

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 four 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.

2012 Accomplishments →

- The Healthy Neighborhoods program made available grants to organizations providing services to lower income households and neighborhoods.
- Continued existing owner occupied housing rehabilitation programs to focus area residents. The program gives priority to the physically disabled, elderly, persons with children, and extremely low income persons. Program was made possible by the receipt of a grant through the Federal Home Loan Bank's Affordable Housing program.
- Code Enforcement provided needed services to the CDBG area. A number of sweeps were completed.

Community Development Business Group

- Homebuyer assistance was provided to income eligible purchasers through a grant with the Rockford Area Affordable Housing Coalition and Neighborhood Housing Services of Freeport. The City continued to provide technical assistance to the grant recipients.
- Continued to work towards the build out and sale of Thatcher Blake Riverwalk units, Garrison Lofts/Townhomes, and the sale of scattered site new construction projects.
- Reviewed and awarded funds to one Community Housing Development Organization(s) for their redevelopment project. This was a partnership between two organizations; one home was newly constructed.
- Staff developed policies and procedure to address new HOME CHDO projects requirements. Training was also offered to inform existing CHDOs of new requirements and encourage new organizations to participate.
- Monitored for-profit and non-profit new construction and rehabilitation activities.
- Continued partnerships with the Winnebago County Health Department and the Human Services Department in order to address lead based paint hazards while leveraging the City's entitlement funds.
- Demolished a number of blighted properties.
- Continued to support partnerships, among those include the Rockford Area Affordable Housing Coalition and the Rockford Housing Authority.
- Continued to administer and report on the accomplishments of the CDBG-R grant and the Neighborhood Stabilization Program¹ grant which were granted under the American Recovery and Reinvestment Act of 2009 and HERA of 2008. Officially closed out the CDBG-R program.
- Completed the 2013 Annual Plan.
- Completed the Community Annual Performance and Evaluation Report (CAPER) for 2011.
- Assembled a list of CDBG properties and detail on each. Determined which were excess property and began the process of disposing of the property.
- Developed a program to provide assistance to persons that buy, redevelop and occupy foreclosed and vacant properties in cooperation with a local lender.

2013 Goals and Objectives →

- Administer the Healthy Neighborhoods program and other renewed or new public service and public facilities and improvements projects such as Discovery Center and its 21st Century After School Program.
- Continue existing housing owner occupied rehab and new construction programs. One rental rehabilitation project will be completed.
- Code Enforcement will continue to provide needed services to CDBG areas.
- Homebuyer assistance will be provided to purchasers through the Tax Incentive Program, Homebuyer Advantage Program will be offered to new eligible buyers, a 203(k) type acquisition and rehab program, as well as home buyer assistance reserved for redeveloped projects.
- Continue work towards the build out of the subdivision at Springfield Corners, Thatcher Blake River walk, 21xx Reed Avenue, Garrison Lofts/Townhomes and redevelopment within the Jackson School TIF by Swedish American Foundation.

Community Development Business Group

- Plan, develop, and administer programs according to CDBG and HOME Federal requirements and monitor sub-recipient activity.
- Seek proposals for Community Housing Development Organizations (CHDO) operating funds and administer funds if the HOME level of funding increases. Also, after review, provide funds to eligible CHDO rehabilitation and new construction projects.
- Provide grant assistance to the Rockford Area Affordable Housing Coalition and their administration of the Homebuyer Advantage program.
- Continue partnerships with the Winnebago County Health Department and the Human Services Department in order to address lead based paint hazards leveraging our federal funds when feasible.
- Continue to administer the Federal Home Loan Bank's Affordable Housing Program grant. It is anticipated that the grant will be closed out in 2013.
- Demolish blighted properties through the fast track demolition process.
- Continue to seek proposals for the redevelopment of Church School and 21xx Reed Avenue.
- Apply for funds through the Illinois Housing Development Authority for housing activity, if made available.
- Continue to lend our support to various committees throughout the community.
- Continue to administer and report on the accomplishments of the CDBG-R grant and Neighborhood Stabilization Program¹ grant under the American Recovery and Reinvestment Act of 2009 and HERA of 2008.
- Continue to sell excess properties acquired with Community Development Block Grant funds.
- Complete the NSP¹ program, including HUD closeout requirements.

Economic Development

The Economic Development Program, budgeted at \$357,945, is funded by the Community Development Block Grant. The whole amount is allocated for program costs, with a transfer for economic development staff, housed in the Planning Division, budgeted at \$117,300.

Economic Development funding includes the following:

- \$185,645 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.
- \$55,000 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 100 participants.

Community Development Business Group

Neighborhood Development

Housing programs, budgeted at \$2,974,515, are funded from three grant programs: the Community Development Block Grant, \$1,495,713; the Home Program, \$1,196,823; Emergency Shelter Grants, \$166,572; and program income, \$116,500.

Neighborhood Development funding includes the following:

- \$1,341,905 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.
- \$570,260 is to fund the code enforcement program, which will address approximately 3,400 self-initiated and neighborhood standards complaints.
- \$145,340 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 23 units/structures.
- \$50,000 to the Discovery Center for an after school program.
- \$50,000 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.
- \$15,000 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.
- \$36,500 is to be used by CHDO's for operating expenses. Funding level is for two CHDO's.
- \$166,572 is for the Emergency Shelter Grant program, administered by the Human Services Department.

In addition, \$426,356 is budgeted for Block Grant general administrative costs, which includes \$75,568 for Section 108 debt payment if necessary. Funding is from Block Grant, \$273,524, the Home Program \$125,900, NSP funds, \$75,568, and program income, \$21,500.

Community Development Business Group

Budget Analysis

CD DEVELOPMENT DIVISION BUDGET SUMMARY					
APPROPRIATION	<u>2010 ACTUAL</u>	<u>2011 ACTUAL</u>	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>INCREASE (DECREASE)</u>
PERSONNEL	\$523,840	\$603,556	\$691,707	\$649,988	(\$41,719)
CONTRACTUAL	448,358	702,751	333,896	171,440	(162,456)
SUPPLIES	5,973	2,707	5,050	5,050	0
OTHER	<u>3,609,705</u>	<u>2,989,112</u>	<u>3,001,227</u>	<u>2,858,370</u>	<u>(142,857)</u>
TOTAL	<u>\$4,587,876</u>	<u>\$4,298,126</u>	<u>\$4,031,880</u>	<u>\$3,684,848</u>	<u>(\$347,032)</u>
STAFFING REVIEW					
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>INCREASE (DECREASE)</u>
	7.50	7.00	8.00	7.00	(1.00)
FUNDING SOURCE					
	<u>2010 ACTUAL</u>	<u>2011 ACTUAL</u>	<u>2013 BUDGET</u>	<u>2013 BUDGET</u>	<u>INCREASE (DECREASE)</u>
CURRENT FUNDS					
COMMUNITY DEVELOPMENT GR/	\$1,997,829	\$1,997,830	\$1,997,830	\$1,999,811	\$1,981
HOME PROGRAM	903,029	903,029	903,029	691,632	(211,397)
OTHER FEDERAL/STATE	92,558	92,558	92,558	166,572	74,014
PROGRAM INCOME	<u>123,500</u>	<u>123,500</u>	<u>123,500</u>	<u>116,500</u>	<u>(7,000)</u>
	3,116,917	3,116,917	3,116,917	2,974,515	(142,402)
REPROGRAMMED FUNDS-PRIOR YEARS					
COMM DEV GRANT	410,418	410,418	410,418	213,225	(197,193)
HOME PROGRAM	<u>445,026</u>	<u>445,026</u>	<u>445,026</u>	<u>505,191</u>	<u>60,165</u>
	<u>855,444</u>	<u>855,444</u>	<u>855,444</u>	<u>718,416</u>	<u>(137,028)</u>
TOTAL	<u>\$3,972,360</u>	<u>\$3,972,361</u>	<u>\$3,972,361</u>	<u>\$3,692,931</u>	<u>(\$274,056)</u>

- Permanent Salaries decreased \$16,111 as a result of the elimination of one rehab specialist offset by a 3% wage increase.
- A 2% wage adjustment is budgeted for all department staff for a total of \$8,230.
- Consultant fees decreased by \$166,861 based on actual expenses.

Capital Equipment

For 2013, the Division will not have any capital purchases.

Community Development Business Group

Five Year Financial Forecast

The 2014-2018 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 2014-2018 FINANCIAL FORECAST (IN 000'S)					
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$3,609	\$3,717	\$3,829	\$3,944	\$4,062
Expenditures	<u>3,609</u>	<u>3,717</u>	<u>3,829</u>	<u>3,944</u>	<u>4,062</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				
		<u>2012</u>	<u>2013</u>	<u>INCREASE/ (DECREASE)</u>
BENEFITS AND SALARIES				
SALARY		<u>BUDGET</u>	<u>BUDGET</u>	
PERMANENT		\$427,720	\$411,609	(\$16,111)
SALARY ADJUSTMENT		0	8,232	8,232
TOTAL SALARIES		<u>\$427,720</u>	<u>\$419,841</u>	<u>(\$7,879)</u>
BENEFITS				
ILLINOIS MUNICIPAL RETIREMENT		\$89,094	\$89,510	\$416
UNEMPLOYMENT TAX		1,440	1,260	(180)
WORKMEN'S COMPENSATION		7,163	4,441	(2,722)
HEALTH INSURANCE		161,538	130,442	(31,096)
LIFE INSURANCE		624	546	(78)
PARKING BENEFITS		4,128	3,948	(180)
TOTAL BENEFITS		<u>\$263,987</u>	<u>\$230,147</u>	<u>(\$33,840)</u>
TOTAL COMPENSATION		<u>\$691,707</u>	<u>\$649,988</u>	<u>(\$41,719)</u>
	POSITION	2012	2013	INCREASE/ (DECREASE)
POSITION TITLE	RANGE	EMPLOYEES	EMPLOYEES	
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	2.00	1.00	(1.00)
SENIOR ADMINISTRATIVE ASSISTANT	E-6	1.00	1.00	0.00
TOTAL PERSONNEL		<u>8.00</u>	<u>7.00</u>	<u>(1.00)</u>

Community Development Business Group

Performance Measurements

	2010	2011	2012	2013
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Housing rehabilitation	96	124	45	6
Housing projects (non-profits)	1	7	3	3
Homeless programs	4	5	5	5
New construction units	2	27	0	0
Demolitions	44	25	23	14
Public services/facilities, organizations	7	8	4	4
Special community projects	3	3	3	3
Acquisitions	5	2	0	0
Homebuyer Assistance	13	8	8	39
RAMP (construction of ramps)	12	12	6	6
Get the Lead Out match	15	15	0	0
Water hook up program	11	11	11	10
Tax incentive program	0	3	3	3

CITY OF ROCKFORD
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS
COMMUNITY DEVELOPMENT CDBG

		2011 ACTUAL	2012 BUDGET	7 MO ACTUAL	2013 BUDGET	BUDGET CHANGE 12-13
71112	Permanent	393,409	427,720	226,283	411,609	(16,111)
71129	Salary Adjustment	-	-	0	8,232	8,232
71251	IMRF	78,970	89,094	46,133	89,510	416
71253	Unemployment Tax	1,322	1,440	1,182	1,260	(180)
71262	Worker's Comp	5,773	7,163	3,371	4,441	(2,722)
71263	Health Insurance	119,690	161,538	70,315	130,442	(31,096)
71264	Life Insurance	552	624	306	546	(78)
71265	Retiree Health Insurance	-	-	-	-	-
71271	Parking	3,840	4,128	2,408	3,948	(180)
TOTAL PERSONNEL		603,556	691,707	349,998	649,988	(41,719)
72211	Printing	2,103	4,075	886	4,075	-
72212	Postage	1,755	3,110	1,448	3,110	-
72213	Telephone	8,178	6,620	627	6,620	-
72203	Wirelss	-	1,600	2,162	1,600	-
72214	Travel	1,575	2,172	-	4,840	2,668
72215	Dues	2,775	3,408	975	3,450	42
72216	Subscriptions	16	100	33	100	-
72217	Advertising	-	2,650	-	3,650	1,000
72218	Service Contracts	591,914	7,050	165,136	5,670	(1,380)
72255	Office Equip Maint	-	200	-	100	(100)
72263	Microcomputer	40,960	54,410	31,739	54,610	200
72264	Vehicle Repair	2,590	5,600	625	3,000	(2,600)
72265	Fuel	2,005	2,070	810	1,320	(750)
72267	Risk Management	16,980	28,570	16,666	28,830	260
72271	Equipment Rental	5,633	4,525	2,079	4,525	-
72272	Building Rental	17,630	21,730	12,676	23,170	1,440
72282	Audit	7,972	4,450	-	8,000	3,550
72290	Education/Training	650	1,350	450	1,575	225
72292	Consultants	-	179,556	-	12,695	(166,861)
72299	Miscellaneous	15	650	-	500	(150)
TOTAL CONTRACTUAL		702,751	333,896	236,312	171,440	(162,456)
75501	Books	-	50	-	50	-
75560	General Office	2,707	5,000	810	5,000	-
75570	Computer Non Capital	-	-	-	-	-
TOTAL SUPPLIES		2,707	5,050	810	5,050	-
76601	Developer Assistance	-	206,597	-	185,645	(20,952)
76629	Downpayment Assist	-	50,000	-	280,000	230,000
76634	Demolitions	312,844	257,919	53,314	145,340	(112,579)
76635	Ramps	-	15,000	-	15,000	-
76702	Comm Assist-Neighborhood	135,117	105,000	37,329	100,000	(5,000)
76709	Rehab Loans/Grants	1,144,122	885,684	599,209	576,360	(309,324)
76762	Property Acquisition	2,575	-	-	-	-
76790	Miscellaneous	-	-	-	-	-
76802	Essential Services	-	27,767	-	20,000	(7,767)
76831	RAAHC Credit Counselor	-	25,000	-	-	(25,000)
76840	ESG Administration	-	4,627	-	82,495	77,868
76841	ESG Operating	-	33,164	-	7,400	(25,764)
76842	Prevention	-	27,000	-	56,680	29,680
76851	Sec 108	79,492	-	58,858	-	-
76871	SET-Self Employment Training	-	30,000	-	55,000	25,000
76881	CHDO Operating	30,736	36,500	-	36,500	-
76882	CHDO Affordable Housing Proje	-	300,569	-	318,970	18,401
77723	Transfer to HRD	-	26,000	15,167	-	(26,000)
77725	Purchase of Services - Gen Fun	972,963	970,400	566,067	978,980	8,580
77727	Purchase of Services - Other	91,802	-	18,858	-	-
77737	Residual Equity	44,257	-	28,185	-	-
78787	Install Note Principal	100,000	-	-	-	-
78837	Install Note Int	75,204	-	240,416	-	-
TOTAL OTHER		2,989,112	3,001,227	1,617,403	2,858,370	(142,857)
TOTAL COMMUNITY DEVELOPMENT		4,298,126	4,031,880	2,204,523	3,684,848	(347,032)