

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.

2008 Accomplishments →

- Assigned a staff liaison to the SWIFTT Board and monitored their accomplishments and implementation of the South Main Plan.
- Continued partnerships with internal departments and external agencies including the Winnebago County, the State of Illinois and the Illinois Housing Development Authority, Rockford Area Affordable Housing Coalition, Housing Action Illinois, local public housing

Community Development Business Group

authorities, and the Rockford Area Association of Realtors to complement and enhance the delivery of services to the community.

- Created three new strategy areas: Gilbert Avenue, Furman/Blaisdell and Kishwaukee Empowerment. As a result, the homeowners within those areas became eligible to receive home rehabilitation assistance. The previous year's Focus Area rehabilitation programs were also continued.
- Committed additional TIF funds to the HOPE VI area for infrastructure improvements to Lexington and Concord as well as the installation of 29 blacktop driveways.
- Successfully obtained a grant through the Illinois Housing Development Authority for the Gilbert Avenue strategy area and leveraged funds with our Federal HOME funds. The area was expanded late in 2008.
- Submitted the 2009 Annual Action Plan as well as a Substantial Amendment to the 2008 Annual Plan in order to receive \$2,287,004 through the Neighborhood Stabilization Program.
- The Bliss project was approved through the Tax Incentive Program.
- The Healthy Neighborhoods program began in the third quarter of 2007. Two 2007 projects were monitored in 2008 and three additional projects were assisted: Rockford Urban Ministries, Booker Washington, and the Salvation Army for the nCenter. Other public service and facilities projects were reviewed for eligibility and several were assisted included the Discovery Center's 21st Century project, RAMP, the Rockford Area Affordable Housing Coalition and the Fair Housing Board activities.
- Continued implementation of projects within residential Tax Increment Financing Districts: Lincolnwood II, Garrison School (20 new condominiums and 14 apartments), Thatcher Blake Riverwalk in the River Oaks TIF (63 townhomes/ranch style condominiums) as further described in the TIF budget summary.
- Provided direct homebuyers assistance to eligible buyers in ADDI area, Emerson Estates Subdivision, and the Lincolnwood II subdivision.
- Partnered with housing non-profits to complete housing rehabilitation and new construction projects. Also provided operating assistance to eligible housing non-profits.
- Completed a Request for Proposals for the development of Rockford's 2010-2014 Consolidated Plan, reviewed proposals and executed contracts with the consultant selected.
- Continued the Water Hook Up program which provides assistance to homeowners in the city on well system to connect to the City water service.
- Continued to acquire property for purpose of rehabilitation, demolition, and/or public improvements.
- Completed a Request for Proposals for the de-densification of neighborhoods.

Community Development Business Group

2009 Goals and Objectives →

- Complete the 2010—2014 Consolidated Plan with 2010 Annual Plan.
- Administer the Healthy Neighborhoods program and other renewed or new public service and public facilities and improvements projects representing 8 projects or approximately 55 individual activities.
- Continue existing rehabilitation programs, new construction of housing units, and expanded area programs assisting 49 households. Complete the administration of the County's Single Family Rehabilitation Program.
- Code Enforcement will provide needed services to Neighborhood Stabilization Areas and other CDBG areas. Approximately 3544 complaints will be addressed, utilizing Hansen, as well as other planning and administrative functions.
- Homebuyer assistance will be provided to purchasers within the ADDI area as well as Community Housing Development Organizations and other City supported projects. 22 households will be assisted.
- Facilitate the build out of Emerson Estate Subdivision, 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 Shelter Grants Program (4 projects expected).
- Seek proposals for CHDO operating funds and monitor project completion. Up to 6 organizations may be assisted.
- Monitor for-profit and non-profit new construction activities which may range from 4-70 activities, depending on funding opportunities.
- 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.
- Develop the various components of 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 foreclosures, subprime lending, at risk foreclosures, and high vacancies in comparison to the community at-large.
- Acquire 24 properties for the purpose of demolition and/or redevelopment through the Community Development Block Grant and Neighborhood Stabilization programs.
- Demolish 13 blighted properties outside the Neighborhood Stabilization Program census tracts and 78 within the 8 census tracts indicating the greatest need.

Community Development Business Group

- Substantially complete the Gilbert Avenue program and report status to the Illinois Housing Development Authority.
- Partner with local agencies and submit an application to the Illinois Housing Authority's Supportive Housing Program to 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.
- Request federal funding from the CDBG-R grant. State Neighborhood Stabilization Program, and the Neighborhood Stabilization 2 grant all under the American Recovery and Reinvestment Act of 2009.

Economic Development

The Economic Development Program, budgeted at \$285,300, is funded by the Community Development Block Grant. Of the total, \$155,000 is allocated for program costs, with a transfer for economic development staff, moved to the Planning Division, budgeted at \$130,300.

Economic Development funding includes the following:

- \$70,000 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.
- \$30,000 for public improvement assistance for developers.
- \$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 \$3,288,355, are funded from three grant programs, the Community Development Block Grant, \$1,603,671 the Home Program, \$1,532,397 American Dream Initiative Grant, \$7,287, and program income, \$145,000. \$3,176,347 is allocated for programs with the remaining \$112,008 allocated for housing administrative costs.

Neighborhood Development funding includes the following:

- \$1,919,192 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 38 low-income households once funds are leveraged with HOME funds.

Community Development Business Group

- \$465,500 is to fund the code enforcement program, which will address approximately 3,455 self, initiated and neighborhood standards complaints.
- \$56,435 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.
- \$26,000 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.
- \$145,019 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.
- \$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.
- \$180,000 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 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.
- \$160,000 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. Lincolnwood II will also be completed (five homes constructed and sold) using prior year funding.
- \$93,622 is for the Emergency Shelter Grant program, administered by the Human Services Department.
- \$30,000 for a first-time homebuyer program – the American Dream Downpayment Initiative. This program provides up to 6% of the sales price for downpayment and closing cost assistance to eligible homebuyers. A total of 8 households will be assisted in the ADDI area.

In addition, \$463,125 is budgeted for Block Grant general administrative costs which includes \$76,002 for Section 108 debt payment if necessary. Funding is from Block Grant, \$371,967 and the Home Program \$91,158.

\$50,000 from a Brownfields grant is budgeted for cleaning up contaminated property and returning Brownfields properties into productive uses.

Community Development Business Group

Budget Analysis

CD DEVELOPMENT DIVISION BUDGET SUMMARY					
	2007	2008	2008	2009	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$1,036,892	\$705,582	\$667,140	\$610,741	(\$94,841)
CONTRACTUAL	723,381	1,217,099	701,073	313,595	(903,504)
SUPPLIES	36,736	14,570	16,941	10,050	(4,520)
OTHER	3,927,578	3,156,643	2,878,980	3,152,398	(4,245)
CAPITAL	0	0	0	0	0
TOTAL	\$5,724,587	\$5,093,894	\$4,264,134	\$4,086,784	(\$1,007,110)
STAFFING REVIEW					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>INCREASE</u>
	18.40	16.50	8.75	7.50	(1.25)
FUNDING SOURCE					
		<u>2008</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>
		<u>AMOUNT</u>	<u>PERCENTAGE</u>	<u>AMOUNT</u>	<u>PERCENTAGE</u>
CURRENT FUNDS					
COMMUNITY DEVELOPMENT GRANT		\$2,073,426	43.6	\$2,073,299	50.2
HOME PROGRAM		911,542	19.2	911,588	22.1
OTHER FEDERAL/STATE		1,033,909	21.7	150,909	3.7
TIF FUNDS		75,000	1.6	0	0.0
PROGRAM INCOME		<u>155,000</u>	<u>3.3</u>	<u>145,000</u>	<u>3.5</u>
		4,248,877	89.4	3,280,796	79.5
REPROGRAMMED FUNDS-PRIOR YEARS					
COMMUNITY DEVELOPMENT GRANT		232,729	4.9	228,010	5.5
HOME PROGRAM		275,000	5.7	618,345	15.0
OTHER FEDERAL/STATE		0	0.0	0	0.0
		<u>507,729</u>	<u>10.6</u>	<u>846,355</u>	<u>20.5</u>
TOTAL		<u>\$4,756,606</u>	<u>100.0</u>	<u>\$4,127,151</u>	<u>100.0</u>

The 2009 budget is \$4,086,784, which is a decrease of \$1,007,110 due to increases in administration, \$27,300, and the Home program, \$150,600, and decreases in economic development \$93,200, neighborhood development, \$208,900, and the Brownfields program \$883,000 (See Economic and Neighborhood Development sections above).

Personnel costs decreased \$94,800 (13.4%), due to the addition of furlough days and the transfer of economic development staff to the general fund. Staffing reduces 1.25 FTE. All line items decrease as a result of this change.

Non-program contractual expenses decrease \$42,000 as overhead expenses decline with staff transitions to other budget units. Supply costs decrease \$4,500 due to a one time purchase of desktop computers in 2008. Administrative costs, required to not exceed 20% of expenditures, are projected to be 8% for 2009.

Program income is \$130,000 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 2008, a total of \$846,355 will be reprogrammed for 2009. These

Community Development Business Group

reprogrammed funds include \$228,010 in prior year Community Development Block Grant Funds, and \$618,345 in prior year Home Program funds.

In 2008, the Community Development Business Group spent \$4,264,134 or 83.7% of its budgeted allocation. In the past several years, spending has been between 81% and 105% of the budgeted amount.

Capital Equipment

For 2009, the Division will not have any capital purchases.

Five Year Financial Forecast

The 2010-2014 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 2010-2014 FINANCIAL FORECAST (IN 000'S)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues	\$4,029	\$4,150	\$4,275	\$4,403	\$4,535
Expenditures	<u>4,029</u>	<u>4,150</u>	<u>4,275</u>	<u>4,403</u>	<u>4,535</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>

Community Development Business Group

Personnel Review

COMMUNITY DEVELOPMENT BLOCK GRANT DIVISION				
BENEFITS AND SALARIES		2008	2009	INCREASE/ (DECREASE)
SALARY		BUDGET	BUDGET	(DECREASE)
PERMANENT		\$454,637	\$414,417	(\$40,220)
TEMPORARY		12,500	0	(12,500)
MERIT PAY		8,082	0	(8,082)
SALARY ADJUSTMENT		9,856	(8,141)	(17,997)
SALARY SAVINGS		0	0	0
TOTAL SALARIES		\$485,075	\$406,276	(\$78,799)
BENEFITS				
ILLINOIS MUNICIPAL RETIREMENT		\$82,428	\$72,849	(\$9,579)
UNEMPLOYMENT TAX		551	473	(78)
WORKMEN'S COMPENSATION		3,067	3,281	214
HEALTH INSURANCE		119,828	114,777	(5,051)
RETIREE HEALTH INSURANCE		10,800	9,800	(1,000)
LIFE INSURANCE		683	585	(98)
PARKING BENEFITS		3,150	2,700	(450)
TOTAL BENEFITS		\$220,507	\$204,465	(\$16,042)
TOTAL COMPENSATION		\$705,582	\$610,741	(\$94,841)
	POSITION	2008	2009	INCREASE/ (DECREASE)
POSITION TITLE	RANGE	EMPLOYEES	EMPLOYEES	(DECREASE)
DEVELOPMENT PROGRAMS MANAGER	E-10	1.00	1.00	0.00
DEVELOPMENT SPECIALIST	E-8	0.75	0.00	(0.75)
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	2.00	1.00	(1.00)
REHAB CONST SPECIALIST I	CD-15	1.00	1.00	0.00
SENIOR ADMINISTRATIVE ASSISTANT	E-6	0.50	1.00	0.50
SENIOR CLERK	A-18	0.50	0.50	0.00
TOTAL PERSONNEL		8.75	7.50	(1.25)

Performance Measurements

Plans for 2009 forecast similar levels of activity. Selected activity levels for 2006-2009 are illustrated below.

	2006	2007	2008	2009
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>
Rehabilitated units	11	19	78	52
Housing projects (non-profits)	4	9	6	6
Homeless programs	6	4	4	4
New construction units	7	10	6	4
Demolitions	10	17	31	13
Public facilities and services projects	17	3	5	6
Special community projects	4	3	4	3
Acquisitions	6	5	2	4
Homebuyer assistance programs	13	36	13	24
RAMP (construction of ramps)	14	11	9	12
Get the Lead Out match	17	17	27	15
County SFOOR program	n/a	n/a	7	n/a
Water hook up program	2	11	11	11
Tax incentive program	n/a	n/a	4	4
Hope VI driveways installed	n/a	n/a	29	n/a