended by members of the community. Naturally, ownership of a vacant lot is an issue to be resolved before gardening begins. The City Assessor can provide information on the ownership of the property. If the lot is privately owned, permission to use the lot must be received from the owner. If the property is owned by the City or expropriated, ownership of the property might be transferred to a local non-profit organization or neighborhood association. While the costs of plant materials and supplies are an important consideration for community gardens, many nurseries and home improvement stores offer discounts for community improvement projects.

Impediment: Historical and sustained patterns of segregation and concentration of racial/ethnic minority populations, poverty and low income population, and public and assisted housing.

Issues: Historical and sustained patterns of segregation and concentration of racial/ethnic minority populations, poverty and low income population, and public and assisted housing exist in Rockford City. The U. S. Department of HUD has defined “Areas of Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 3 times or more the poverty level of the MSA (35.1% for Rockford MSA) and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration would be to achieve minority concentrations and poverty level less than defined above by R/ECAP and to transform these areas of concentration into “Opportunity Areas”. Opportunity Areas are defined as areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation.

The poverty rate in Rockford was 24.7 percent for all households, highest in the regional planning area. In Belvidere, the poverty rate was 14.4 percent. In Popular Grove the rate was 13.6 percent. In all other cities in the regional planning region, poverty rates were below 10 percent. The incidence of poverty among African-American households in Rockford was 49.4 percent of their total population between 2007 and 2011, and poverty among Hispanics was reported to be 36.5 percent. The White poverty rate was 17.5 percent. This high poverty rate among minorities in Rockford is largely concentrated in the R-ECAP Census Tracts.

Our analysis of the information provided during the study period documents that the City of Rockford Housing Authority has allowed a significant portion of their

low income public housing units and Section 8 Voucher utilization to be concentrated into already predominately low income, poverty and minority concentrated parts of the city. In addition to RHA, the County of Winnebago Housing Authority, whose jurisdiction extends to Winnebago County has a large percentage of their Section 8 Voucher holders concentrated in the R/ECAP Census tracts of Rockford, further contributing to the problem of concentration of race and poverty within the City of Rockford. Approximately 62.5% of the public housing units in four developments are currently located in designated high poverty and minority concentrated census tracts. These R/ECAP census tracts are identified as having a poverty rate above 40% of the area, and with a minority concentration population of greater than 50%.

Our analysis also documented the concentration of other federally assisted and subsidized housing developments and State assisted Low Income Housing Tax Credit Assisted developments (LIHTC) in R/ECAP Census Tracts. Map 1.2 in the Community Profile depicts the location of Public Housing Properties, LIHTC Properties, and other assisted properties (Sect. 202, 811, etc.) and Section 8 properties respectively. Based on our analysis, we have determined that a disproportionate concentration of public and assisted housing product and voucher utilization exist in minority concentrated and low income zip codes and census tracts within the Rockford City limit boundaries.

Impacts: Improving existing minority and income concentrated neighborhoods will have to be a major focus of RHA, City of Rockford and County governments, in implementing the RAI and FHEA plan. Broad community involvement and outreach will be needed both in introducing the concept of de-concentration and building community support and consumer buy-in into the implementation recommendations. Equally important and perhaps even more challenging is the goal to transform de-concentration areas into opportunity areas. In order for de-concentration to be achieved, we must begin to move areas of concentration closer to becoming opportunity areas. We must identify changes that need to

occur, what neighborhood amenities and quality of life issues need to be addressed and how do we achieve and pay for such improvements. A more difficult concern is what public and assisted housing units and in some cases private units must be demolished to make way for new housing and amenities and what residents stay to reap the benefits of change versus which residents must move to existing opportunity areas to achieve de-concentration. Current residents in concentrated areas will be most concerned with when designated as a household that should move, “Will there be adequate public and assisted housing choice in the opportunity areas”; “What sort of neighborhood should I move to” and “ Will the areas and its’ existing residents be supportive of my transition?”

Other impacts that must be dealt with include:

Impact: Lack of housing choices available to minority and lower income populations, persons dependent upon housing assistance in RCAP areas and lack of access to “Opportunity Areas”.

Impact: Gaps in infrastructure in support of housing opportunities – educational attainment and quality schools, transportation and mobility, job creation, neighborhood revitalization, crime, public infrastructure, limited housing types, public and assisted housing resources.

Impact: Lack of a Public Participation Plan aimed at expanding broad community involvement and support for and reducing barriers to fair housing choice.

Impact: Social Equity for populations and geographies performing below the area median and opportunities to elevate those populations closer to the median

Impact: Community and Industry Resistance, Discrimination, and Opposition to Fair Housing Choice – nymbyism, discrimination, segregation, historic and cultural heritage, gentrification.

Remedial Actions:

Action #21: Create a voucher disbursement strategy which results in a 30 percent reduction of Section 8 voucher utilization in R-ECAP poverty and minority impacted census tracts, in the City of Rockford, and no more than 30 percent utilization in any census tract in Boone and Winnebago Counties, or any census tract in any of the immediately adjacent counties and cities. Alternatives could include:

1. Voucher Program: Increase the Payment Standard in all bedroom sizes to allow voucher holders to move out of concentrated census tracts to non-concentrated census tracts. Targeted non-concentrated census tracts are those in which 70 % or fewer units are currently accessible to voucher holders at the current FMR.
2. Voucher Program: Offer landlords a one- time bonus fee, dependent upon bedroom size, for rental in a non-concentrated census tract to recruit more landlords into the program in non-concentrated areas of the city.
3. Voucher Program: Offer landlords in non-concentrated areas, a guarantee of rent subsidy for the initial or one full term of the lease, in the event of a tenant default on their initial lease agreement, as an incentive for landlords to stay in the Section 8 Program.
4. Voucher Program: Add a waiting list preference for voucher applicants who are willing to select a unit in a non-impacted concentrated census tract in the city, or county, for their housing choice voucher.
5. Voucher Program: Implement a survey tracking system that will map/chart locations of units under contract and track how family patterns changes in connection with a voucher holder's move through annual surveys with family members.
6. Public Housing: In accordance with recent regulatory changes, aggressively market public housing to families with 30% to 80% of median income, once

the threshold of 40% of 30% or below of median income totals has been met in any development.

Action #22: Create a Regional Housing Move to Opportunity Advisory Group as part of a Metropolitan Planning Organization, or the Rockford Metropolitan Planning Agency (RMAP).

This Move to Opportunity Advisory Group would be charged with mapping, tracking, and analyzing the locations of units under contract between both the Rockford Housing Authority and the Winnebago County Housing Authority's housing choice vouchers. This would enable a more regional approach to the strategy of managing housing choice vouchers for the entire region.

This group would track how the pattern changes, differentiating between new voucher families who have rented their preprogram unit and families who have use a voucher to move into a housing unit. When a large number of movers choose housing in a certain neighborhood, it is important for the housing authorities, and counseling agencies working with voucher families, to analyze what is happening in the neighborhood. Can the neighborhood absorb a large number of assisted housing units that can be rented within the program's fair market rents ((FMRS)? Or is it a neighborhood that has been de-stabilized by rapid racial transition, or that is fragile in other ways?

This recommendation is also consistent with the smart growth/planning blueprint goals outlined in the Metropolitan's Planning Organization's blue print for affordable housing for the region.

Existing Public and Assisted Housing Redevelopment Alternatives

Action #23: Priority given to scattered sited development which focuses on non-impacted areas of the Cities, or Counties such as a land swapping.

Action #24: RHA will re-evaluate the redevelopment and replacement of subsidized public housing in location the Fairground Valley and other public and assisted housing developments and consider a combination of both market rate housing and economic development strategy in the redevelopment of the Fairgrounds Valley Choice Neighborhood (CN) Transformational Plan. The location of the Fairground Valley public housing development is in one of the city's poorest census tracts. It has a 61.9 % poverty rate, second only to the Orton Keyes development census tract. Although, a lot of planning has gone into this location, perhaps the authority would be better suited to find additional smaller scatter site locations within the city and counties to fulfill its replacement housing criteria with HUD.

Many times in an effort to maximize the number of housing units, a retail economic component is not included in the transformation plan. The Fairground Valley Choice Neighborhood Plan did not show an economic development component for the area. A market research of possible retail opportunities should be included in Rockford's Choice Neighborhood (CN) Transformational Plan to prioritize possible retail development in the area with possible private and/or public partnerships. RHA should also pursue more private/public joint development ventures that focus on non-impacted areas of the City and Counties to replace units lost to demolition.

Action #25: Implement programs that improve safety and decrease perceptions of crime in concentrated areas including Crime Prevention, Law Enforcement community policing, Weed and Seed, and Crime Prevention through Environmental Design Standards (CPTED).

Crime Prevention through Environmental Design (CPTED) – one of the major issues identified by both resident and participants in community outreach sessions was the need to address crime and the perception of crime in public housing developments and concentrated areas. We recommend a collaboration or commission involving representatives of the City officials,

Police Department, RHA, and neighborhood leaders are designated to examine ways to improve crime prevention, safety and the perception of crime in the area. The CPTED concept could be explored by the City Police department as one means of implementing this recommendation. CPTED is based on the premise that "proper design and effective use of the built environment can lead to a reduction in the fear of crime and incidence of crime, and to an improvement in quality of life." CPTED strategies are ideal for Law Enforcement Officers, City Planners, City Managers, City Council Members, Architects, Security Consultants, Educators or anyone involved in designing developments, neighborhoods, schools, downtowns, buildings, or revitalization efforts. It is an effective way of fighting crime and promoting business. Example of what types of activities or regulatory changes could be used or offered in the implementation of CPTED programs is listed below.

- Improved signage
- Providing education on Human Behavior and CPTED concepts
- Barriers – Real vs. Symbolic/Fencing, Landscaping, & Interior Walls
- Lighting For Safety
- Planning, Zoning, and CPTED
- Writing a CPTED Ordinance/Overlay Districts
- Traffic and signals
- Crosswalks and protected crossings

Action #26: Evaluate opportunities for land swaps and joint development between RHA and the ISD Education Bond Program, and City/County Bond Program Infrastructure to address de-concentration concerns.

Action #27: Develop focus group sessions with Public Housing resident, Residents Councils, and Voucher holders as to de-concentration, loss of housing units, gentrification, and housing in areas outside of already identified concentrated areas.

SECTION 07

ROCKFORD HOUSING AUTHORITY DE-CONCENTRATION PLAN

Section 7: Rockford Housing Authority De-Concentration Plan

Methodology

JQUAD PLANNING GROUP, LLC (the Consultant) was contracted to develop a De-Concentration Plan for the City of Rockford, Illinois Public Housing Authority's (PHA) public and assisted housing program(s), administered under federal government statutes.

The Public Housing Authority De-Concentration of Poverty and Fair Housing in Program Admission Plan requirements are details in HUD Regulations C.F.R. Subpart A. Sec 903. The purpose of this section is to specify the process which a Public Housing Authority, as part of its Annual Planning Process and development of Admissions Policies, must follow in order to develop and apply a policy that provides for de-concentration of minority populations, poverty and encourage income mixing in certain areas of the jurisdiction and in public housing developments and to Affirmatively Further Fair Housing. The plan should specifically address de-concentration of PHA developments and saturation of Section 8 Rental Vouchers in minority ethnic and racial and poverty concentrated census tracts and geographies. This included the following:

Analysis and documentation of existing conditions and concentrations of poverty, minorities, and incomes in geographies and PHA owned and operated developments across the City.

Corrective actions and strategies recommended for redevelopment, policy, regulatory, legislative, admissions, operations, and fiscal aspects of the Rockford Housing Authority programs. These tasks include identification of development opportunities, programs, joint development opportunities, demolition and replace strategies, and funding opportunities.

Compile examples of best practice policies, development programs, ordinances, supportive housing programs and regulations that affirmatively further fair housing. This includes compiling examples of public housing strategies that improve PHA

development and community infrastructure, housing stock, de-concentration of areas of poverty, race, and ethnicity while maintaining a mix of incomes and culture.

Identify gaps between physical infrastructure and housing conditions of existing developments and neighborhood conditions in areas surrounding existing developments in concentrated areas for housing availability by comparing current status and conditions with recommended infrastructure improvements such as livable wages, job creation, education, job training and public transportation.

Data Collection and Analysis

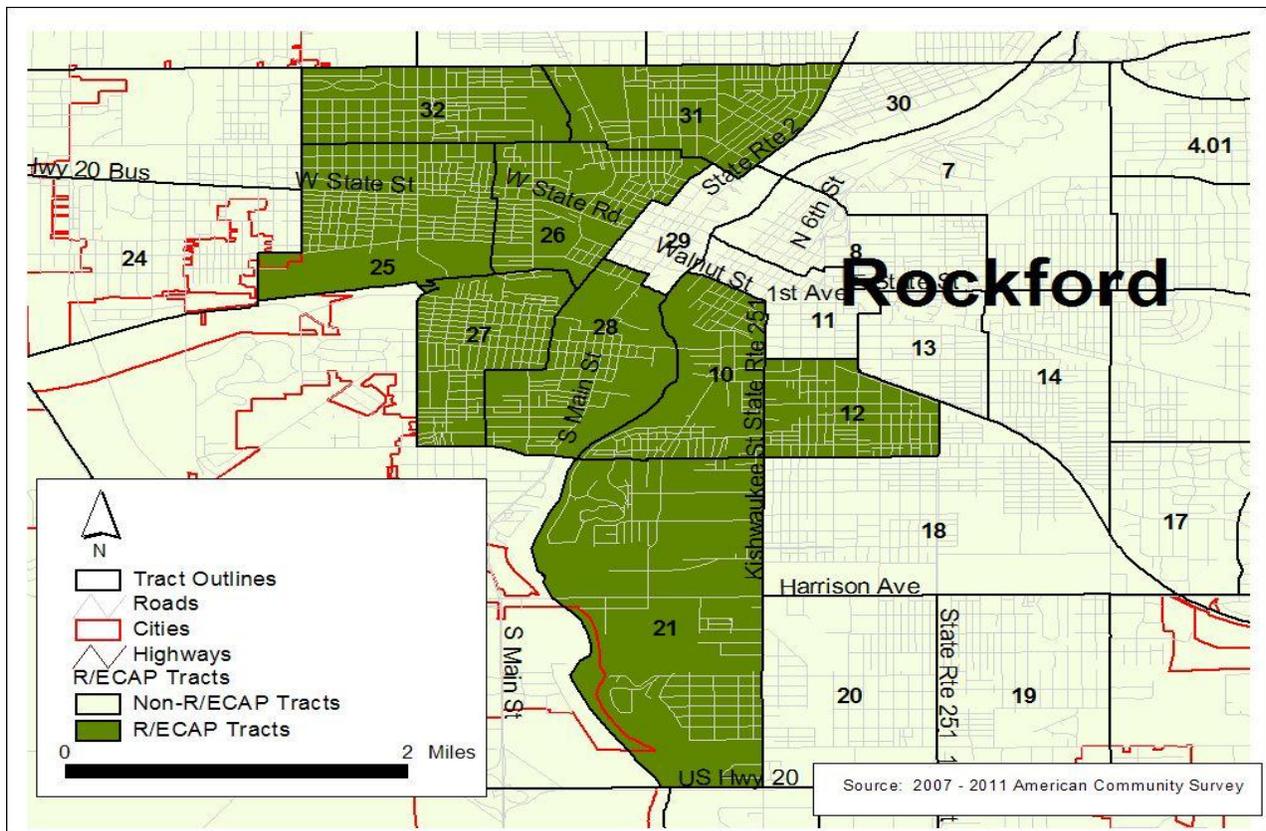
Data and other information were collected and analyzed including review of demographic, income, employment, and housing data of the Rockford Metropolitan Agency for Planning regional planning area, including Rockford City, Boone and Winnebago Counties and cities and villages within them. The data were gathered from 2007 - 2011 American Community Survey (ACS) 5-Year estimates; 1990, 2000, and 2010 U.S. Census; the Rockford Mass Transit District; and other sources. Rockford Housing Authority provided regulatory reports submitted to the Board and HUD and management and policy reports and documents including: Rockford Housing Authority's Admissions and Continued Occupancy Policy (ACOP), Rockford Housing Authority Strategic Plan 2009 - 2014, RHA 5 Year and 2013 Annual Plan, HUD SEMAP Scores, Area Voucher Payment Standards, Section 8 Administrative Plan, Jane Adams Consent Decree and the Housing Choice Neighborhood Plan Grant Applications and preliminary findings for the Ellis Heights and Fair Grounds Areas. The agency documents and reports listed above were also reviewed from the Winnebago County Housing Authority.

Other information analyzed and considered included the City of Rockford's Five-Year Consolidated Plan, the Rockforward! Strategic Plan, Consolidated Annual Performance & Evaluation Report (CAPER), HOPE VI Focus Area Plan, 2020 Plan, Analysis of Impediments to Fair Housing (AI)-2005, and Rockford Metropolitan Agency For Planning (RMAP) Blueprint.

Areas of Minority, Poverty and low Income Concentration and Segregation

The U. S. Department of HUD has defined “Areas of Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 3 times or more the poverty level of the MSA (35.1% for Rockford MSA) and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration would be to achieve minority concentrations and poverty level less than defined above by R/ECAP and to transform these areas of concentration into “Opportunity Areas”. Opportunity Areas – areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation. The map below depicts the census tract defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

Map 1.1 HUD R/ECAP Calculations of Minority and Poverty Concentrated Areas



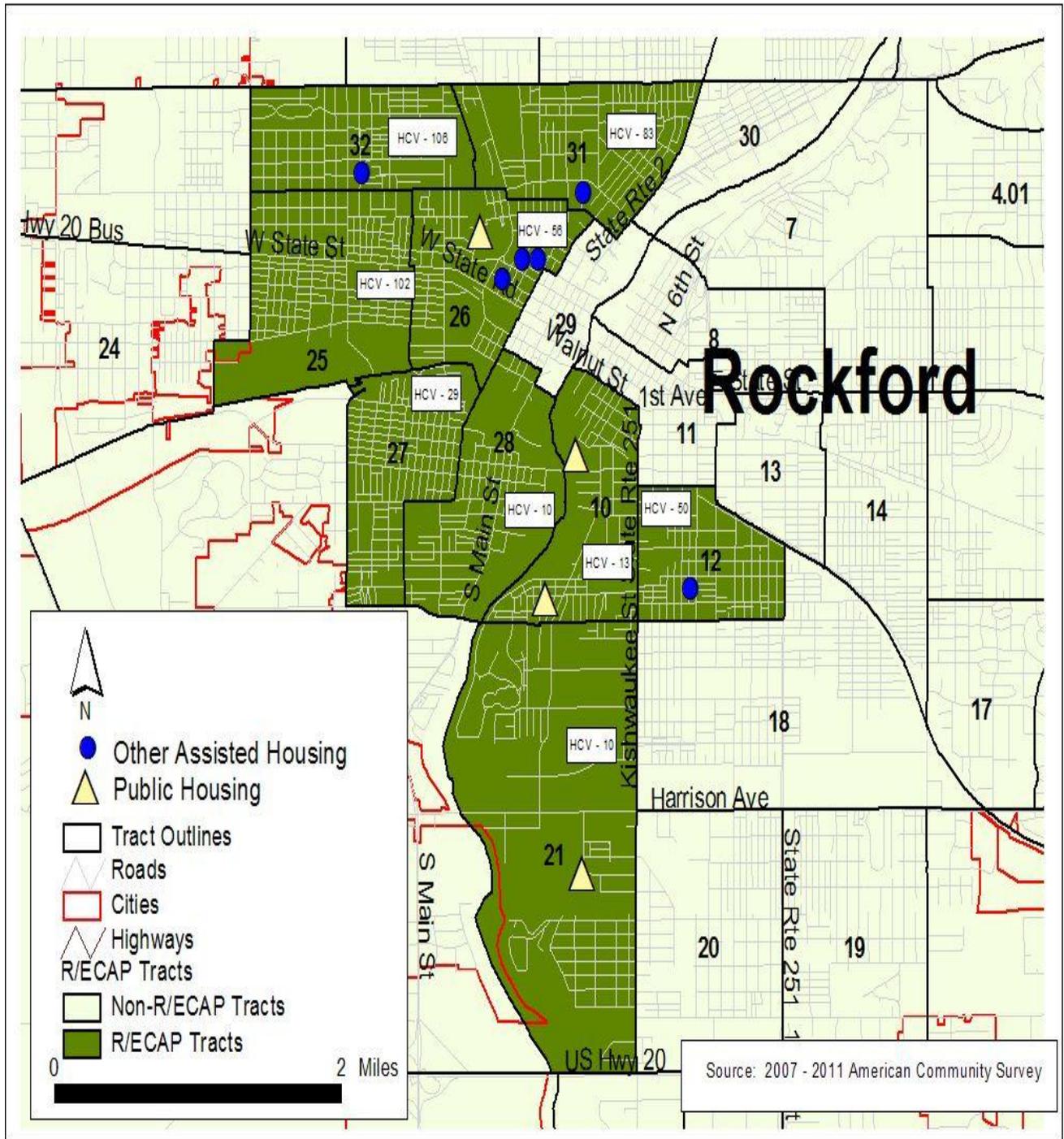
Our analysis of the information provided during the study period documents that the City of Rockford Housing Authority has allowed a significant portion of their low income public housing units and Section 8 Voucher utilization to be concentrated into already predominately low income, poverty and minority concentrated parts of the city. In addition to RHA, the County of Winnebago Housing Authority, whose jurisdiction extends to Winnebago County has a large percentage of their Section 8 Voucher holders concentrated in the R/ECAP Census tracts of Rockford, further contributing to the problem of concentration of race and poverty within the City of Rockford.

Our analysis also documented the concentration of other federally assisted and subsidized housing developments and State assisted Low Income Housing Tax Credit Assisted developments (LIHTC) in R/ECAP Census Tracts. The Map 1.2 on the following page depicts the location of Public Housing Properties, LIHTC Properties, and other assisted properties (Sect. 202, 811, etc.) and Section 8 properties respectively. Based on our analysis, we have determined that a disproportionate concentration of public and assisted housing product and voucher utilization exist in minority concentrated and low income zip codes and census tracts within the Rockford City limit boundaries.

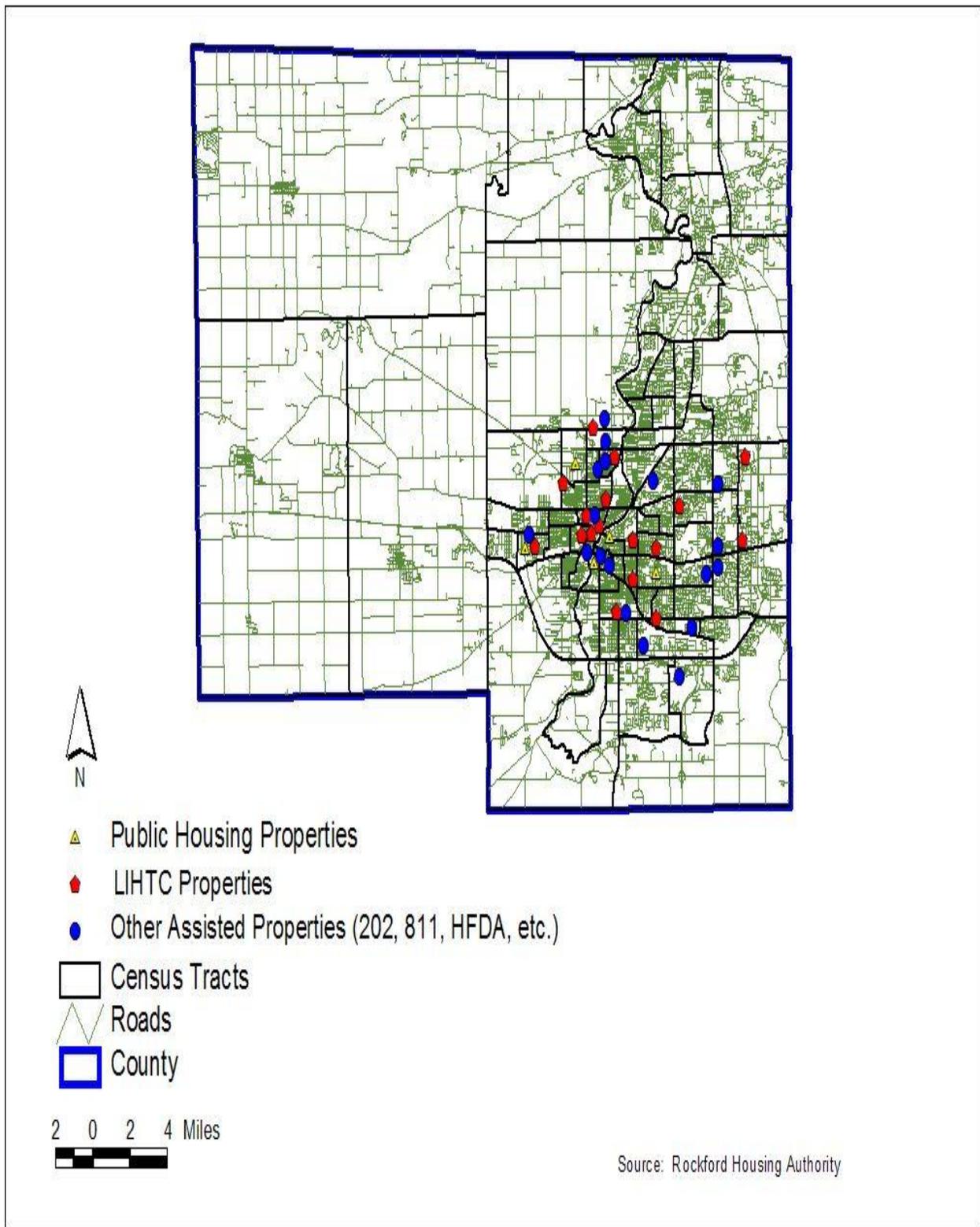
The eastern portion of the Map 1.3 shows a more even distribution of assisted properties throughout a wider area east of the river. While the western portions clearly shows a more clustering and concentrated effects for the R-ECAP census tracts west of the river.

The dark brown and yellow colors on Map 1.4 show the more concentrated Section 8 Vouchers utilization areas which are also located in the West and central portion of the city. The images of these views do not show the ultimate impact that the housing assistance programs have on the city's neighborhoods west of the river in the R-ECAP Census tract, which are not only minority and poverty concentrated but have suffered years of disinvestment and neglect resulting in some of the poorest living conditions in the County.

Map 1.2 HUD R/ECAP Calculations with Public and Assisted Housing Concentrations depicted

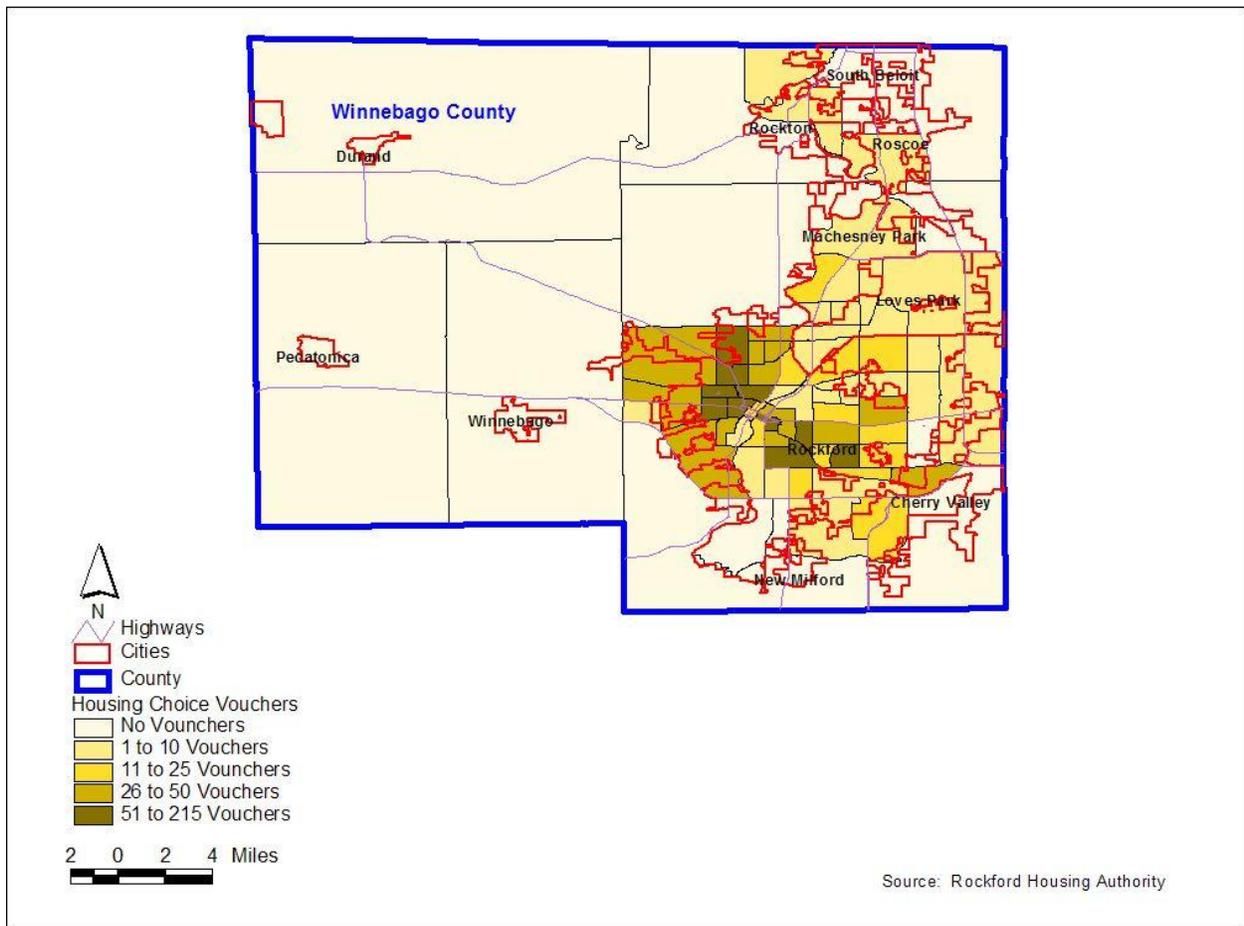


Map 1.3 Public and Assisted Housing Concentrations in the City of Rockford

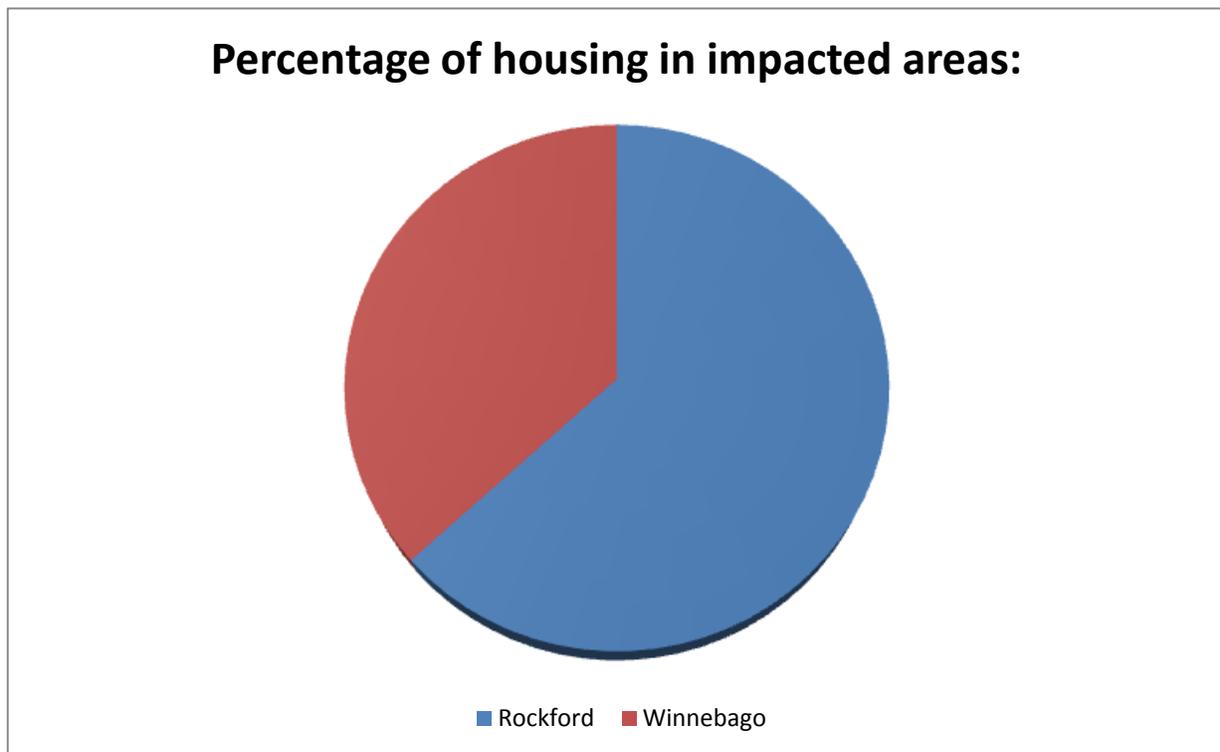


JQUAD's analysis of Section 8 Program Voucher utilization in the City of Rockford includes families and individuals enrolled in the housing choice voucher program with Rockford Housing Authority. A mapping of location of the housing choice vouchers utilization, in the City of Rockford, is shown in the illustration below. They also show a similar concentration pattern in R/ECAP Census Tracts as the public and assisted housing properties shown on an earlier map.

Map 1.4 Section 8 Voucher Concentrations in the City of Rockford



Graph 1.1 below show the impact of vouchers concentrated into low income and minority concentrated areas of the City of Rockford.



Quality Housing and Work Responsibility Act (QHWRA)

Section 513 of the Quality Housing and Work Responsibility Act (QHWRA), enacted October 21, 1999, requires Public Housing Agencies to submit with their Annual Plan an admissions policy designed to provide for de-concentration of poverty and income mixing in public housing developments. The policy must be designed to bring lower income residents into higher income developments and higher income residents into lower income developments. The Final Rule on Public Housing Agency Plans published in 24 CFR Part 903 requires that Public Housing Agencies determine and compare the relative tenant incomes of each development occupied predominantly by families with children by determining the average household income in all such developments combined and define higher income developments as those with where the average family income is over this average and lower income developments as those where the average family income is under this average. Public Housing Agencies are then

required to consider what admissions policies or incentives, if any, will be needed to bring higher-income families into lower-income developments and vice versa.

An analysis of the waiting list is performed to determine families on the waiting list having an adjusted family income of less than 30% of median. Wait list manipulation policies may be required in order to have significant impact on achieving improvement in the income mixing at PHA properties. As a strategy for achieving De-concentration of poverty, the PHA will review each applicant's adjusted income and ensure that income targeting does occur in assignment of units.

The entire public housing program now has greater flexibility to attract households with a broader range of incomes. Under the Quality Housing and Work Responsibility Act of 1998 (QHWRA), 40 percent of households newly admitted to public housing must have incomes below 30 percent of area median income, but the remainder of new admissions can have incomes as high as 80 percent of median. QHWRA also permits public housing authorities (PHAs) to establish ceiling/flat rents at a level that makes public housing attractive to relatively higher income households and encourages them to apply regardless of earned income and should encourage relatively higher income households to live in public housing.

QHWRA also contains a provision requiring PHAs to "bring higher income tenants into lower income projects and lower income tenants into higher income projects. The term "de-concentration" has become a central point to the QHWRA while providing more flexibility to local jurisdictions. De-concentration has three primary initiatives in federal policy.

1. In public housing, it is creating income diversity within public housing developments owned and operated by public housing authorities.

2. In tenant-based housing vouchers, it is de-concentrating housing choice voucher utilization in R/ECAP census tracts and relocating those voucher holders to neighborhoods that improve the life opportunities of family members, by improved schools, improved job opportunities, and general quality of life.

3. Transforming neighborhoods currently minority and income segregated into opportunity areas and neighborhoods that attract a more diverse population based on race, ethnicity and income. This also includes replacing obsolete and deteriorated public and assisted housing with a more diverse housing types and lower densities where appropriate.

The QHWRA rules and regulations require PHAs to have a “de-concentration policy” for any developments with an average income greater than 115 percent or less than 85 percent of the average income for all developments. Projects for the elderly and disabled are excluded, and the PHA may apply for exemptions for other projects in which it is carrying out special policies. PHAs have a broad discretion to choose strategies to bring about de-concentration, including marketing, rent incentives, capital improvements, admission preferences on the waiting list to find a lower (or higher) income family.

Demographic Analysis for Rockford City, Boone and Winnebago Counties

Introduction

The review of demographic, income, employment, and housing data of the Rockford Metropolitan Agency for Planning regional planning area, including Rockford City, Boone and Winnebago Counties and cities and villages within them. The data were gathered from 2007-2011 American Community Survey (ACS) 5-Year estimates; 1990, 2000, and 2010 U.S. Census; the Rockford Mass Transit District; and other sources.

Our overall focus was to evaluate the current demographic and characteristics of the region as a context for determining the disparate impacts and their effects on the designated R-ECAP census tracts which are the focus of our de-concentration plan. The demographics and characteristics of the broader region are important in that in creating a plan for de-concentration, we must insure that we are not replicating the R-ECAP conditions in other areas of the region.

The following sections provide an analysis of the current status of the communities in the regional planning area.

Population

Cities - The largest of the cities in the region is Rockford with a population of over 150,000. Rockford also has the largest minority population in the planning area, almost 35 percent of the total population, with Hispanic ethnic minorities totaling almost 16 percent. The largest Hispanic population, by percentage, in the planning area resides in Belvidere, making up over 30 percent of the total population. Other communities in the planning area, are primarily non-minority, with most over 90 percent White. Most are also relatively small communities, with total populations below 25,000 persons.

**Table 1.1
Total population by race for Cities in Boone and Winnebago Counties, 2010**

County, City, or Village	White Alone		Black or African American		American Indian and Alaskan Native		Asian and Pacific Islander		Other Race		Total	Hispanic or Latino	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	Number	%
Boone Co.	45,724	84.4%	1,064	2.0%	200	0.4%	709	1.3%	5,048	9.3%	54,165	10,967	20.2%
Winnebago Co.	228,652	77.4%	36,108	12.2%	963	0.3%	6,881	2.3%	14,339	4.9%	295,266	32,177	10.9%
Belvidere	19,934	77.9%	671	2.6%	137	0.5%	257	1.0%	3,714	14.5%	25,585	7,838	30.6%
Caledonia	186	94.4%	2	1.0%	1	0.5%	6	3.0%	0	0.0%	197	6	3.0%
Cherry Valley	2,789	88.2%	91	2.9%	11	0.3%	152	4.8%	46	1.5%	3,162	162	5.1%
Loves Park	21,311	88.8%	944	3.9%	64	0.3%	631	2.6%	493	2.1%	23,996	1,606	6.7%
Machesney Park	21,494	91.5%	666	2.8%	57	0.2%	372	1.6%	382	1.6%	23,499	1,172	5.0%
New Milford	583	83.6%	35	5.0%	4	0.0%	43	6.2%	11	1.6%	697	56	8.0%
Poplar Grove	4,439	88.4%	96	1.9%	13	0.3%	50	1.0%	334	6.6%	5,023	761	15.2%
Rockford	99,517	65.1%	31,359	20.5%	614	0.4%	4,484	2.9%	11,413	7.5%	152,871	24,085	15.8%
Roscoe	9,832	91.2%	330	3.1%	16	0.1%	231	2.1%	158	1.5%	10,785	491	4.6%
Timberlane	886	94.9%	3	0.3%	0	0.0%	14	1.5%	22	2.4%	934	59	6.3%
Winnebago	2,999	96.7%	32	1.0%	7	0.2%	12	0.4%	13	0.4%	3,101	55	1.8%

Counties - According to the 2010 Census, the population of Boone County was 54,165, increasing by 12,379 or 29.6 percent between 2000 and 2010. Boone County experienced a significant increase in the all racial groups, providing a boost in racial diversity in the county over the decade. The Hispanic population grew by 110.1 percent between 2000 and 2010. The percentage of Hispanic population of the total population increased from 12.5 percent in 2000 to 20.2 percent in 2010, a 7.7 percentage point increase. The White population increased by 21.5 percent however their percentage of the total population decreased from 90.1 to 84.4 percent between 2000 and 2010. African-Americans accounted for 2.0 percent of the population in 2010, a 183.7 percent increase between 2000 and 2010. There was a 63.9 percent increase in the American Indian and Eskimo population and the Asian and Pacific Islander population increased by 232.9 percent between 2000 and 2010, but they accounted for only 0.4 and 1.3 percent respectively of the total population of the county in 2010.

Winnebago County's population increased 16,848 or 6.1 percent in the decade between 2000 and 2010. Winnebago County also experienced a significant increase in minority populations in the decade, lead by the Hispanic population with a 67.5 percent increase between 2000 and 2010. The percentage of Hispanic population of the total population however decreased from 11.2 percent in 2000 to 10.9 percent in 2010, a 0.3 percentage point decrease, despite a net increase in total persons.

Winnebago County experienced a 41.0 percent increase in the American Indian and Eskimo population and the Asian and Pacific Islander population increased by 65.8 percent between 2000 and 2010, but they account for only 0.3 and 2.3 percent respectively of the total population of the county in 2010. The White population decreased by 0.4 percent, and their percentage of the total population decreased from 82.5 to 77.4 percent between 2000 and 2010. African-Americans accounted for 12.2 percent of the population in 2010, a 23.2 percent increase between 2000 and 2010.

Income

Overall, the income distribution data for Rockford, Boone and Winnebago Counties and cities in both counties show major disparities in household income for minority households compared to Whites with higher proportions of low-income households within the African-American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons.

Cities - The median household income for Rockford was \$38,864, lowest of all the cities in the regional planning area. The highest was Timberlane at \$106,681, followed by Winnebago village at \$79,375. According to the 2007-2011 ACS data, the median household income in Rockford was reported to be \$42,633 for White households, \$21,364 for African-American households and \$34,467 for Hispanic households.

The modal income class for the four largest cities in the regional planning area for Whites was the \$50,000 to \$74,999 with 18.1 percent of Whites earning in this income range in Rockford, 24.9 percent in Belvidere, 19.4 percent in Loves Park, and 23.4 percent in Machesney Park.

The most frequently reported income class for African-Americans in Rockford and Belvidere was the less than \$10,000 range with 36.6 percent of total African-American households in Belvidere in this range and 27.3 percent in Rockford. The modal incomes for African-American households in Loves Park and Machesney Park were higher, \$35,000 to \$49,999 in Loves Park and \$15,000 to \$24,999 in Machesney Park. Over 54 percent of African-American households had incomes below \$25,000.

For Hispanic households, in Belvidere and Loves Park, the modal income range was the \$50,000 to \$ 74,999 range with 26.7 percent of Hispanics in Belvidere reporting incomes in this range and 29.7 percent in Loves Park. In Machesney Park, the modal range was \$25,000 to \$34,999 with 26.2 percent. In Rockford, the Hispanic modal income range was \$35,000 to \$49,999 with 20 percent of Hispanic households in the range.

Counties - In Winnebago County, the modal income classes (the income classes with the highest number of households) for Whites was the \$50,000 to \$74,999 with 20 percent of Whites earning in this income range. In comparison, 12.8 and 15.3 percent of African American and Hispanic households respectively had earnings in that range. The most frequently reported income class for African-Americans in Winnebago County was the less than \$10,000 range with 25.6 percent of total African-American households in this range, and for Hispanic households it was the \$35,000 to \$ 49,999 range with 17.7 of Hispanics reporting incomes in this range. More than 53 percent of African-American households earned less than \$25,000, the bottom three income categories combined, compared to 23 percent of White households.

According to the 2007-2011 HUD American Community Survey (ACS) estimates (5-year average), the median household income for White households in Winnebago County was \$51,199, \$22,901 for African-American households and \$37,925 for Hispanic households, compared to \$47,597 for the overall county.

The modal income classes for Boone County for Whites was the \$100,000 or more with 23.5 percent of Whites earning in this income range. In comparison, only 3.7 and 13.7 percent of African American and Hispanic households respectively had earnings in the \$100,000 or more income range. The most frequently reported income class for African-Americans and Hispanics was the \$50,000 to \$74,999 range with 34.1 percent of total African-American households and 25.1 of Hispanics reporting incomes in this range. While the modal category for African-Americans was relatively high, a large percentage had quite low incomes, with almost 28 percent earning less than \$10,000.

According to the 2007-2011 HUD American Community Survey (ACS) estimates (5-year average), the median household income for White households in Boone County was \$62,369, \$43,989 for African-American households, and \$51,875 for Hispanic households, compared to \$61,613 for the overall county.

Poverty

Cities - The poverty rate in Rockford was 24.7 percent for all households, highest in the regional planning area. In Belvidere, the poverty rate was 14.4 percent. In Popular Grove the rate was 13.6 percent. In all other cities in the regional planning region, poverty rates were below 10 percent. The incidence of poverty among African-American households in Rockford was 49.4 percent of their total population between 2007 and 2011, and poverty among Hispanics was reported to be 36.5 percent. The White poverty rate was 17.5 percent. This high poverty rate among minorities in Rockford is largely concentrated in the R-ECAP Census Tracts.

Counties - In comparison, the poverty rate for Boone County was 10.2 percent during the period. However, poverty is disproportionately impacting the African-American and Hispanic communities in the counties. The incidence of poverty among African-Americans in Boone County was 23.1 percent of their total population between 2007 and 2011, and poverty among Hispanics was reported to be 18.8 percent. Among White persons, the data reported 10.3 percent lived in poverty. In Winnebago County, 46 percent of African-Americans lived in poverty, compared to 31.8 percent of Hispanics and 12.1 percent of Whites. The poverty rate in the County was 16.8 percent.

Housing

Rockford and Other Cities in the Region - According to the 2010 U.S. Census, Rockford had 68,159 housing units, of which 8,553 or 12.5 percent of units were reported to be vacant. Loves Park, the second largest city in the two counties, had 10,042 housing units, 875 of which (8.7%) were vacant. Vacancy rates in the other cities and villages in the two counties ranged from 2.4 percent to 9.7 percent.

According to the 2007-2011 ACS estimates (5-year average), of the 68,159 housing units in Rockford, 47.3 percent were owner-occupied, 35.7 percent were renter-occupied, and the remaining 12.5 percent were vacant. Rockford was the only city in the two counties where owner-occupancy rates were below 50 percent. In the other cities

and villages, owner-occupancy rates ranged from 65.4 percent in Roscoe to 92.5 percent in Timberlane.

The median housing value in Rockford was \$109,500. Highest values were found in Poplar Grove at \$192,900. The median contract rent in Rockford was \$551 and in Belvidere it was \$566. Highest rents were found in New Milford at \$924 and Poplar Grove at \$851.

Table 1.2

Median Housing Value and Median Contract Rent for Cities in Bonne and Winnebago Counties, 2007-2011

County, City, or Village	Median Housing Value	Median Contract Rent
Boone Co.	\$171,300	\$580
Winnebago Co.	\$129,200	\$567
Belvidere	\$132,100	\$566
Caledonia	\$159,200	-
Cherry Valley	\$181,800	\$605
Loves Park	\$123,700	\$621
Machesney Park	\$122,500	\$680
New Milford	\$92,600	\$924
Poplar Grove	\$192,900	\$851
Rockford	\$109,500	\$551
Roscoe	\$174,100	\$802
Timberlane	\$122,500	-
Winnebago	\$152,600	\$677

Boone and Winnebago Counties - According to the 2010 Census, the total number of housing units in Boone County was 19,970 with 1,465 or 7.3 percent vacant units. There were 15,414 housing units in Boone County in 2000. This represents a 30 percent increase in the number of housing units in Boone County between 2000 and 2010. In 2010, almost 75 percent were owner-occupied, 18 percent were renter-occupied. The median housing value in the county was \$171,300 and the median contract rent was \$580 between 2007 and 2011.

Homeownership

Similar to the trends in the counties, African Americans and Hispanics in the cities and Boone and Winnebago Counties, face a number of demographic concerns that typically impact housing choice and affordability negatively. One of the most revealing indicators that minorities lag far behind Whites in obtaining housing of their choice is in the category of homeownership. According to the 2007-2011 ACS data, in Rockford City, the homeownership rate among Whites was 66.1 percent, 33.4 percentage points higher than African-Americans at 32.7 percent. In Belvidere, the homeownership rate among Whites was 75.4 percent, 34 percentage points higher than African-Americans at 41.4 percent.

The homeownership rate among Whites in Boone County was 84.5 percent, compared to 50.7 percent among African-Americans and 65.5 percent among Hispanics. In Winnebago County, the homeownership rate among Whites was 74 percent, compared to 35 percent for African-Americans and 58.2 percent for Hispanics.

Cost Burden

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2005 through 2009 indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households in the Rockford MSA. Nearly 60 percent of all very low-income

renters (those earning between 0 percent and 30 percent of the median family income) and almost 66 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Further, nearly 11 percent of very low-income renters and almost 10 percent of very low-income homeowners pay between 30 and 50 percent of their incomes on housing expenses. Paying more than 30 percent on housing expenses is considered “Cost Burdened” and paying more than 50 percent on housing expenses is considered “Severely Cost Burdened”.

An analysis of households earning between 31 percent and 50 percent of the median family income indicates over 22 percent of low-income renters and 31.5 percent of low-income homeowners pay more than 50 percent on housing expenses. Also, over 42 percent of renters and over 33 percent of homeowners are paying between 30 and 50 percent on housing expenses in the Rockford MSA.

According to the 2005-2009 ACS estimates, 18.6 percent of renter households in the MSA and 17 percent of homeowner households paid more than 30 percent of their household income towards rent, with 22 percent of renter households and about 10 percent of homeowner households paying more than 50 percent on housing expenses.

Cities - According to the 2007-2011 ACS estimates, 52.1 percent of renter households in Rockford paid more than 30 percent of their household income towards rent and 29.4 percent of renter households paid more than 50 percent of their household income towards rent. Almost 47 percent of renter households in Belvidere paid more than 30 percent of their household income towards rent and 21.5 percent of renter households paid more than 50 percent of their household income towards rent during the five-year period.

Approximately 30.6 percent of owner households in Rockford paid more than 30 percent on housing expenses and 11.9 percent of the owner households were paid more than 50 percent of their incomes on housing expenses. In Belvidere, 35.9 percent of owner households paid more than 30 percent on housing expenses and 11.6 percent of the owner households were paid more than 50 percent of their incomes on housing expenses.

Counties - In Boone County, over 75 percent of very low-income homeowner households and 54 percent of very low-income renter households paid more than 50 of their incomes on housing expenses. The data also show that more than 48 percent of homeowner households earning between 60.1 and 80 percent of the median household income paid more than 30 percent on housing expenses. Over 45 percent of renter households earning between 50.1 and 60 percent of the median household income paid more than 30 percent on housing expenses.

In Winnebago County, cost burden data show similar impacts on very low-income households, with over 64 percent of homeowner households and 56 percent of renter households paying more than 50 percent of their incomes on housing expenses.

Data was also analyzed to determine cost burdens and severe cost burdens by household type in the Rockford MSA, Boone County, and Winnebago County. Large families typically experience the largest percentages living with cost burdens. In the MSA, 23.5 percent of owner large families pay more than 30 percent on housing expenses. Almost 33 percent of large family renter households pay more than 30 percent and over 29 percent pay more than 50 percent on housing expenses. These numbers are reflected in Boone and Winnebago Counties as well. Almost 40 percent of large renter families in Boone pay more than 30 percent and 46 percent pay more than 50 percent. In Winnebago County, over 31 percent of large renter families' pay more than 30 percent and 26 percent pay more than 50 percent.

Rockford Housing Authority Physical Needs Assessment Report

The RHA physical needs assessment report is the long range capital improvement plan for facilities that RHA uses in determining its projected cost to keep each development in an acceptable standard of operation. The physical needs assessment is based on the estimated dollar value necessary until FY 2030, to replace or repair existing items that have reached their normal life cycle, i.e. air conditioning units, refrigerators, and major repairs to existing structures.

Table 1.3**Public Housing Units in Severe Poverty (R/ECAP) Areas**

Property	No. of units	Physical Needs	% percentage of units*
In R/ECAP			
Fairgrounds Valley	210	\$11,800,000	
Orton Keyes	175	9,448,000	
Blackhawk Courts	196	12,500,000	
Brewington A/B	418	24,000,000	
Jane Addams	38	n/a	
Subtotal	1,037	57,758,000	62.5%
Non R/ECAP			
North Main Manor	187	3,900,000	
Olesen Plaza	151	6,820,000	
Park Terrace	183	6,800,000	
Buckbee	43	1,300,000	
Midvale	30	1,060,000	
Summit Green	27	926,000	
Subtotal	621	20,806,000	37.5%
Total	1,658	\$78,564,000	100.0%

Source: RHA Physical Needs Assessment Report *includes percentage of total housing units only

As shown above, 62.5% of the public housing units in four developments are currently located in designated high poverty and minority concentrated census tracts. These R/ECAP census tracts are identified as having a poverty rate above 40% of the area, and with a minority concentration population of greater than 50%. According to the 2007 – 20011 American Community Survey (ACS) people who live in “extreme poverty” census tracts, where the poverty rate exceeded 40 percent are faced with many social

related difficulties in overcoming a poverty status. Neighborhoods of extreme poverty differ dramatically across multiple factors, including the economic health and vitality of the broader metropolitan economy. The concentration of poverty also has a consistent negative effect on the residents of the community.

Another important factor to compare is the total amount of funds that will be expended by the RHA, during the next twenty years, to maintain these current properties located in poverty and minority concentrated areas of the city. According to the RHA Physical Needs Assessment Report of existing conditions, and equipment, appliances and repairs required to bring each development up to standard and maintain them through 2030 ranges from approximately \$54,000 per unit for Orton Keys, \$56,000 per unit for Fairgrounds, \$64,000 for Blackhawk Courts, and \$58,000 for Brewington A and B.

Transforming Areas of Minority and Income Concentration and Segregation into Opportunity Area Neighborhoods

Improving existing minority and income concentrated neighborhoods will have to be a major focus of RHA, City of Rockford and County governments, in implementing the de-concentration plan. Broad community involvement and outreach will be needed both in introducing the concept of de-concentration and building community support and consumer buy-in into the implementation recommendations. Ideally, the goal will be to transform de-concentration areas into opportunity areas. If de-concentration is achieved, how do we begin to move those areas closer to becoming opportunity areas? What changes need to occur, what neighborhood amenities and quality of life issues need to be addressed and how do we achieve and pay for such improvements? A more difficult question and concern is what public housing units and in some cases private units must be demolished to make way for new housing and amenities and what residents stay to reap the benefits of change versus which residents must move to existing opportunity areas to achieve de-concentration? If designated as a household that should move the question is then “What sort of neighborhood should I move to?” Other questions that arise from this that must be addressed by the local jurisdiction are:

1. What types of neighborhoods provide increased opportunities for adults and children in poor households?
2. How good a proxy for neighborhood quality is percentage of persons in poverty?
3. Should a neighborhood have income diversity as well as relatively low levels of poverty?
4. Are there other dimensions besides income that should be taken into account, in particular, race?
3. Should we be thinking of the neighborhood quality in absolute or comparative terms?
4. Are there any improvement or are there thresholds that must be crossed before neighborhood quality makes a difference?
5. What are the tradeoffs between neighborhoods defined by federal policy through the use of census and other available data and neighborhoods defined by local implementers of de-concentration policies?
6. Should some families be encouraged to change neighborhoods in small steps rather than moving immediately to a much better neighborhood?

The basic measure used in measuring neighborhoods quality is census tract driven, although the boundary of a census tract doesn't necessarily define a specific neighborhood. Much can attribute to research of census data in planning and measuring the impact of citizen mobilization in areas.

Local jurisdictions are now taking this neighborhood tracking to a more definite process with the emergence of neighborhood mapping by neighborhood association, crime watch groups, and homeowner associations, etc. This process may be expanded to also include other social and behavioral things such as the absence of negative influences of drugs, alcohol or from peers, especially for teenagers, and physical attributes such as infrastructure, parks and open space. It should have the capability to build upon informal networks through which voucher holders and even public and assisted housing residents that relocate from concentrated areas to subsidy based housing in opportunity areas gain access to higher paying jobs, with improved access

and quality of life. Low level of crime and violence are other important indicators of neighborhood quality.

It is also important to set goals and to measure change in R-ECAP concentrated areas where government and neighborhoods are attempting to reverse historical trends of concentration and become de-concentration and eventual opportunity areas. Specifically, we want to insure that improved quality of life performance in those areas experienced by existing residents, voucher program participants and individual remaining in public and assisted housing in such areas is similar to that experienced by new residents to the area. This is essential in that neighborhood de-concentration must not be viewed as benefiting only persons fortunate enough to move out of poverty and minority concentrated neighborhood but as areas of transformation that benefits those left behind and becomes inviting to diverse incomes and both minority and majority race and ethnicity residents.

How to relate goals for de-concentration to individual family needs has become a particularly pressing issue with the widespread use of housing vouchers to relocate families from distressed public housing developments that then are removed from the regular public housing program, either through demolition or through HOPE VI redevelopment. It is possible to take an incremental approach to setting goals for these particular families in two ways. First, one can assume that differences in neighborhood quality are linear and that any reduction in neighborhood poverty for a particular family is an improvement. Secondly, some families may want to, or be prepared to, change neighborhoods in stages, rather than immediately moving from very high poverty to low poverty. This may depend on the context. Perhaps the expectations for families moving out of distressed public housing developments should be different from the expectations for other families using vouchers. Families relocating from public housing are more likely than other families to face extreme discrimination in the private rental market and to have multiple family adjustment problems.

Then, of course, comes the ultimate criteria, can the family afford to move into more affluent, or better, neighborhoods. The cost for non-housing related expenses are

generally higher, and transportation and mobility more difficult and costly in these opportunity or non concentrated areas than that of more “poverty concentrated” and “minority concentrated” areas.

The Fair Market Rents (FMRs) may dictate what neighborhoods a family may move into, along with of course, housing availability and landlord willingness to participation in the Section 8 Program.

In reviewing FMRs in Rockford, we see the following bedroom size rates established for the area. These are considered the market rents for the entire Winnebago County area. These rates are slightly higher than the adjacent Stephenson County FMR rates.

<u>Bedroom</u>	<u>Monthly</u>
Efficiency	\$466
1 Bedroom	\$533
2 Bedroom	\$717
3 Bedroom	\$978
4 Bedroom	\$1,111

Legal Cases Affecting De-Concentration

City of Rockford Jane Addams Consent Decree - The City of Rockford’s Jane Addams Consent decree expired 12/1/2012, but has since been granted an extension for two years. Currently of the 77 units required, only a total of 13 have been satisfactorily completed.

A lawsuit was first filed in 1997 intended to stop the Rockford Housing Authority’s reduction in the concentration of public housing in the Orchid, 3rd, Union, and College Neighborhood area. The court action was filed against the Rockford Housing Authority (“RHA”) and the Department of Housing and Urban Development (“HUD”) setting a Monday, July 30,1997, hearing date in Federal Court in Rockford on an emergency motion to stop the long-planned demolition of the Jane Addams component of the site.

Jane Addams comprises 84 units of low income housing out of a total of 502 public housing units at the location. The area had been the focus of City and Rockford Housing Authority revitalization efforts for several years due to the high concentration of poverty, crime, and drugs in the area. In 2006, the Rockford Housing Authority, with the

support of the City of Rockford, submitted a demolition request to HUD seeking to demolish Jane Addams as part of the area's revitalization efforts and as a way to provide better housing to RHA tenants. That request was granted by HUD and that approval began an extensive effort to counsel residents of Jane Addams in finding new housing opportunities including the award of private housing vouchers or relocation to a different RHA complex.

The City was concerned about the structural condition of several of the buildings in Jane Addams since they had been vacant for some time and their structural integrity was being compromised. A Jane Addams Consent Decree judgment was the resulting ruling of the Court requiring a combination of Section 8 Vouchers and 77 units to be constructed on scattered sites.

Walker v. HUD and the City of Dallas represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The **Walker** Public Housing and Section 8 desegregation litigation began in 1985 when one plaintiff, Debra Walker, sued one Dallas, Texas area suburb, Mesquite. The lawsuit contended that Mesquite's refusal to give its consent for DHA to administer Section 8 certificates within Mesquite violated the 14th Amendment and the other civil rights law prohibiting racial discrimination in housing. The early stage of **Walker** resulted in the entry of the 1987 consent decree involving DHA and HUD without any liability findings. The suit was subsequently amended to bring in DHA, HUD, and the City of Dallas and to provide for a class of Black public housing and Section 8 participants who contended that the Dallas Housing Authority segregated person in public housing by race leading to racial concentrations of African Americans in minority concentrated areas. The suburbs, with the exception of Garland, gave their consent to the operation of DHA's Section 8 program within their jurisdiction and were dismissed from the case. The City of Dallas was subsequently found liable for its role in the segregation of DHA's programs in the Court's 1989 decision, **Walker III**, 734 F. Supp. 1289 (N.D. Tex. 1989).

HUD and DHA were subsequently found liable for knowingly and willingly perpetuating and maintaining racial segregation in DHA's low income housing programs. HUD was found liable not just for its failure to affirmatively further fair housing under the Fair Housing Act but also for purposeful violations of the Fifth Amendment to the U.S. Constitution, Title VI of the 1964 Civil Rights Act, 42 U.S.C. §§ 1981, 1982, and 1983. The district court found that the defendants had the remedial obligation to not only cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

Court orders entered in this case have provided the following desegregation resources:

(a) approximately 9,900 new assisted units have been made available to **Walker** class members.

(b) Approximately \$22 million was made available for the creation of housing opportunities in predominantly white areas of the Dallas metroplex.

(c) \$2 million was provided for the operation of a fair housing organization that focused on the problems of low income minority families.

(d) Hope VI funding for 950 units in the West Dallas project.

(e) \$94 million was provided by the City of Dallas for neighborhood equalization and economic development in the public housing project neighborhoods.

(f) \$10 million was provided for mobility counseling to be used in connection with the Settlement Voucher program.

Similar to the Walker case, **Young v. HUD** represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The Young case involved 70 plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the

segregated black projects, desegregation of the tenant population in previously segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and \$13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

Some of the orders, agreements, and reports from this case that are attached are:

- A. The final judgment that was entered by the Court in 1995,
- B. The order modifying final judgment entered in 2004. This order includes a HUD manual on creating desegregated housing opportunities as exhibit 3 to the order,
- C. The agreement between the plaintiffs and the State of Texas for the last \$4.4 million of the total \$13 million that the State contributed to the neighborhood equalization activities required by the Final Judgment.

Other public housing desegregation case:

Ripley Arnold Residents Association v Fort Worth Housing Authority – The resident Association in their efforts to secure replacement and relocation housing needed because of the sale of the Ripley Arnold public housing complex in downtown Fort Worth, Texas. The resulting agreement required first the temporary and then the permanent one for one replacement of the Ripley Arnolds units. The temporary and permanent replacement units were required to be in predominantly white areas.

The Inclusive Communities Project, Inc. v. HUD

The plaintiff Inclusive Project (ICP) which is a fair housing focused non-profit organization which works with families seeking to obtain and retain housing in predominately non-minority areas of the Dallas metropolitan area. This is part of ICP's work to break down barriers to the creation of racially and economically inclusive communities. This agency works with Black families participating in the Dallas Housing Section 8 Housing Choice Voucher Program. They assist the families who choose to lease dwelling units in non-minority areas with counseling and financial assistance. The results were that HUD had to use market areas as the basis for setting the fair market rents in the Voucher Program. HUD uses the Dallas metropolitan area of 12 counties or a subset of the metropolitan area of 8 counties to set fair market rents. By selecting the multi-county region instead of the actual market areas, HUD had to apply a formula that calculates the maximum rent for the Section 8 program in the Dallas area based on the lower rents in predominantly minority markets where many of the neighborhoods are blighted and have inadequate public and private services and facilities. These markets area rents are then applied by HUD to establish the maximum rent that can be paid under the Section 8 Voucher program in the higher rent predominantly White markets where there are few if any blighted neighborhoods and the public and private services and facilities are better than those in minority blighted neighborhoods. HUD's failure to use market areas violated the Section 8 Voucher statutes and HUD obligation to affirmatively further fair housing.

FINDINGS, GAPS, & RECOMMENDATIONS

This section contains corrective actions and strategies recommended for the Rockford Housing Authority to consider implementing in their short and long range plans for de-concentration. They include RHA Policy and Operation changes; redevelopment alternatives; City of Rockford Policies and Program Changes, Regional Governance and Regional Policies; State Regulatory and Legislative changes; and other actions that encourage de-concentration and support the continued growth and revitalization of de-concentrated areas.

Rockford Housing Authority Policy, Regulatory and Operation Changes

Action #1: Create a voucher disbursement strategy which results in a 30 percent reduction of Section 8 voucher utilization in R-ECAP poverty and minority impacted census tracts, in the City of Rockford, and no more than 30 percent utilization in any census tract in Boone and Winnebago Counties, or any census tract in any of the immediately adjacent counties and cities. Alternatives could include:

1. Voucher Program: Increase the Payment Standard in all bedroom sizes to allow voucher holders to move out of concentrated census tracts to non-concentrated census tracts. Targeted non-concentrated census tracts are those in which 70 % or fewer units are currently accessible to voucher holders at the current FMR.
2. Voucher Program: Offer landlords a one- time bonus fee, dependent upon bedroom size, for rental in a non-concentrated census tract to recruit more landlords into the program in non-concentrated areas of the city.
3. Voucher Program: Offer landlords in non-concentrated areas, a guarantee of rent subsidy for the initial or one full term of the lease, in the event of a tenant default on their initial lease agreement, as an incentive for landlords to stay in the Section 8 Program.
4. Voucher Program: Add a waiting list preference for voucher applicants who are willing to select a unit in a non-impacted concentrated census tract in the city, or county, for their housing choice voucher.
5. Voucher Program: Implement a survey tracking system that will map/chart locations of units under contract and track how family patterns changes in connection with a voucher holder's move through annual surveys with family members.
6. Public Housing: In accordance with recent regulatory changes, aggressively market public housing to families with 30% to 80% of median income, once the threshold of 40% of 30% or below of median income totals has been met in any development.

Action #2: Regional Housing Move to Opportunity Advisory Group as part of a Metropolitan Planning Organization, or the Rockford Metropolitan Planning Agency (RMAP).

This Move to Opportunity Advisory Group would be charged with mapping, tracking, and analyzing the locations of units under contract between both the Rockford Housing Authority and the Winnebago County Housing Authority's housing choice vouchers. This would enable a more regional approach to the strategy of managing housing choice vouchers for the entire region.

This group would track how the pattern changes, differentiating between new voucher families who have rented their preprogram unit and families who have use a voucher to move into a housing unit. When a large number of movers choose housing in a certain neighborhood, it is important for the housing authorities, and counseling agencies working with voucher families, to analyze what is happening in the neighborhood. Can the neighborhood absorb a large number of assisted housing units that can be rented within the program's fair market rents ((FMRS)? Or is it a neighborhood that has been de-stabilized by rapid racial transition, or that is fragile in other ways?

This recommendation is also consistent with the smart growth/planning blueprint goals outlined in the Metropolitan's Planning Organization's blue print for affordable housing for the region.

Redevelopment Alternatives

Action #3: Priority given to scattered sited development which focuses on non-impacted areas of the Cities, or Counties such as a land swapping.

Action #4: Re-consider the redevelopment and replacement subsidized public housing in location the Fairground Valley and consider a combination of both market rate housing and economic development strategy in the redevelopment of the Fairgrounds Valley Choice Neighborhood (CN) Transformational Plan.

The location of the Fairground Valley public housing development is in one of the city's poorest census tracts. It has a 61.9 % poverty rate, second only to the Orton Keyes development census tract. Although, a lot of planning has gone into this location, perhaps the authority would be better suited to find additional smaller scatter site locations within the city and counties to fulfill its replacement housing criteria with HUD.

Many times in an effort to embark on more housing units, an authority will not include a retail economic component in its transformation plan. JQUAD's review of the Fairground Valley Choice Neighborhood Plan did not show an economic development component for the area. The best practices presentation of this report features how the City of Dallas Housing Authority has made significant progress in the retail strip shopping center, it bought and renovated, in providing jobs to a segment of its clients residing in their single family housing development near its strip shopping center.

Not only has the strip retail/shopping center offered jobs to local residents, with the development of a well- known grocery store chain, as its main anchor; the strip center has significantly increased local and state retail sales and future retail development in the area. A market research of possible retail opportunities should be included in Rockford's Choice Neighborhood (CN) Transformational Plan to prioritize possible retail development in the area with possible private and/or public partnerships.

Action #5: Pursue more Private/Public joint development ventures that focus on non-impacted areas of the City and Counties.

Action #6: Implement programs that improve safety and decrease perceptions of crime in concentrated areas including Crime Prevention, Law Enforcement community policing, Weed and Seed, and Crime Prevention through Environmental Design Standards (CPTED)

Crime Prevention through Environmental Design (CPTED) – one of the major issues identified by both resident and participants in community outreach sessions was the need to address crime and the perception of crime in public housing developments and concentrated areas. We recommend a collaboration or commission involving representatives of the City officials, Police Department, RHA, and neighborhood leaders are designated to examine ways to improve crime prevention, safety and the perception of crime in the area.

The CPTED concept could be explored by the City Police department as one means of implementing this recommendation. CPTED is based on the premise that "**proper design and effective use of the built environment can lead to a reduction in the fear of crime and incidence of crime, and to an improvement in quality of life.**" CPTED strategies are ideal for Law Enforcement Officers, City Planners, City Managers, City Council Members, Architects, Security Consultants, Educators or anyone involved in designing developments, neighborhoods, schools, downtowns, buildings, or revitalization efforts. It is an effective way of fighting crime and promoting business. Example of what types of activities or regulatory changes could be used or offered in the implementation of CPTED programs is listed below.

- Improved signage
- Providing education on Human Behavior and CPTED concepts
- Barriers – Real vs. Symbolic/Fencing, Landscaping, & Interior Walls
- Lighting For Safety
- Planning, Zoning, and CPTED
- Writing a CPTED Ordinance/Overlay Districts
- Traffic and signals
- Crosswalks and protected crossings

Action #7: Evaluate opportunities for land swaps and joint development between RHA and the ISD Education Bond Program, and City/County Bond Program Infrastructure to address de-concentration concerns.

Action #8: Develop focus group sessions with Public Housing resident, Residents Councils, and Voucher holders as to de-concentration, loss of housing units, gentrification, and housing in areas outside of already identified concentrated areas.

City of Rockford Policies, Regulatory, and Program Changes

Action #9: Evaluate and implement Incentivized / Inclusionary Zoning Regulations as a means of creating additional resources for affordable housing and to compliment and leverage affordable housing development funded by RHA and city entitlement grants.

Incentivized / Inclusionary Zoning refers to a set of strategies that aims to create balanced housing development and mixed-income communities by ensuring that some portion of new housing development is affordable. This strategy may be appropriate to encourage a mix of incomes in the city where development may create neighborhoods of homogenous home prices and residents of similar incomes. Mixed-income communities broaden access to services and jobs, as well as provide openings through which lower-wage earning families can buy homes in appreciating housing markets and accumulate wealth.

Inclusionary Zoning policies can be voluntary or mandatory. Austin, Texas is an example of a city with a voluntary inclusionary zoning policy implemented through its Safe, Mixed-Income, Reasonably-Priced, Transit-Oriented (SMART) Housing program. The program provides fee waivers and other incentives on a sliding scale according to the share of affordable units included in new developments. An example of a mandatory inclusionary zoning policy is that of Montgomery County, Maryland, which was enacted in 1974. The policy requires developments of more than 50 units to include 15 percent moderately priced dwelling units. Of that 15 percent, two-thirds are sold to moderate-income first-

time homebuyers and the remainder can be purchased by the local housing commission or local non-profits for use in their affordable rental programs.

Action #10: Create Neighborhood Revitalization Plans for existing concentrated areas as a means of elevating those areas to Opportunity Areas.

Neighborhood Revitalization plans and redevelopment initiatives are needed to transform concentrated and distressed neighborhoods and areas with concentrations of public and assisted housing developments into viable and sustainable mixed-income neighborhoods. The planning process will provide guidance for linking housing improvements, diversification of housing types, and reductions in public and assisted housing with appropriate services that improve the quality of life in neighborhoods including, schools, public assets, transportation, and access to jobs. A strong emphasis will be placed on local community planning for access to high-quality educational opportunities, including early childhood education. If HUD continues funding for the Housing Choice Neighborhoods Grants program, additional area grants should be sought for areas surrounding Orton Keys, Blackhawk Courts, and Brewington A and B.

It is essential that the planning process include strategies to reduce concentrated poverty and public and assisted housing and includes not only an emphasis on housing but infrastructure, recreation, economic development, commercial corridor revitalization and increasing access to quality goods and services. The plan when applicable will build upon the successes of public housing transformation under HOPE VI to provide support for the preservation and rehabilitation of public and HUD-assisted housing, and flexibility in the use of capital funds for scattered site acquisitions in non concentrated areas within the context of a broader approach to de-concentrated poverty. In addition to leadership by the City of Rockford and the Rockford and Winnebago public housing authorities, the initiative should involve non-profits, and for-profit developers, private developers, and the faith community in undertaking comprehensive local planning with residents and the community.

Action #11: Leverage existing bond programs as a means of improving infrastructure in the concentrated areas and implementing revitalization plan recommendations.

Regional Governance and Regional Policies

Action #12: Regional Low Income Housing Tax Credit (LIHTC) Project Support Criteria should be developed to guide a jurisdictions evaluation and provision for a letter of support and or funding in support of a Low Income Tax Credit Application to the State of Illinois. The criteria should include limitations or restrictions on supporting applications for developments in current R-ECAP census tracts, concentrations of LIHTC developments in any individual area or jurisdiction, design criteria that increase amenities to residents, limitations on income concentrations in individual developments similar to those imposed by HUD QHWRA regulations, and CEPTED design standards. These standards should be formally adopted by individual jurisdictions in the region and used to model a state legislative agenda that move toward similar criteria adopted by the State to guide approval of LIHTC applications.

Action #13: Mandatory adoption and participation of all jurisdictions in the region in supporting and affirming the de-concentration plan and regional affordable housing share plan as a pre-requisite to their participation in regional economic development, transportation, arts, and infrastructure initiatives and grants.

Other Actions that Encourage De-Concentration

Action #14: Leverage private funds to create public housing in mixed-income communities, such as the Housing Authority of Kansas City did, using \$5 million of their funds to leverage an additional \$7 million in public and city funds to demolish the deteriorating Pennway Plaza and replace it with a new lower density community more in character with the surrounding neighborhood.

Action #15: Providing mobility counseling and other support to make vouchers utilization in non concentrated areas affective as a replacement housing resource for displaced public housing residents displaced due to demolition of public housing units.

Action #16: Request HUD consideration of RHA flexibility in the use of its Capital Fund currently designated for maintaining public housing developments in concentrated R-ECAP census tracts, used both for renovations and replacement housing, and providing specific funding under the Capital Fund formula for funding replacement housing as part of the de-concentration effort.

Action #17: Request HUD provide additional flexibility with HUD enforcement steps to shorten the required time for obligating Capital Funds as part of the implementation of the De-concentration Plan.

Action #18: Request HUD provide additional flexibility in the use of Capital Funds to acquire and renovate existing housing in non concentrated census tracts to house displaced public housing residents and utilization by Section 8 Voucher holders, as part of the implementation of the De-concentration Plan. Restrictions should be placed on the level of lower income concentration in any one development and all acquisitions should include provisions for a mix of subsidized and market rate units. LIHTC could be used as part of the joint development efforts between the PHA and private developers.

Action #18: Design and Implementation of a Land Acquisition and Land Bank Program by the City of Rockford and RHA - The Land Bank Concept involves acquiring unproductive, vacant and developable lots for affordable single-family and scattered site multifamily housing development. The Land Bank helps to both reduce unproductive expenditures and increase local government revenues. This approach is being implemented in a number of cities largely through a process of acquiring tax foreclosure property. Most cities have established certain criteria for acquiring properties and for properties to be considered for Land Bank use. These criteria include: 1) the property must owe five years or more in back taxes; 2) the total taxes and liens must be greater than the value of the property; 3) the purchaser must demonstrated the financial ability

to immediately develop the property for affordable housing. The Land Bank generally acquires the foreclosure properties from the Sheriff Sale, maintains the properties and assembles parcels for sale to for-profit and nonprofit developers. Land Bank properties are sometimes acquired as donations by property owners, purchases from owners willing to sale property at reduced prices, and as surplus City-owned land deemed no longer needed for any public purpose.

Action #19: Development of Cottage or Cluster rental and homeownership housing for seniors as a means of providing replacement units required under the Jane Addams Consent Decree. – Cottage housing, or cluster housing as it is sometimes called, provides a smaller unit for the elderly as a homeownership or rental option or as an alternative to continuing ownership of a larger unit that essentially over-houses them or has become too costly to maintain. It could also be considered a joint development alternative between RHA and City CDBG grant-funded major rehabilitation when an elderly applicant is living in unsafe conditions and the rehabilitation costs exceed the projected value of the completed structure. The development alternative would feature:

- Construction of cottage housing developments of 8 to 12 housing units built in a cluster housing configuration, sometimes with common walls similar to the walls found in duplex construction.
- Identify eligible elderly participants for the purchase or rental of a cottage. The prospective client would either currently own their home, but is over-housed and is willing to purchase the cottage and sell their existing home at market value, or they are on the RHA waiting list for a Section 8 Voucher or rental unit.
- Facilitate the existing home sale and the purchase or rental of the Cottage for the participant using the proceeds of the sale of their existing home or RHA rental client.
- Home ownership alternatives may involve CDBG contribution to cover the difference between the buyer's equity and the market value of the cottage, if available.
- RHA provide maintenance of the rental cottage community and provide partial funded to match contributions by owners through neighborhood association dues and the non-profit/civic organization's maintenance fund for home ownership cottage communities.

Action #20: Development of Lease Purchase finance program as a means of providing replacement units required under the Jane Addams Consent Decree. Lease/purchase is an alternative option for higher income applicants for RHA public housing rental and Section 8 Voucher program interested in qualifying for eventual mortgage financing. A viable tool for cash-poor, but gainfully employed households, lease/purchase programs traditionally allow you to rent a home for some preset period of time with a portion of the rental payment going toward the down-payment to help purchase the rented property. Some programs allow a buyer to make rental payments virtually equal to the mortgage payments they will eventually pay on a loan they can assume after several years of adequate credit and loan payment behavior. RHA would serve as developer and landlord during the interim period of rental and home ownership.

Best Practices in De-Concentration Development Practices

Via Verde – The Greenway Development New York City Housing Authority

Via Verde is a sustainable, urban, permanently affordable residential development in the South Bronx. It is an important component in the revitalization of a low-income neighborhood, reflecting a commitment to create the next generation of social housing that addresses poverty, health, and the environment. Situated on a former Brownfield site, Via Verde consists of a 20-story tower, a 6- to 13-story mid-rise duplex apartment component, and 2- to 4-story townhouses. Via Verde includes 222 apartments, 71 workforce housing cooperatives for residents earning 80 to 100 percent of the Area Median Income (AMI) and 151 low-income units for residents earning 60 percent or less of AMI.

The ground floor features retail stores, a community health center, live-work units, and a courtyard that leads to a series of terraced, south-facing roof gardens that create outdoor environments and a promenade for residents. The gardens offer contact with nature, and opportunities for gardening, recreation and social gathering, while providing storm water control and enhanced insulation from, and mitigation of, the urban heat island effect. Rainwater runoff is collected and recycled for irrigation. Photovoltaic panels provide 66 kilowatts of energy to power lighting in common areas. The panels, mounted on south-facing facades of the stepped roofs and on roof trellises, are an integral part of the architectural design. Via Verde is on track to achieve LEED-NC Gold certification.

The building envelope, a prefabricated rain screen panel system, provides a well-insulated, “breathing” enclosure with a contemporary aesthetic. Sunshades diffuse direct solar radiation. Large windows, typically on two exposures to promote cross-ventilation in apartments, provide abundant daylight, while ceiling fans and operable windows reduce air conditioning needs. Natural lighting and colorful finishes in stairwells promote use of the stairs, encouraging physical activity as part of New York City’s Active Design program. Via Verde’s high-efficiency mechanical systems,

EnergyStar lighting and appliances, lighting controls, and low-flow plumbing fixtures reduce energy use by 25 percent.

Via Verdi has been awarded the American Institute of Architecture Award For Excellence in Affordable Housing Design– This award recognizes architecture that demonstrates overall excellence in terms of design in response to both the needs and constraints of affordable housing. The awards will be presented on June 21, 2013, in a special ceremony during the 2013 AIA National Convention and Design Exposition in Denver.

Leominster Housing Authority – Community Learning Center Leominster, MA

On a site near the center of the small, once-prosperous City of Leominster, the Community Learning Center operated for years out of a tiny apartment in a public housing development, getting at-risk kids on track to graduation and college. The Leominster Housing Authority received a grant to cover half the cost of a new 2,000-square-foot facility and made arrangements with the local vocational/technical high school to provide the labor to make up the difference. Plans were prepared by the high school drafting class.

Realizing that licensed professionals were needed to ensure the success of the project, the architectural firm Abacus Architects + Planners was brought in to rethink the design and coordinate the efforts of the Housing Authority, the residents, the Learning Center staff, and the high school's Center for Technical Education. The firm worked for three years with students, teachers, and development residents to modify the design, set up for construction, and build the project. The resulting design is a simple barn-like structure with operable south-facing windows for passive solar heating. The interior is an open space that one teacher can monitor, with "green" particle board partitions to provide individual study areas. From pouring the slab to hoisting the beams, the firm worked closely with the teenage crew to bring design sketches into reality.

When it became clear that the grant and student labor wouldn't cover costs and an appeal was made to the community, two dozen suppliers and builders stepped forward

and contributed materials and labor. Many of those contributors were once in the Vo-Tech program and credit it with teaching them the skills that were the key to their success. Also not coincidentally, many of the students who built the Center had participated in the Center's programs when they were younger or were public housing residents. Community Learning Center has been awarded the American Institute of Architecture Award for Community-Informed Design – This award recognizes design that supports physical communities as they rebuild social structures and relationships that may have been weakened by outmigration, disinvestment, and the isolation of inner-city areas.

Beacon Park Townhomes – Kansas City Missouri Housing Authority

The Beacon Park Townhomes were fully leased and had a long waiting list before completion of construction in 2011. The development is located at 26th and Paseo Boulevard, within minutes of downtown Kansas City, Hospital Hill and Crown Center. Beacon Park Townhomes, upon completion, introduced more than 105 new residents to the historic Beacon Hill neighborhood. The development includes a combination of public housing, low-income housing tax credit, and market-rate apartments.

The Beacon Park Townhomes were conceived in partnership with the Paseo Baptist Church, and in consultation with the Beacon Hill Homeowners Association. The PHA wanted to insure that existing residents of Beacon Hills were involved in the planning phase to encourage acceptance of new residents.

The energy efficient design conforms to the architectural standards for the Beacon Hill redevelopment district. After receiving a 2009 Low-Income Housing Tax Credit allocation for Beacon Park, the Kansas City Housing Authority selected The Michaels Organization to serve as the developer and manager of the new townhouse community.

There are 45 two- and three-bedroom units at Beacon Park, some with full basements and garages. All have fully equipped kitchens with Energy Star appliances including a washer and dryer. Beacon Park provides a community center with activity room, kitchen, and computer room. It is staffed by a Supportive Services Coordinator who organizes services and activities for residents, including an after-school program for kids.



Pemberton Park for Grand Families – Kansas City Missouri Housing Authority

Pemberton Park for Grand families is the first development in Kansas City designed specifically to serve grandparents raising their grandchildren. Open since 2011, the project was developed by the Kansas City Housing Authority in partnership with Cougar Capital and the location, design, and services were refined in grandparent focus groups sponsored by the Family Friends program of Children’s Mercy Hospital.

Pemberton Park includes 36 two, three and four-bedroom apartments, with units that are fully accessible or adaptable for those with disabilities. Apartments are fully equipped with all appliances, including a full-size washer and dryer. The site features a playground, large community room, grandparents lounge, computer learning center, craft room, and social work office. Staff includes a Service Coordinator who organizes programs and activities for grandparents and grandchildren throughout the year.

According to the 2010 Census, approximately 9,500 families in Jackson County are headed by grandparents. Approximately 45% of those families live below the poverty level. The 2010 Census indicated that the number of grand families is growing nationally. These families face many unique challenges. Pemberton Park addresses these needs by providing supportive services on-site for grand families in a location near to transportation, shops and health care.



Dallas Housing Authority De-Concentration Strategy and Redevelopment

In December 2004, after hundreds of millions of dollars of reinvestment and two decades later, the Federal District Court recognized that DHA had finally fulfilled the courts mandate offering a myriad of housing choices and support services, all designed to assist clients along the road toward self-sufficiency.

Today, DHA continues to evolve as agency that builds sustainable communities, offering updated properties that residents are proud to call home and providing a stepping stone to self-sufficiency. In the past several years, major accomplishments include density reductions in concentrated areas including George Loving Place demolished and replaced with Kingbridge Crossing: Edgar Place with Lakeview Townhomes, and Elmer Scott Place with Villa Creek Apartments.

In non minority and non poverty concentrated census tracts, DHA built Lake West Villages, which consist of 50 single-family homes in a non- impacted area of the city of

Dallas. Frankford Villa Townhomes in North Dallas was constructed near Frankford and George Bush Tollway and Hidden Ridge Apartments in Lake Highlands was acquired and renovated. DHA revitalized the East Dallas City Place neighborhood with the Roseland, Monarch and Carroll properties.

DHA continues to offer innovative programs that assist client with homeownership. The Family Self-Sufficiency (FSS) program, for example, offers participants the opportunity to move into one of DHA's 50+ single-family rental homes, giving residents the opportunity to experience the responsible living in a single-family home before taking the step to homeownership.

One innovative approach was the purchase and rehabilitation of an aging shopping center, making it the first public housing authority in the nation to own and operate a shopping center. The center attracted business to the West Dallas area including national retail chains Kentucky Fried Chicken, Taco Bell, Subway, and H&R Block.



An important factor is designing the Dallas Housing Authority de-concentration strategy was securing the participation of seven (7) counties adjacent to Dallas County in their Section 8 Voucher and some in the scattered site public housing programs. These included the counties of Tarrant, Ellis, Denton, Collin, Rockwall, and Kaufman. HUD was able to apply a formula that calculates the maximum rent for the Section 8 program in the Dallas area based on the lower rents in predominately minority markets where many of the neighborhoods are blighted and have inadequate public and private services and facilities. The area rents are then applied by HUD to establish the maximum rent that can be paid under the Section 8 program in the higher rent predominately White markets, where there are few in any blighted neighborhoods and the public and private services and facilities are better than those in the minority blighted neighborhoods.

As a result:

- Approximately 9,900 new assisted units have been made available to Walker Class members.
- \$2,000,000 was provided for the operations of a fair housing organization that focus on the problem of low-income minority families.
- \$10 million was made available for mobility housing counseling for participants in the Settlement voucher program.

Prichard Alabama Housing Authority and Mobile County School District Land Swap

The City of Prichard, Alabama Housing Authority and the Mobile County School Board entered into a joint agreement to swap land in downtown Prichard, Alabama. The Mobile County School District gave the former Blount High School property to the Prichard Housing Authority for redevelopment. This exchange involved 20 acres on the city's southeast side and one acre in downtown Prichard.

The Prichard Housing Authority will build affordable homes in the nearby Besserner and Snug Harbor communities on the southeast side of the city and offer them to their

clients based on income. In exchange, the School District received a small tract next to one of their new developments in downtown Prichard, for a single dollar from the Housing Authority. Local leaders in support of the land swap and believe the transaction will help the city's long range growth plans. Prichard's downtown area is ailing and in need of revitalization, while struggling with high poverty and crime.

Huntsville Alabama Housing Authority

Gateway Place has been home to more than 80 seniors since January 2012 and the Huntsville Housing Authority has put a check mark next to its first big effort to de-concentrate poverty in the city. A grand opening/ribbon cutting ceremony was attended by about 175 on December 13, 2011. Residents started moving in during January 2012. In the early 2000s, the Huntsville Housing Authority Board of Commissioners decided it was time to change public housing in the city. They also came up with a steadfast goal to de-concentrate poverty with a focus on creating programs to encourage residents to become free of public assistance. It took several years to get everything lined up, but by 2006, a plan was in place. The first step would involve the agency's oldest operable housing site, Council Courts. Residents began living in Council Courts in 1952.

Council Courts occupied approximately 18 acres on the east and west side of Gallatin Street, next to Huntsville Hospital in downtown Huntsville. The first residents who were relocated to new homes for the redevelopment plan occupied 56 apartments on the eastern side of Gallatin Street. Those apartments were torn down in November 2008 to make room for Gateway Place. The groundbreaking ceremony for Gateway Place was held in January 2010, and construction began the next month. Families in the remaining 140 apartments on the western side of Gallatin were relocated in 2009.

Forty-eight of the 86 apartments at Gateway Place are occupied by seniors in public housing. The other 38 are open to any senior earning 60 percent or less of the area's median income. The Gateway Place development is pictured on the following page.



The Huntsville, Alabama Housing Authority (HHA) has recently received a “HUD Best Practices” for its effort to undergo extensive redevelopment of two aging public housing site and selling another as part of an ongoing effort to de-concentrate poverty in its city. The Sparkman Homes public housing development consists of 170 public housing units spread across 19.3 acres in the downtown area. Its residents there earn just \$5,531 a year, on average, the lowest among the city’s nine traditional public housing sites.



The Huntsville Housing Authority also intends to apply for tax credits through the Alabama Housing Finance Authority to rehabilitate some of the 194 units at its Lincoln Park development in north Huntsville. The goal is to transform distressed areas into sustainable mixed income neighborhoods with easy access to jobs, public transportation, quality schools, and social services.

Chattanooga Tennessee Housing Authority

The Villages of Alton Park in Chattanooga, Tennessee is one example of a successful redevelopment effort that is seeking to de-concentrate poverty and replace slum and blighted conditions that included the McCallie Homes public housing development. Phase One included 72 units of rental housing; 52 units of ACC (public housing assisted) and 20 units of non-ACC (tax credit financed), all leased and fully occupied. Phase Two consists of 101 public housing units, of which 85 are ACC and 16 non-ACC. Phase Three includes 102 units of rental public housing, 69 ACC and 33 non-ACC units, on nearby sites that were not originally part of the McCallie Homes development. The Homeownership phase of the Villages at Alton Park, consist of 125 units of homeownership, both on and off the original McCallie Homes project site. Up to 96 units were HOPE VI assisted, and 29 homes sold to any purchaser at market rates.

