

CHAPTER 11

COMMUNITY DEVELOPMENT

ARTICLE I – GRANT PROGRAM (CDAP)

11-1-1 PURPOSE. This Chapter is intended to ensure that **Community Development Assistance Program (CDAP) Grant Funds** repaid to the City are expended in accordance with relevant State and Federal laws and regulations and in a manner which will maximize long-term economic returns to the City and its residents.

The City agrees to ensure that administrative costs will not exceed **ten percent (10%)** of the total recaptured funds and that at least **fifty-one percent (51%)** of recaptured funds will be used to benefit low and moderate income persons.

11-1-2 GUIDING PRINCIPLES. All CDAP funds repaid to the City shall be expended in accordance with all relevant rules and regulations promulgated by the **U.S. Department of Housing and Urban Development and the Illinois Department of Commerce and Community Affairs** under authority of the "**State's Small Cities Discretionary Community Development Block Grant Program**".

11-1-3 RECAPTURE STRATEGY. The objectives of the City's Recaptured Funds Strategy are as follows:

- (A) To ensure availability of fully-serviced industrial and commercial sites for those businesses which have given the City firm commitment to expand or locate in the City.
- (B) To increase accessibility to long-term, fixed asset financing for new or expanding businesses in the City.
- (C) To increase local employment opportunities, tax base, and personal income.

11-1-4 PROGRAM OPERATION AND ADMINISTRATION. Responsibility for decision-making on specific uses of recaptured funds shall be vested with the City Council. In addition, the City Council is empowered to establish policies and procedures for citizen involvement and use advisory committees to solicit recommendations on the use of recaptured funds.

Policies and procedures adopted by resolution, by the Mayor and City Council members shall incorporate the following minimum requirements:

(A) Prior to the beginning of each City fiscal year, an **Annual Recaptured Funds Plan** shall be prepared and adopted by the City Council. Such plan will reflect citizen input, environmental considerations, and priorities for re-use of recaptured funds in accordance with community needs and the aforementioned State and Federal Regulations.

(B) Recaptured funds will be reserved for use in projects and programs which contribute to the stabilization and expansion of the local economic base, including any or all of the following uses:

- (1) To finance critical public infrastructure improvements in support of economic development.

- (2) To capitalize a revolving loan fund for economic developments. Loans shall be made to finance fixed assets of employment- generating firms. Loans may be used in combination with other public/private lending sources or programs.
 - (3) To finance administrative costs of the revolving loan fund and planning costs of public infrastructure improvements, subject to a limit of **ten percent (10%)** of the total recaptured funds.
- (C) Preference for uses of recaptured funds shall be given to activities which benefit low income and moderate income individuals, as defined by the **U.S. Department of Housing and Urban Development**.
- (D) Amendments, additions, deletions, or changes to this Chapter shall be made by passage of an ordinance and shall become effective upon approval by the **Illinois Department of Commerce and Community Affairs**.

[Unless Otherwise Noted, This Chapter #602; 06-0-286]

ARTICLE II – MICRO LOAN PROGRAM

11-2-1 PURPOSE. This Article is to govern the micro loan program and regulations as established by the City.

11-2-2 ESTABLISHMENT. The City hereby establishes a micro loan program to provide funds to assist economic development activities within the City. The City may provide funds for the program as needed and the City may accept any other funds from any source whatsoever which are designated to the micro loan program.

11-2-3 REGULATIONS.
(A) The Economic Development Commission of the City is authorized to create and revise regulations to further govern the micro loan program and its operations, subject to approval by the City Council.
(B) The micro loan program must comply with any state or federal laws that may apply to it or to any funds placed into the micro loan program fund.

11-2-4 PROGRAM OPERATIONS. The decision on the use or lending of micro loan program funds lies solely with the City Council.

11-2-5 DISCONTINUATION. If the micro loan program is discontinued by the City Council, then any funds remaining in the loan program shall revert to the Economic Development Revolving Loan Fund of the City, except for such funds provided under any Rural Development grant which shall be returned to Rural Development. **(Ord. No. 1314; 08-05-13)**

(Ord. No. 1274; 04-02-12)