

# 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.

COMMUNITY DEVELOPMENT DEVELOPMENT DIVISION						
COST CENTER	2010 BUDGET		INCREASE(DECREASE)		2011 BUDGET	
	PERSONNEL	BUDGET	PERSONNEL	BUDGET	PERSONNEL	BUDGET
ADMINISTRATION	1.70	\$388,371	(0.26)	\$57,523	1.44	\$445,894
ECONOMIC DEVELOPMENT	0.00	352,360	0.00	137,932	0.00	490,292
NEIGHBORHOOD DEVELOPMENT	5.30	1,751,729	(0.25)	160,625	5.05	1,912,354
NSP ADMINISTRATION	0.00	0	0.51	73,699	0.51	73,699
HOME PROGRAM	0.00	1,548,316	0.00	(54,883)	0.00	1,493,433
BROWNFIELD REDVLPMENT GRANT	0.00	900,000	0.00	(900,000)	0.00	0
TOTAL	7.00	\$4,940,776	0.00	(\$525,104)	7.00	\$4,415,672

## 2010 Accomplishments →

- Administered the Healthy Neighborhoods program and other renewed or new public service and public facilities and improvements projects representing 6 projects.
- Continued existing rehabilitation programs assisting 54 households.

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- Code Enforcement provided needed services to the CDBG area, which included the Neighborhood Stabilization census tracts.
- Homebuyer assistance was provided to purchasers within the Down Home, REACH, Tax Incentive Program areas as well as Community Housing Development Organizations and other City supported projects with 27 households assisted.
- Facilitated the continued build out of subdivision at Springfield Corners, Thatcher Blake Riverwalk, 21XX Reed Avenue, Lincolnwood II, Garrison Lofts/Townhomes sites and the sale of scattered site new construction projects.
- Planned, developed and administered programs according to CDBG and HOME Federal requirements with the 2011 Annual Plan and CAPER submitted and approved. Monitored Human Services' Emergency Solutions (Shelter) Grants Program which provided funds to 4 agencies.
- Sought proposals for CHDO operating funds and monitored project completion with up to five organizations being assisted.
- Monitored for-profit and non-profit new construction activities.
- Continued 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.
- Administered the Neighborhood Stabilization Program partnering with lenders, the Rockford Area Board of Realtors, for-profit and non-profit developers. Leveraged private funds and made a positive impact in the Garrison/Coronado Haskell neighborhood in particular.
- Acquired four properties for the purpose of demolition and/or redevelopment through the Community Development Block Grant and provided funds to developers under the Neighborhood Stabilization programs for acquisition and redevelopment of property.
- Demolished 28 blighted properties.
- Began the process to redevelop Church School: Executed a purchase agreement for the sale and developer applied for tax credits.
- Continued partnerships with Northwestern IL Area agency on Aging and Regional Access Mobilization and began the administration of the Illinois Housing Authority's Home Modification Program and leveraged with funds programmed for a Senior and Physically Disabled Repair Program. Also, a grant was submitted to IHDA for a second grant.
- Continued to lend our support to outside activities such as the Money Smart Week Campaign and committees associated with the Rockford Area Association of Realtors, and Rockford Area Association of Realtors.
- Continued to administer and report on the accomplishments of the CDBG-R grant and the Neighborhood Stabilization Program1 grant all under the American Recovery and Reinvestment

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Act of 2009 and HERA of 2008. Barber Colman Buildings 10 & 19 were demolished in 201- with CDBG-R funds.

- Completed the 2011 Annual Plan and the Community Annual Performance and Evaluation Report for 2010.

### **2011 Goals and Objectives →**

- Administer the Healthy Neighborhoods program and other renewed or new public service and public facilities and improvements projects representing 4 projects. Additionally, Discovery Center will continue its 21st Century After School Program and the Rockford Area Affordable Housing Coalition will provide pre- and post-purchase counseling services.
- Continue existing housing rehab and new construction programs with a focus on main thoroughfares and expanded area programs assisting 86 units (includes RAMP and Get the Lead Out! in addition to rehab programs) .
- Code Enforcement will continue to provide needed services to Neighborhood Stabilization Areas and other CDBG areas.
- Homebuyer assistance will be provided to purchasers within the Down Home, Tax Incentive Program, IHDA Homebuyer Assistance Program as well as Community Housing Development Organizations and other City supported projects. A minimum of eight households will be assisted.
- Continue to facilitate the continued build out of the subdivision at Springfield Corners, Thatcher Blake Riverwalk, 21XX Reed Avenue, and the Garrison Lofts/Townhomes sites.
- Plan, develop, and administer programs according to CDBG and HOME Federal requirements. Monitor Human Services' Emergency Solution Grants Program (4 projects expected).
- Seek proposals for CHDO operating funds and monitor project completion. Up to 5 organizations may be assisted.
- Provide technical assistance to Freeport NHS and RAAHC in their successful administration of IHDA's Homebuyer Assistance Program.
- 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 when feasible.
- Develop various components of the Neighborhood Stabilization Program partnering with lenders, Realtors, for-profit and non-profit developers. Leveraging funds and making a positive impact in neighborhoods that demonstrate the greatest need based on the area's income, the number of foreclosures, subprime lending, at risk foreclosures, and high vacancies in comparison to the community at-large.

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- Acquire two 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 acquisition of property.
- Demolish 25 blighted properties.
- Begin the redevelopment of Church School, working with a developer.
- Continue to partner with local agencies to 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. 2009/2010 program is completed and 2010/2011 program is initiated.
- Continue to lend our support to outside activities such as the Money Smart Week Campaign and other various committees throughout the community.
- Continue to administer and report on the accomplishments of the CDBG-R grant and Neighborhood Stabilization Program<sup>1</sup> grant under the American Recovery and Reinvestment Act of 2009 and HERA of 2008.

### **Economic Development**

The Economic Development Program, budgeted at \$490,292, is funded by the Community Development Block Grant. Of the total, \$353,412 is allocated for program costs, with a transfer for economic development staff, housed in the Planning Division, budgeted at \$136,880.

Economic Development funding includes the following:

- \$301,412 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.
- \$22,000 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 \$3,405,787, are funded from three grant programs: the Community Development Block Grant, \$1,910,253; the Home Program, \$1,386,368; Emergency Shelter Grants, \$92,065; and program income, \$68,500.

Neighborhood Development funding includes the following:

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- \$2,161,832 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.
- \$489,010 is to fund the code enforcement program, which will address approximately 3,400 self-initiated and neighborhood standards complaints.
- \$58,588 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.
- \$299,653 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 25 units/structures.
- \$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.
- \$50,000 to the Discovery Center for an after school program.
- \$100,000 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 four 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.
- \$72,973 is to be used by CHDO's for operating expenses. Funding level is for three CHDO's.
- \$92,065 is for the Emergency Shelter Grant program, administered by the Human Services Department.

In addition, \$519,593 is budgeted for Block Grant general administrative costs which includes \$76,002 for Section 108 debt payment if necessary. Funding is from Block Grant, \$303,536, the Home Program \$101,504, NSP funds, \$73,699, and program income, \$53,500.

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## Budget Analysis

CD DEVELOPMENT DIVISION BUDGET SUMMARY					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2011 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$667,140	\$600,732	\$606,250	\$606,728	\$478
CONTRACTUAL	701,073	728,669	1,116,050	353,752	(762,298)
SUPPLIES	16,941	9,792	8,850	9,150	300
OTHER	2,878,980	4,130,136	3,209,626	3,446,042	236,416
CAPITAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$4,264,134</u>	<u>\$5,469,329</u>	<u>\$4,940,776</u>	<u>\$4,415,672</u>	<u>(\$525,104)</u>

  

STAFFING REVIEW	2008	2009	2010	2011	INCREASE (DECREASE)
	8.75	7.50	7.00	7.00	0.00

  

FUNDING SOURCE	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>	2011 <u>AMOUNT</u>	2011 <u>PERCENTAGE</u>
CURRENT FUNDS				
COMMUNITY DEVELOPMENT GRANT	\$2,101,638	42.3	\$2,355,780	52.6
HOME PROGRAM	1,018,339	20.5	1,015,047	22.7
OTHER FEDERAL/STATE	992,310	20.0	92,065	2.1
PROGRAM INCOME	<u>122,000</u>	<u>2.5</u>	<u>122,000</u>	<u>2.7</u>
	4,234,287	85.3	3,584,892	80.1
REPROGRAMMED FUNDS-PRIOR YEARS				
COMM DEV GRANT	205,680	4.1	422,000	9.4
HOME PROGRAM	524,500	10.6	472,825	10.6
OTHER FEDERAL/STATE	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>-0.1</u>
	<u>730,180</u>	<u>14.7</u>	<u>894,825</u>	<u>19.9</u>
TOTAL	<u>\$4,964,467</u>	<u>100.0</u>	<u>\$4,479,717</u>	<u>100.0</u>

The 2011 budget is \$4,415,672, which is a decrease of \$525,100 due to the elimination of \$900,000 for Brownfields Grants and a decrease in HOME (\$54,900), offset by increases in Administration (\$57,500), Economic Development (\$137,900), Neighborhood Development (\$160,600), and NSP (\$73,700) (See sections above).

Personnel costs increased \$500 (0.0%), due to staffing changes. Salaries decreased \$17,600, IMRF decreased \$2,500 and retiree insurance of \$2,500 was eliminated. These decreases were offset by increases in worker's comp (\$150), unemployment (\$820), parking (\$840) and health insurance (\$21,200).

Non-program contractual expenses increase \$37,400 with adjustments in a number of accounts. Vehicle repairs increase \$25,300 and fuel increases \$10,010, building rent \$2,560 and audit \$2,500. Supply costs increase \$300 to reflect actual expenses for office supplies. Administrative costs, required to not exceed 20% of expenditures, are projected to be 13% for 2011.

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 2010, a total of \$894,825 will be reprogrammed for 2011. These

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reprogrammed funds include \$422,000 in prior year Community Development Block Grant Funds, and \$472,825 in prior year Home Program funds.

In 2009, the Community Development Business Group spent \$5,469,329 or 133.8% of its budgeted allocation. For 2010, spending is expected to be 115.9% of the budget due to increases in federal revenue over the budgeted amounts. In the past several years, spending has been between 81% and 134% of the budgeted amount.

## **Capital Equipment**

For 2011, the Division will not have any capital purchases.

## **Five Year Financial Forecast**

The 2012-2016 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 2012-2016 FINANCIAL FORECAST (IN 000'S)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues	\$4,342	\$4,472	\$4,606	\$4,744	\$4,886
Expenditures	<u>4,342</u>	<u>4,472</u>	<u>4,606</u>	<u>4,744</u>	<u>4,886</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>

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## Personnel Review

COMMUNITY DEVELOPMENT BLOCK GRANT DIVISION				
<b>BENEFITS AND SALARIES</b>		<b>2010</b>	<b>2011</b>	<b>INCREASE/ (DECREASE)</b>
<b>SALARY</b>		<b>BUDGET</b>	<b>BUDGET</b>	
PERMANENT		\$399,013	\$381,419	(\$17,594)
TEMPORARY		0	0	0
MERIT PAY		0	0	0
SALARY ADJUSTMENT		0	0	0
SALARY SAVINGS		0	0	0
<b>TOTAL SALARIES</b>		<b>\$399,013</b>	<b>\$381,419</b>	<b>(\$17,594)</b>
<b>BENEFITS</b>				
ILLINOIS MUNICIPAL RETIREMENT		\$80,520	\$78,039	(\$2,481)
UNEMPLOYMENT TAX		441	1,260	819
WORKMEN'S COMPENSATION		3,216	3,368	152
HEALTH INSURANCE		117,494	138,736	21,242
RETIREE HEALTH INSURANCE		2,500	0	(2,500)
LIFE INSURANCE		546	546	0
PARKING BENEFITS		2,520	3,360	840
<b>TOTAL BENEFITS</b>		<b>\$207,237</b>	<b>\$225,309</b>	<b>\$18,072</b>
<b>TOTAL COMPENSATION</b>		<b>\$606,250</b>	<b>\$606,728</b>	<b>\$478</b>
	<b>POSITION</b>	<b>2010</b>	<b>2011</b>	<b>INCREASE/ (DECREASE)</b>
<b>POSITION TITLE</b>	<b>RANGE</b>	<b>EMPLOYEES</b>	<b>EMPLOYEES</b>	
DEVELOPMENT PROGRAMS MANAGER	E-10	1.00	1.00	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
<b>TOTAL PERSONNEL</b>		<b>7.00</b>	<b>7.00</b>	<b>0.00</b>

## Performance Measurements

Plans for 2011 forecast similar levels of activity. Selected activity levels for 2008-2011 are illustrated below.

	2008	2009	2010	2011
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Rehabilitated units	78	52	54	79
Housing projects (non-profits)	6	6	1	7
Homeless programs	4	4	4	5
New construction units	6	4	2	0
Demolitions	31	13	28	25
Public facilities and services projects	5	6	4	5
Special community projects	4	3	3	3
Acquisitions	2	4	1	2
Homebuyer assistance programs	13	24	27	8
RAMP (construction of ramps)	9	12	12	12
Get the Lead Out match	27	15	15	15
County SFOOR program	7	n/a	n/a	n/a
Water hook up program	11	11	11	11
Tax incentive program	4	4	3	3
Hope VI driveways installed	29	n/a	n/a	n/a