

Community Development Business Group

Mission Statement

It is the mission of the Community Development Business Group to formulate and implement programs designed to improve the quality of the City's neighborhoods, to create and retain jobs, and to expand and protect the tax base.

Primary Functions → The services provided in this Division are organized around seven different areas of focus:

- **CDBG Administration** → Staff perform day to day activities, including planning, formulating applications, reviewing performance, accounting, acquiring land, and conducting environmental assessments. In addition, staff provides assistance to various groups including the Citizen Participation Committee, the Historical Preservation Commission, the Homestead Board, and non-profit development corporations.
- **Economic Development** → Provide technical and financial assistance to the City's industrial and commercial businesses.
- **Neighborhood Development** → Administer all City housing rehabilitation and new construction programs, including housing acquisitions, demolitions, homeless programs, and community assistance program projects and coordinate the efforts of others to bring about economic, physical, and social improvements in selected neighborhoods.
- **Home Program** → Annual Federal housing grant program designed to fund operating and project expenses for Community Housing Development Organizations (CHDO) that rehabilitate housing, offer homesteading opportunities for low-income homebuyers either through new construction or rehabilitation of residential properties, and fund housing rehabilitation for existing low-income homeowners.
- **American Dream Initiative** → This program provides a loan in the form of a mortgage, forgiven over five (5) years for six percent (6 percent) of the purchase price. No payments are required as long as the property remains owner occupied and is maintained for the term of the loan.
- **Brownfields Cleanup Revolving Loan Fund** → Provide funding to clean up contaminated property and return Brownfield properties into productive uses.

2009 Accomplishments →

- Provided funding, with technical assistance, to five organizations (Rockford Urban Ministries, Rock River Training Corporation, SWIFTT, Northwest Community Center and Literacy Council) through the Healthy Neighborhoods program.
- Completed two substantial amendments to the 2008 Annual Action Plan which resulted in the receipt of \$2,849,555 million dollars from the Department of Housing and Urban Development.

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- Assisted Human Services with the public hearing process for ARRA funding.
- Provided financial assistance to RAMP which resulted in the construction of 11 ramp additions for mobility challenged residents.
- Participated in selection process of Hope VI developer for Brewington Oaks/Jane Addams redevelopment project.
- Participated in Money Smart Week (campaign, planning, and 16 events) and the Great Downtown Open House (3 events). Great Downtown received the 24th Annual Heart of Rockford Best of Heart of Rockford Award presented by the River District.
- Several homebuyer and rehabilitation activities were achieved.
- Continued community involvement and partnerships by attending neighborhood group meetings, community events, and various other meetings to market our residential housing programs.
- The CAPER annual report was completed and submitted to the Department of Housing and Urban Development by its due date.
- NSP1 (Neighborhood Stabilization Program) was submitted the last quarter of 2008 and approved in 2009. The plan was entered into the DRGR drawdown system and approved by HUD. Quarterly reports were completed.
- NSP2 grant was prepared and submitted in partnership with three for-profit housing developers to the Federal government – Department of Housing and Urban Development.
- Worked with Northwestern Illinois Area Agency on Aging (NIAAA) and RAMP on an Illinois Housing Development Authority Home Modification Grant application which was awarded. Developed program design with marketing materials in preparation of program implementation.
- Continued owner occupied rehabilitation assistance through the Gilbert Avenue Rehabilitation program.
- Worked with Family Credit Management and the Rockford Area Affordable Housing Coalition to implement changes to the program's administration in 2010 as a process improvement. Agencies will counsel interested homebuyers and refer qualified applicants to the City.

2010 Goals and Objectives →

- Administer the Healthy Neighborhoods program and other renewed or new public service and public facilities and improvements projects representing four projects or approximately 55 individual activities.
- Continue existing rehabilitation programs and the new construction of housing units.

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- Homebuyer assistance will be provided to purchasers within the Down Home, REACH, Tax Incentive Program areas as well as Community Housing Development Organizations and other City supported projects.
- Plan, develop, and administer programs according to CDBG and HOME Federal requirements. Monitor Human Services' Emergency Shelter Grants Program (four projects expected).
- Seek proposals for CHDO operating funds and monitor project completion. Up to five organizations may be assisted.
- Monitor for-profit and non-profit new construction activities.
- Continue partnerships with the Winnebago County Health Department and the Human Services Department in order to address lead based paint hazards and weatherize homes leveraging our federal funds.
- Continue the Neighborhood Stabilization Program partnering with lenders, Realtors, for-profit and non-profit developers. Goal is to leverage funds and make a positive impact in neighborhoods with schools and that demonstrate greatest need based on the number of foreclosures, subprime lending, at risk foreclosures, and high vacancies in comparison to the community at-large.
- Acquire properties for the purpose of demolition and/or redevelopment through the Community Development Block Grant and provide funds to developers under the Neighborhood Stabilization programs for the redevelopment of property.
- Demolish blighted properties outside the Neighborhood Stabilization Program census tracts as well as property within 10 NSP census tracts indicating the greatest need.
- Complete the Gilbert Avenue program and report status to the Illinois Housing Development Authority.
- Partner with local agencies begin the administration of the Illinois Housing Authority's Home Modification Program and leverage with funds programmed for a Senior and Physically Disabled Repair Program.
- Continue to lend our support to outside activities such as the Money Smart Week Campaign and the Great Downtown Open House.
- Continue to administer and report on the accomplishments of the CDBG-R grant, Neighborhood Stabilization Program 1, and the Neighborhood Stabilization 3 grant, if an allocation is made by HUD all of which are grants within the American Recovery and Reinvestment Act of 2009 and HERA of 2008.
- Support the Rockford Area Affordable Housing Coalition with operating funds in their provision of one-on-one training and classroom training relating to homeownership.

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Economic Development

The Economic Development Program, budgeted at \$352,360, is funded by the Community Development Block Grant. Of the total, \$218,160 is allocated for program costs, with a transfer for economic development staff, housed in the Planning Division, budgeted at \$134,200.

Economic Development funding includes the following:

- \$163,160 for the Rehab and Development Assistance program designed to help create development opportunity in the City of Rockford and future projects providing a wage above the threshold median hourly wage to numerous low/moderate income City residents. Also, the loan/grant will be used for projects that have the potential to fill a long-vacant building or site, preferably in one of the City's TIF districts, the City's State certified Enterprise Zone, or one of the previously described strategic areas.
- \$25,000 for Minority/Women Business Enterprise training.
- \$30,000 for the Self-Employment Training Program that will provide basic entrepreneurial training to low to moderate-income persons in conjunction with Rock Valley College's Small Business Development Center. Projected training is for 80 participants.

Neighborhood Development

Housing programs, budgeted at \$3,300,045, are funded from three grant programs, the Community Development Block Grant, \$1,704,557 the Home Program, \$1,533,316, and program income, \$68,500. \$3,188,037 is allocated for programs with the remaining \$112,008 allocated for housing administrative costs.

Neighborhood Development funding includes the following:

- \$1,190,427 to assist existing owner occupants and new homebuyers. The funding will be used to make exterior improvements, interior health and safety code items and work needed to remove lead hazards. The City anticipates assisting approximately 74 low-income households once funds are leveraged with HOME funds.
- \$479,420 is to fund the code enforcement program, which will address approximately 3,455 self, initiated and neighborhood standards complaints.
- \$70,000 for acquisition of property under private ownership. The funds will be used to acquire properties for use for new construction, the Homestead program or demolition program and vacant lots will be used for the development of single-family housing or to improve blighted conditions.
- \$26,666 for the Lead Based Paint Hazard Reduction Program as a 10% match that will be provided to the Human Services Department to match a State of Illinois lead-based paint federal grant. The program is only made available to low-moderate income households. The City anticipates assisting 15 low-moderate income households.
- \$196,232 for continuation of the Demolition Program for demolishing abandoned, vacant, or boarded up properties primarily identified by the Focus Area Action Plan and deteriorated properties located near schools, on major thoroughfares, and strategically located scattered sites. The City anticipates the demolition of 17 units/structures.

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- \$25,000 for the Rockford Area Affordable Housing Coalition for pre-purchase counseling to all participating buyers. Also included is information on employment, repairing credit, savings methods, and the overall home buying process.
- \$178,232 in funds will be awarded to neighborhood groups and/or other non-profits to do special projects that serve lower-income individuals/neighborhoods. Projected activity is three units.
- \$30,000 for the Ramp Program to build ramps for low-income persons with mobility disabilities. Projected activity is 12 units to be administered by the Rockford Area Mobilization Project.
- \$45,579 is to be used by CHDO's for operating expenses. Funding level is for six CHDO's.
- \$220,000 is for assistance to the Federal Youthbuild program, Comprehensive Community Solutions, Inc. (CCS). CCS has structured classes in apprenticeship programs such as bricklayer, cabinetmaker, cement mason, carpenter, plumber, electrician, insulation worker, among others. This assistance will help construct six houses. ADDI/HOME funds will also be provided directly to the homebuyers.
- \$92,310 is for the Emergency Shelter Grant program, administered by the Human Services Department.

In addition, \$746,179 is budgeted for Block Grant general administrative costs which includes \$76,002 for Section 108 debt payment if necessary. Funding is from Block Grant, \$644,346 and the Home Program \$101,833.

\$900,000 from a Brownfields grant is budgeted for cleaning up contaminated property and returning Brownfields properties into productive uses.

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Budget Analysis

CD DEVELOPMENT DIVISION BUDGET SUMMARY					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$667,140	\$610,741	\$600,732	\$606,250	(\$4,491)
CONTRACTUAL	701,073	313,595	728,669	1,116,050	802,455
SUPPLIES	16,941	10,050	9,792	8,850	(1,200)
OTHER	2,878,980	3,152,398	4,130,136	3,209,626	57,228
CAPITAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$4,264,134</u>	<u>\$4,086,784</u>	<u>\$5,469,329</u>	<u>\$4,940,776</u>	<u>\$853,992</u>
STAFFING REVIEW					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	INCREASE (DECREASE)
	16.50	8.75	7.50	7.00	(0.50)
FUNDING SOURCE					
		2009 <u>AMOUNT</u>	2009 <u>PERCENTAGE</u>	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>
CURRENT FUNDS					
COMMUNITY DEVELOPMENT GRANT		\$2,073,299	50.2	\$2,101,638	42.3
HOME PROGRAM		911,588	22.1	1,018,339	20.5
OTHER FEDERAL/STATE		150,909	3.7	992,310	20.0
TIF FUNDS		0	0.0	0	0.0
PROGRAM INCOME		<u>145,000</u>	<u>3.5</u>	<u>122,000</u>	<u>2.5</u>
		3,280,796	79.5	4,234,287	85.3
REPROGRAMMED FUNDS-PRIOR YEARS					
COMMUNITY DEVELOPMENT GRANT		228,010	5.5	205,680	4.1
HOME PROGRAM		618,345	14.9	524,500	10.6
OTHER FEDERAL/STATE		<u>0</u>	<u>0.1</u>	<u>0</u>	<u>0.0</u>
		<u>846,355</u>	<u>20.5</u>	<u>730,180</u>	<u>14.7</u>
TOTAL		<u>\$4,127,151</u>	<u>100.0</u>	<u>\$4,964,467</u>	<u>100.0</u>

The 2010 budget is \$4,940,776, which is an increase of \$853,992 due to decreases in administration, \$74,800, and ADDI, \$7,800, and increases in economic development \$67,100, neighborhood development, \$18,100, and the Brownfields program \$850,000 (See Economic and Neighborhood Development sections above).

Personnel costs decreased \$4,500 (0.1%), due to the reduction of a vacant senior clerk position.

Non-program contractual expenses decrease \$47,500 with the reduction of the consulting fees budget. Supply costs decrease \$1,200 due to the reduction of computer non-capital expenditures. Administrative costs, required to not exceed 20% of expenditures, are projected to be 8% for 2010.

Program income is \$107,000 for the Block Grant and \$15,000 for the HOME program.

Under Federal guidelines, grant years remain open until funds are expended. The Division estimates that at the end of 2009, a total of \$730,180 will be reprogrammed for 2010. These reprogrammed funds include \$205,680 in prior year Community Development Block Grant Funds, and \$524,500 in prior year Home Program funds.

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In 2009, the Community Development Business Group spent \$5,469,329 or 133.8% of its budgeted allocation. In the past several years, spending has been between 81% and 134% of the budgeted amount.

Capital Equipment

For 2010, the Division will not have any capital purchases.

Five Year Financial Forecast

The 2011-2015 five-year forecast assumes that both Federal and local funding sources will stagnate and expenditures will not exceed revenue limits. It is further assumed that the Division will spend its annual budget. No assumptions are made for new programs.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$4,041	\$4,162	\$4,287	\$4,416	\$4,548
Expenditures	<u>4,041</u>	<u>4,162</u>	<u>4,287</u>	<u>4,416</u>	<u>4,548</u>
Excess(Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Personnel Review

COMMUNITY DEVELOPMENT BLOCK GRANT DIVISION				
		2009	2010	INCREASE/ (DECREASE)
BENEFITS AND SALARIES		BUDGET	BUDGET	
SALARY				
PERMANENT		\$414,417	\$399,013	(\$15,404)
TEMPORARY		0	0	0
MERIT PAY		0	0	0
SALARY ADJUSTMENT		(8,141)	0	8,141
SALARY SAVINGS		0	0	0
TOTAL SALARIES		\$406,276	\$399,013	(\$7,263)
BENEFITS				
ILLINOIS MUNICIPAL RETIREMENT		\$72,849	\$80,520	\$7,671
UNEMPLOYMENT TAX		473	441	(32)
WORKMEN'S COMPENSATION		3,281	3,216	(65)
HEALTH INSURANCE		114,777	117,494	2,717
RETIREE HEALTH INSURANCE		9,800	2,500	(7,300)
LIFE INSURANCE		585	546	(39)
PARKING BENEFITS		<u>2,700</u>	<u>2,520</u>	<u>(180)</u>
TOTAL BENEFITS		\$204,465	\$207,237	\$2,772
TOTAL COMPENSATION		\$610,741	\$606,250	(\$4,491)
	POSITION	2009	2010	INCREASE/ (DECREASE)
POSITION TITLE	RANGE	EMPLOYEES	EMPLOYEES	
DEVELOPMENT PROGRAMS MANAGER	E-10	1.00	1.00	0.00
DEVELOPMENT SPECIALIST	E-8	0.00	0.00	0.00
GRANTS COMPLIANCE SPECIALIST II	E-7	1.00	1.00	0.00
GRANTS COMPLIANCE SPECIALIST I	E-6	1.00	1.00	0.00
HOUSING REHAB SPECIALIST II	E-6	1.00	1.00	0.00
HOUSING REHAB SPECIALIST I	E-5	1.00	1.00	0.00
REHAB CONST SPECIALIST I	CD-15	1.00	1.00	0.00
SENIOR ADMINISTRATIVE ASSISTANT	E-6	1.00	1.00	0.00
SENIOR CLERK	A-18	0.50	0.00	(0.50)
TOTAL PERSONNEL		<u>7.50</u>	<u>7.00</u>	<u>(0.50)</u>

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Performance Measurements

Plans for 2010 forecast similar levels of activity. Selected activity levels for 2007-2010 are illustrated below.

	2007	2008	2009	2010
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>
Rehabilitated units	19	78	52	52
Housing projects (non-profits)	9	6	6	6
Homeless programs	4	4	4	4
New construction units	10	6	4	4
Demolitions	17	31	13	13
Public facilities and services projects	3	5	6	6
Special community projects	3	4	3	3
Acquisitions	5	2	4	4
Homebuyer assistance programs	36	13	24	24
RAMP (construction of ramps)	11	9	12	12
Get the Lead Out match	17	27	15	15
County SFOOR program	n/a	7	n/a	n/a
Water hook up program	11	11	11	11
Tax incentive program	n/a	4	4	4
Hope VI driveways installed	n/a	29	n/a	n/a