

PLAN ELEMENT VI: HOUSING

The housing section of the Year 2000 Plan began with the following goal from the Federal Housing Act of 1949: "A decent home and a suitable living environment for every American family." That was our goal in 1980, and it remains our goal today. Our mission over the next 20 years will be to hold onto the positives of increased affordability while bringing the negatives under control. If the latter is to be accomplished, it will most likely be through activities generated at the neighborhood level, not by City housing programs. However, sustaining affordability can most definitely be influenced by a continuation and evolution of housing programs and policies.



In 2003, the *City of Rockford, Illinois Housing Market Study* (generally referred to as "the Housing Study" in this section of the Plan) was prepared by Western Economic Services to support the City's Consolidated Strategy and Plan Submission as well as the 2020 Plan. The Housing Study uses data from the U.S. Census Bureau, the Rockford Township Assessor, the University of Illinois, the City of Rockford Building Department, and a housing survey conducted by Western Economic Services.

Current Housing Market

To recap some of the basic demographic data included in pages 14-19, the 2000 Census reported the population of Rockford to be 150,115. While this represents an overall growth of 7.7% from 1990 to 2000, the West Side of the City has been declining in population as the East Side has been growing. The housing market has felt the affects of this. Total housing units in Rockford has increased by 9.3% during that same time period; however, that growth was not evenly distributed throughout the City as the Northwest and Southwest declined by 1.0% and 4.8%, respectively.

Rockford has been becoming more diverse as the racial composition has been changing. The White population declined 3.4% over the last 10 years but the African-American and Asian-American population increased by 25% and 55%, respectively. The Hispanic population has also been increasing, almost tripling citywide between 1990 and 2000. Although the White population has been declining citywide, it increased in the Northeast quadrant. At the same time, the African-American population decreased in the Southwest while the Asian-American population showed steady growth throughout the City.

The "Who We Are" section of the 2020 Plan shows how the number of households has changed by quadrant over time. (See page 18.) What it does not show is that the number of housing units (occupied units, i.e., households plus vacant units) increased at an even faster rate overall. This means that the citywide vacancy rate increased from 3.8% in 1990 to 6.9% in 2000 with the actual number of vacant units more than doubling during that time.

Table 12			
Total Housing Units in Rockford, 1990-2000			
	1990	2000	% Change
Northeast	13,417	16,476	22.8%
Northwest	14,286	14,147	-1.0%
Southeast	22,996	25,861	12.5%
Southwest	7,447	7,086	-4.8%
Total	58,146	63,570	9.3%

Median household income in 1999 for Rockford's population as a whole was \$37,667. However, there were substantial differences among racial and ethnic groups. Median household income was \$40,003 for Whites; \$26,236 for African-Americans; \$39,191 for Native Americans; \$57,556 for Asian-Americans, and \$30,255 for people of 2 or more races. While persons above poverty increased 6.5%, persons below poverty grew at an even faster rate — 12.3%. Employment in Rockford went up 4% from 1990 to 2000 citywide but, as with everything else, the gains were not universal. Employment dropped on the West Side and increased on the East Side.

The Housing Study found that there is not a strong need for additional single family detached starter housing in Rockford. In fact, the City seems to have an excess of this type of housing. During the past two decades and especially the past ten years, new housing development on the edge of the City's built-up area has been primarily of the "starter home" variety. While this led to a slight increase in home ownership rates from 1990 to 2000 (60% vs. 61%), it also has led to two major problems. First, it tended to increase the rental vacancy rate as renters moved up into better units in a several tier process, leaving behind the more marginal units. The second problem to arise is that with the majority of new construction being starter homes, there is little choice for the "move-up buyer" or more affluent buyers. These "move-up buyers" have instead been moving outside the City for other markets such as Boone County, Roscoe and others. This loss of the more affluent home buyers shows in some of the demographic trends for Rockford from 1990 to 2000 especially. There is a need for new developments to offer a wide range of choice for buyers wishing to move up from starter homes while staying within the City of Rockford. The City would like to attract these new more affluent developments to balance the City's housing choice and demographics.

Current Housing Structures Condition

The study reported housing condition data from the Rockford Township Assessor. The physical conditions of the City were broken down into ten categories: excellent, very good, good, average, fair, poor, poor minus, very poor, very poor minus and unsound. It is important to note that the condition of the neighborhood is factored into the individual housing condition assessment. Authors of the Study drew the following conclusions from the data:

- ▶ 79% of the dwellings in the City are of fair or above condition.
- ▶ 21% of the dwellings are of poor or below condition, almost 9,000 dwellings.
- ▶ The Northeast has the best housing conditions. Only 2% of the dwellings were considered poor or below, while 98% are fair or above and 53% of the dwellings were considered good, very good or excellent.
- ▶ The Southwest has an unfair share of low quality housing. 79% of dwellings were considered poor or below while not a single dwelling was considered good, very good or excellent. Compared to the City as a whole, the Southwest has 28% of the dwellings considered poor or below yet only 11% of the total housing units.

CDU	Northwest	Northeast	Southeast	Southwest	Total
Excellent	109	496	0	0	605
Very good	88	1,292	7	0	1,387
Good	1,772	5,069	2,404	0	9,245
Average	3,680	5,411	7,064	40	16,195
Poor	1,323	188	2,088	944	4,543
Poor minus	879	31	667	864	2,441
Very poor	655	27	464	623	1,769
Very poor minus	22	2	31	34	89
Unsound	33	1	47	39	120
Total	11,278	12,881	15,590	3,159	42,908

- ▶ The housing stock in Rockford is getting older and needs to be dealt with. The study states:

These statistics are discouraging, as they imply that a number of housing units are not being sufficiently maintained. The City of Rockford's dilapidated housing stock is increasing, even though the City has taken steps over the last decade to eliminate some of the most blighted housing units. Renewed efforts to remove blighted housing must be considered now. A goal of 1,000 additional units over the next five years may help turn the tide.

Housing Needs

Single-family housing is the largest sector of the housing market currently comprising 65% of the total market, an increase of about 2 percentage points from 1990. In the Northeast, single-family units' make up 72%, while in the Southwest, they make up only 57% of the market. The study conducted a telephone survey to "gauge the perceptions of housing needs throughout the City of Rockford." In terms of types of needed housing, the survey found that the Northeast is in need of affordable rental housing, although the study reports that there is an abundance of rental housing City-wide. The Southwest is in need of for-sale housing, yet was found to be the most affordable. Perceptions of the condition of housing in the Southeast and Northwest sides were shown to be more favorable than the Assessor's data described in the Housing Conditions section.

The second part of the survey was to determine the degree of need for the following housing activities:

- ▶ homeowner repair and maintenance,
- ▶ emergency rental assistance,
- ▶ development of affordable rental units,
- ▶ rehabilitation of rental units,
- ▶ construction of affordable new single-family units,
- ▶ rehabilitation of single-family units,
- ▶ assistance for developers of affordable housing,
- ▶ down payment grants, home buyer education classes,
- ▶ low interest financing for home repair or remodeling, and
- ▶ easier methods to condemn and demolish unsuitable housing units.

The survey found that the Northeast side has little or no need of any of these housing activities. The Southeast and Northwest have moderate needs, yet extreme need exists in the Southwest. Easier methods to condemn and demolish unsuitable housing units was one of the most frequent needs listed, as was aid for homeowners to rehabilitate their homes.



Amenities for affordable housing developments are needed as well. By way of a special use permit, lot size can be reduced from a minimum of 7,700 square feet to a minimum of 6,600 square feet with a minimum lot width of just 60 feet. The combination of smaller lots and basic housing designs generally keeps the cost of homes in these subdivisions under \$90,000. Thus far, most of these have been built on the east side at various locations

— Kylemore East and Linus View behind the State Street Strip, Harrison Park east of the main Post Office, Bluffside Heights off 20th Street south of US 20, Jefferson Ridge south of Jefferson High School, and University Center near NIU's Rockford campus. However, new construction has also begun to occur on the West Side in Lincolnwood Estates and Emerson Estates. The one thing lacking in most if not all of these subdivisions and that needs to be addressed is community open space. Virtually every square foot of land is developed, leaving little opportunity for any type of amenities. We need to find ways to address this, such as adoption of a land dedication ordinance.

Cost Burden

When it is said that a household is experiencing a cost burden, it means that 30% or more of the household income is going to housing costs. This includes utilities, interest, taxes, and insurance as applicable as well as the direct cost of either rent or a mortgage. A severely cost burdened household pays 50% or more of its household income on housing. Burden is not only an individual problem, but it can cause serious problems in a community. "For renters, any particular economic setback could cause the householders to fall behind in rental

payments, thereby becoming at-risk of eviction and homelessness. For homeowners, these data suggest that these householders lack sufficient resources to conduct routine and periodic maintenance on their homes.” (page 19 of the study)

In Winnebago County, 32.2% of renters and 18.6% of homeowners are experiencing a cost burden. Equivalent figures in the City of Rockford are somewhat higher — 34.4% of renters and 19% of homeowners. From 1990 to 2000, the percent of renters experiencing a cost burden has gone down 2.1% for the City of Rockford. Although all quadrants experience a decrease, the Southwest had the largest decrease of 10%. However, owner occupied households with a cost burden increased 4.5% citywide from 1990 to 2000. The Northwest quadrant had the largest increase of (6.7%) and the Southwest quadrant has the highest percent in both 1990 and 2000, but all quadrants increased from 1990 to 2000.

Special Needs Housing

Special needs housing refers to housing for the disabled, elderly, and other non-traditional housing needs. The housing needs survey conducted by the study also included questions about unmet special needs housing. Meeting the needs of the homeless was a major concern, but housing for the elderly, disabled and victims of domestic violence were also found to be needed.

The U.S. Census Bureau predicts that for the state of Illinois, the population over 65 years of age will rise from 12% in 2000 to 17% by 2025; by 2030, that number could be as high as 20%. That would be over 27,000 people over age 65 in Rockford in 2020. This is an enormous increase in the need for housing for elderly and retired persons. Many of these people will be on limited incomes and not have the desire or ability to take care of the homes they live in now. However, Christopher Williamson, AICP reports in his article, *The War of the Ages*, that Baby Boomer household incomes are \$10-\$15,000 higher than median and that home ownership will be the rule as the Census tells us that home ownership increases with age. He also states:

Baby boomers have three choices when they retire: Stay in their current homes, move locally, or leave the area. And they may move several times after age 65. Each choice has consequences for local planning.

These Boomers may be drawn to Active Adult Retirement Communities popular in the Southern and Western United States. The City should encourage these Active Adult Retirement Community developments to retain our aging higher income population as well as attract retirees from surrounding areas and nearby Chicago. Another type of retirement community gaining popularity is a Continuing Care Retirement Community or CCRC as reported by the American Association of Retired Persons (AARP). These communities offer a variety of services depending on the care required by the individual. A CCRC community may include independent living units, assisted living units and nursing home accommodations. The City should accommodate these types of developments and also support partnerships between these communities and institutions such as local hospitals.

Forecast

The study predicts that the population of Rockford will be over 162,000 by 2020. That is a gain of about 12,000 people. Currently the West Side has been losing population while the East Side has been gaining. The study forecasts population assumes that this trend will not continue when forecasting the population of the City. This is a forecasted increase in population, but the increase in housing units has been much higher. The housing study reports that, “...the growth rate Citywide in total housing units over the decade is higher than the growth in households and occupied housing.” If we continue at this rate, the amount of vacant housing will continue to rise. The study recommends the demolition of 1,000 housing units. Before this action is taken, there should be more investigation as to what affect this course of action will have on neighborhoods, what alternatives there are and what is best for the City of Rockford.

Barriers

Vacant/Abandoned Homes. The study reports that there are over 4,000 vacant units in the City. Over 1,200 of these units are in a category that includes abandoned, boarded up, and other unsuitable empty housing units. This number increased 18% from 1990 to 2000. Of these, 42% are in the Southeast, 28% are in the Southwest,

20% are in the Northwest and 9% are in the Northeast. Many of these vacant homes have not been dealt with because of the ordeal of acquiring the properties and the cost of demolition and/or rehabilitation.

Rehabilitation. Housing in Rockford's central city is getting older. Rehabilitation of older homes can be quite difficult and costly. Making rehabilitation an easier and less costly process should be a goal of the City. The only solution for some of these homes may be demolition, however, this could negatively affect a neighborhood unless infill strategies are created and implemented along with demolition. Some homes in poor condition may have an opportunity for rehabilitation, but it can be time consuming and quite costly. Lead abatement, zoning, code compliance and historic preservation can make the rehabilitation process not cost effective.

Affordable Housing. In the City of Rockford, 34% of renters and 19% of homeowners are experiencing a cost burden. This would indicate that there is a shortage of good affordable housing in the City. Barriers to creating affordable housing include lead, homeowners insurance, cost estimating, financing layers, flood insurance, security during rehab/construction, asbestos, taxes, acquisition, financing through an array of programs and building codes. While several subdivisions of "affordable" homes have been built, they are still beyond the means of many households.

Goals and Objectives

Improve current housing stock.

- ▶ Encourage and facilitate collaboration and coordination among planning, housing and code enforcement trade associations and interest groups.
- ▶ Meet with township and County assessors to find ways to resolve financial roadblocks encountered by those interested in redevelopment of older buildings caused by low assessments since mortgage financing is typically offered at a percentage of real estate value.
- ▶ Work with the State of Illinois to find ways to minimize the hazards of lead paint while at the same time ensuring financial feasibility of rehabilitation of our older housing stock.
- ▶ Ensure that transportation improvements foster and support the revitalization of existing neighborhoods.
- ▶ De-densify neighborhoods where appropriate.
- ▶ Engage neighborhoods in planning for revitalization.
- ▶ Encourage housing strategies to revitalize older neighborhoods while taking steps to minimize displacement of existing businesses and residents. In creating these strategies, the City must find a way to evaluate the potential impact of expenditure of its limited financial resources. For instance, spending \$300,000 to rehab 3 homes scattered across the City may not have as much positive impact as spending \$300,000 to rehab 3 homes in a single neighborhood.



Address vacant units.

- ▶ Support the removal of derelict vacant housing units (1,000 units recommended by the study) provided:
 - ▷ There are criteria for deciding which structures will be targeted for demolition.
 - ▷ There is a strategy for how the units to be removed are chosen, when they will be removed, and what will replace them.
 - ▷ There is consideration of how it will affect the surrounding neighborhood and residents.
 - ▷ The potential loss of Rockford's historic character is considered including the affects on potential historic districts and landmarks.
 - ▷ There are sufficient funds/resources to remove the unit and replace it with a use that is valuable to the City and improves the surrounding environment. For example: If a derelict abandoned home is removed and replaced with lawn, the lawn must be maintained by the City. A possible solution to this problem would be to sell the parcel to neighboring homes and it would then become their responsibility to maintain.

- ▶ Promote infill housing strategies that result in new housing that is compatible with existing housing stock. New housing should not only have good immediate utility, it should also represent a long-term value added investment to the neighborhood. As part of this effort, the City will evaluate how the Zoning Ordinance impacts redevelopment in older areas, amending the ordinance where necessary facilitate such redevelopment.

Build new housing that is an asset to the City.

- ▶ Encourage residential construction that is consistent with the principles of smart growth, and that is energy efficient and does not place undue demands on the natural environment
- ▶ Stimulate business involvement in addressing the shortage of attainable workforce housing.
- ▶ Encourage more affluent new developments to capture those moving elsewhere in Winnebago County or to Boone County.
- ▶ Develop and maintain a comprehensive housing plan which goes beyond the scope of the City’s latest Consolidated Plan by
 - ▷ Analyzing needs for all types and price ranges of housing;
 - ▷ Evaluating the quality of the existing housing supply by type, price range, tenure and location, including that of the new “affordable” subdivision referred to above;
 - ▷ Recommending ways to improve the quality of where we live; for example, addressing the need for open space in the new affordable subdivisions; and
 - ▷ Recommending specific measures to address any gaps in the housing supply that may be identified as a result.
- ▶ Encourage and promote creation of new market-rate housing in the downtown area.

Provide adequate special needs housing.

- ▶ Encourage and entice Active Adult Retirement Community and Continued Care Retirement Community developments.
- ▶ Work to ease barriers to affordable housing.
 - ▷ Try to find new funding sources that do not have strict code requirements.
 - ▷ Promote solutions to ease process of vacant housing acquisition and demolition.
- ▶ Work with local service providers to strengthen Rockford’s support system for the homeless.



Current Strategies, Programs, and Activities

The City of Rockford’s “Consolidated Strategy & Plan Submission for Fiscal Years 2000-2005 for Housing and Community Development Programs” is included by reference as part of the 2020 Plan. This outlines how the City plans to spend CDBG, Home Investment Partnership and Emergency Shelter Grant funds through 2005. The City gives as its mission statement in the Consolidated Plan:

To develop quality programs and projects that help meet the needs of low/moderate income individuals and neighborhoods; foster community-wide partnerships; and build diverse, viable neighborhoods using the strengths of residents.

The Plan’s primary goal is “To build viable, diverse, and self-sustaining neighborhoods within the City of Rockford, with special emphasis on the existing Community Development neighborhood strategy areas [of South Main, Mulberry Forest, St. Paul’s Place, and the 7th Street TIF area] by concentrating efforts and resources.” It includes a series of objectives and action steps in the areas of housing and economic development to enable Rockford to accomplish this. These include:

- ▶ **Affordable housing** Increasing the supply of standard affordable housing Citywide or within the CDBG target area; removing hazardous conditions such as lead-based paint and other barriers from the affordable housing supply Citywide; reducing the barriers for lower-income persons to buy their own homes and increasing the incidence of home ownership for low-income people; reducing the infrastructure that supports crime and blight in lower income neighborhoods; and increasing lower income persons' awareness of affordable housing options and their housing rights
- ▶ **Partnerships** Helping to build the capacity of local non-profits, boards, coalitions, etc. which help meet the special needs of lower-income people; increasing the financial resources available for affordable housing and lower-income neighborhood-based services which complement and enhance the City's entitlement program.
- ▶ **Economic development** Reversing economic disinvestment in distressed areas of Rockford and fostering more self-sufficient neighborhoods capable of meeting their own employment needs and essential goods and services; creating or attracting job opportunities for low/moderate-income persons; retaining or expanding existing businesses located in or servicing low/moderate-income areas; attracting businesses and development to low/moderate-income areas; and creating business ownership opportunities for low/moderate-income residents, especially minorities and women.
- ▶ **Homeless** Facilitating creation of a continuum of care system for homeless persons in or entering our community.

The City works to achieve these goals through a variety of programs and services. In the area of housing, the City of Rockford provides:

- ▶ Loans and grants to homeowners for improvements needed to bring their property into compliance with all local building codes;
- ▶ Grants and loans for new owners to buy and repair boarded, vacant or abandoned properties;
- ▶ Assistance for new homeowners in making down payments and paying closing costs; and
- ▶ Grants for the rehabilitation of rental units.



For participants in these programs, the City provides both construction and financial counseling to aid them in finding the best ways to pay for and complete their projects. While we anticipate that the details of some of these programs may change over the next 20 years, the basic thrust of making decent housing affordable for lower-income families will remain.

Housing Implementation Matrix

Goal	Objective	Action	Who	When	
A decent home and suitable living environment for every American family. (taken from Federal Housing Act of 1949)	Improve current housing stock	Ensure that transportation improvements foster and support the revitalization of existing neighborhoods.	Community Development, Public Works	Ongoing	
		De-densify neighborhoods where appropriate.	Community Development	Ongoing	
		Encourage housing strategies to revitalize older neighborhoods.	Community Development	Ongoing	
		Engage neighborhoods in planning for revitalization.	Community Development, Neighborhood Organizations, Human Services	Ongoing	
	Address vacant units	Support the removal of derelict housing units provided there is a strategy to minimize negative effects.	Community Development, Building, Legal, Human Services		Short-term
		Promote infill housing strategies that result in new housing that is compatible with existing housing stock.			
	Build new housing that is an asset to the City	Encourage residential construction that is consistent with the principles of smart growth.		Community Development, Building	Ongoing
		Stimulate business involvement in addressing the shortage of attainable workforce housing.		Community Development, Community Development, Building	Ongoing
		Encourage more affluent new developments.		Community Development, Building	Ongoing
		Encourage and facilitate collaboration and coordination among planning, housing and code enforcement trade associations and interest groups.		Community Development, Building	Ongoing
Ease barriers to affordable housing.	Find ways to resolve financial roadblocks to rehabilitation.		Community Development, Legal	Ongoing	
	Find ways to minimize the hazards of lead paint while ensuring the financial feasibility of rehabilitation.		Community Development, Legal, Human Services	Ongoing	

Housing Implementation Matrix

Goal	Objective	Action	Who	When
A decent home and suitable living environment for every American family. (taken from Federal Housing Act of 1949) cont.	Provide a variety of housing options balanced throughout the entire City.	Encourage and promote a balance of new desirable developments among the City. Develop and maintain a comprehensive housing plan that goes beyond the scope of the Consolidated Plan.	Community Development, Building	Ongoing
			Community Development	Short-term