

# Executive Summary

## Purpose of This Study

The City of Rockford contracted for this study to help elected officials, City staff, stakeholders and community members develop a meaningful sense of the housing market, an understanding of key housing issues and how they will impact the city over the next ten years. This study began in the fall of 2023 and culminated with the development of implementable strategies for growing the existing housing supply and policy change recommendations.

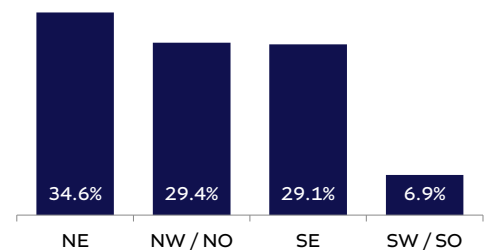
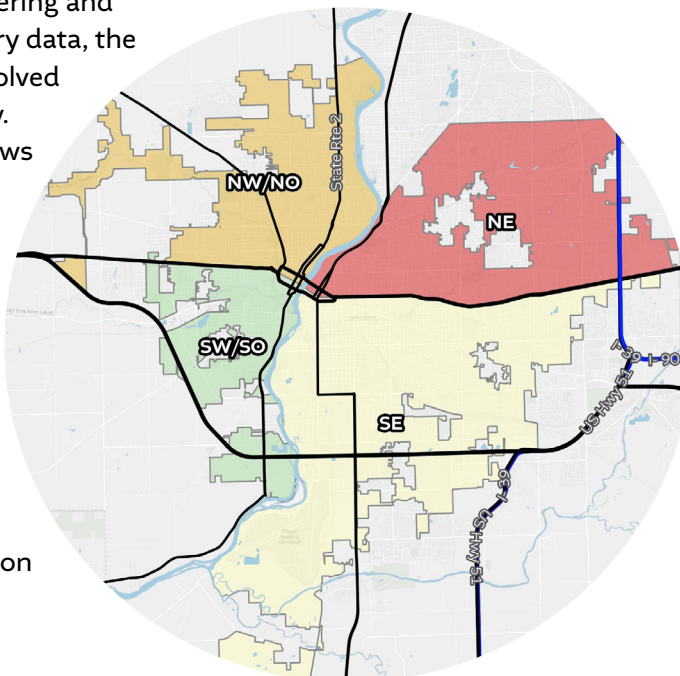
This housing needs and market assessment has been created to provide leaders with a solid understanding of:

- Functions of market demand (population, employment, and income growth)
- Inventory of existing housing supply
- Demand forecast
- Gap analysis for the next 10 years
- Housing affordability

This study shares the current context and outlines many activities to significantly improve the housing landscape in the City of Rockford.

## Stakeholder Engagement

Along with the gathering and analysis of secondary data, the community was involved in this study directly. Stakeholder interviews were conducted with service agencies, major employers, school district staff, and members of the real estate industry (developers, Realtors®, and apartment association members).



**Figures X and X. Response to Survey Question:** Based on the map, in which area of the city do you live? Según el siguiente mapa, ¿en qué área de la ciudad vive usted?

The city also supported a community survey which was conducted online. The online survey was open for nine weeks between December 18, 2023, and February 25, 2024, and pushed out to various stakeholder groups by local agencies to ensure the most diverse audience response. It was offered in English and Spanish. There were 350 completed surveys returned for analysis.

## Findings

### Challenges Facing Rockford’s Housing Landscape

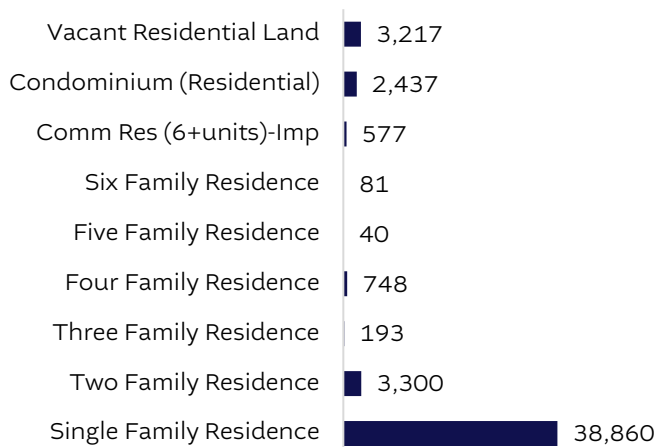
By 2032, the city’s population is estimated to grow to 152,500-162,700 or 62,000-65,300 households in Rockford. Much of this growth is based on the naturally occurring historical growth trends as well as recent announcements by large employers in the region. For example, Stellantis reached an agreement with the United Auto Workers Union to reopen the Belvidere Assembly Plant which could bring back more than 3,000 jobs to the region. PCI Pharma Services announced plans to expand their facility and create 250 new jobs over the next two years with the potential for continued job growth in the years to come.

Of the 44,024 residential parcels with residential structures built in known years, nearly 13,100 (30%) were built between 1940 and 1959. Conversely, since 2000, only 2,300 structures have been built.

There are approximately 496 lots in existing subdivisions and infrastructure in place that could be developed immediately. Also, there are about 1,500 tax-delinquent properties in Rockford.

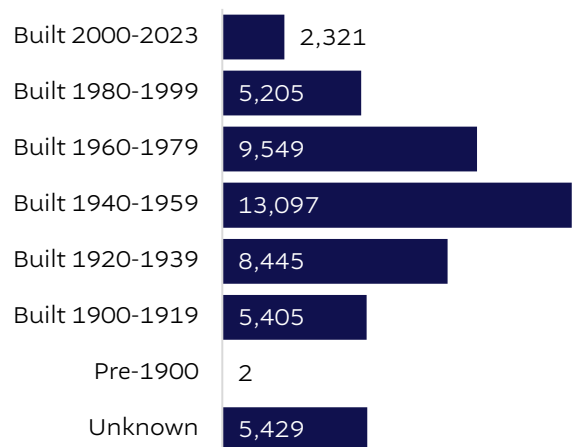
The City of Rockford’s combined owner-occupied and renter-occupied vacancy rate is estimated to be 9.9%. Redevelopment Resources recommends an owner-occupancy vacancy rate of 1.5-2% and a rental vacancy rate of 3.5-6% for a combined vacancy rate of 5-8% based on best practices and household growth projections.

**Figures X. Residential Properties by Use Type**



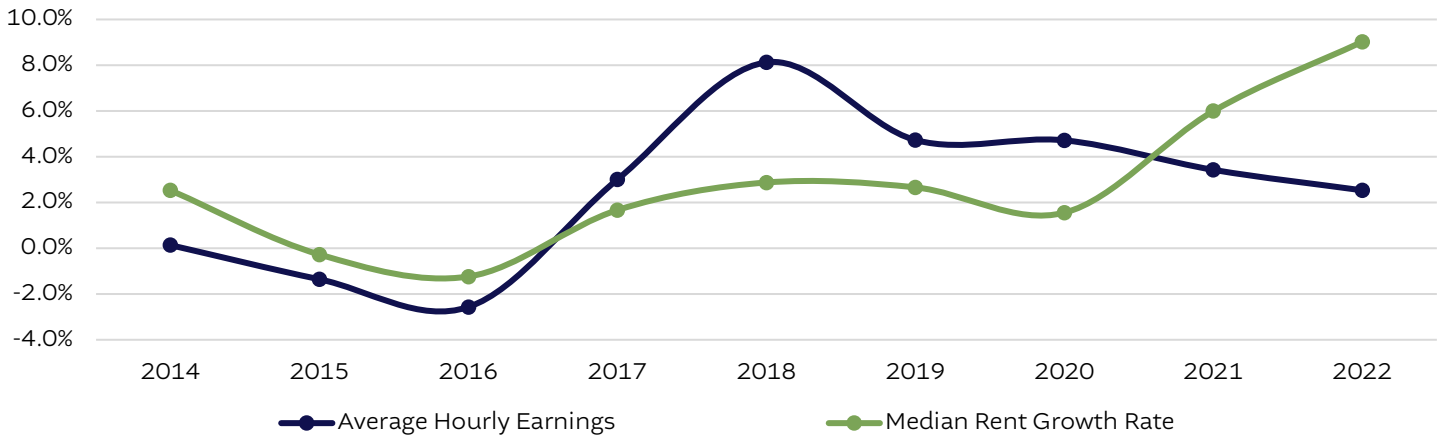
Source: City of Rockford.

**Figures X. Age of Housing Stock by Year Built**



Data Note: The chart is in 20-year increments with the exception of the top bar, which is 24. Source: City of Rockford.

**Figures X. Growth Rate Comparison of Median Rent and Average Hourly Earnings (2014-2022)**



Data Source: U.S. Bureau of Labor Statistics, State and Area Employment, Hours, and Earnings, Not Seasonally Adjusted, Total Private; American Community Survey 5-Year Estimates, Housing Characteristics; Redevelopment Resources.

The median price in 2023 (\$142,500) has more than doubled the median sales price in 2014 (\$65,000). Since 2013, the median rent in Rockford has risen 27.2% while average hourly wages of private sector employees have only risen 24.7%. Based on the data scraped from Apartments.com, of the 3,636 units in properties listed on the website, only 2.3% are available.

## Opportunities to Change the Rockford Housing Landscape

There are several opportunities to improve the housing situation in Rockford. Demand for new housing over the next ten years is analyzed to be between 3,200 and 9,100 new units. Factors contributing to this wide-ranging demand include population growth, job growth, making up for years of underdevelopment of housing stock, and more than 1,000 units demolished over the last 10 years.

### ***Relaunch and enhance the Downpayment Assistance Program.***

Down payment assistance will support home ownership and help lift individuals and families out of poverty by allowing them to invest in an asset, creating wealth.

### ***Redevelop infill lots.***

The development of infill lots is significantly less expensive than new subdivision developments.

### ***Invest resources towards code compliance and registrations.***

Focus staff time and resources on encouraging full compliance with the Rental Registry and Vacant Land and Foreclosed Property Registry.

### ***Reenact Home Rule.***

Reenacting home rule will allow more opportunities to enforce building codes, create programs that disincentivize poor property maintenance and poor landlords, and ensure housing unit conditions are maintained to a decent, safe, and sanitary standard.

### ***Create a public sector working group to improve housing conditions in the most challenged neighborhoods.***

They would meet to discuss the various ways they could collaborate to implement strategies to increase home improvements, redevelop infill sites/vacant lots, encourage home ownership, and work together to make a concentrated positive impact on the target areas.

***Prioritize housing development in TIF Districts.***

The point system in place for awarding tax increment financing to projects has commercial development receiving more points than residential development.

***Ensure and encourage the development of smaller footprint housing types through the zoning code.***

Ensure zoning allows cottage court neighborhoods.

Cottage Courts (also known as pocket neighborhoods) are tightly knit clusters of houses on small lots with little yard around a central courtyard where residents can gather. Townhomes also increase the number of units constructed with slightly reduced construction costs.

***Provide annual Training for Section 8 Voucher recipients and landlords.***

Rockford Housing Authority (RHA) should require landlords accepting Section 8 vouchers and recipients to attend a training event hosted by the City on code violations and their respective responsibilities.

***Presentations and public announcements.***

It is critical for elected officials and residents to understand that decent, safe, and sanitary housing for all residents in all neighborhoods and wage ranges is important to the health of the community.

***Work with RHA to improve relationships and collaboration.***

Meet every other month to share goals, strategies, and collaboration opportunities. Invite them to the table and include them in the Public Sector Working Group.

***Create a program to develop developers.***

Invite would-be developers, or those interested in redeveloping housing to an event hosted by the City to educate them on opportunities to develop in Rockford and the process a developer must go through with the City.

