STATE OF ILLINOIS ACTION PLAN

Supplemental CDBG Disaster Recovery Funding from the Supplemental Appropriations Act
Public Law 110-252, 2008

Federal Register 5250-N-01: September 11, 2008

ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

June 2009

Illinois' Flood Disaster Recovery Needs and Background

Effect of Recent Flood-Related Disaster and Illinois' Recovery Needs

Heavy rains that fell across the Upper Mississippi River Basin in the summer of 2007 were responsible for the Federal Emergency Management Agency (FEMA) 1771-DR-IL disaster declaration. These same rains caused significant flooding in southeastern Minnesota, eastern Iowa, southern Wisconsin and northern Illinois. Large portions of northern Illinois received between 125 and 175 inches of rain during this period, and this, combined with the above-normal precipitation in the winter of 2007-2008, created a condition of almost permanent soil saturation through the spring of 2008. From March 1 to May 31, 2008, an additional 150-175 inches of precipitation fell across the Mississippi River Basin, adding to the already hazardous situation. With the permanent soil saturation from the previous periods of heavy precipitation the state was set for a major flooding event. The rains that were most immediately responsible for the major flooding seen in river systems across Illinois came in the first half of June 2008

On June 1, 2008, with heavy rains still falling, rivers and streams in the eastern, northern and western sections of the state began to rise. On June 2nd, the Wabash River at Hutsonville, IL, reached flood stage at 16 feet. On June 3, 2008, the Mississippi River reached flood state in several communities (Burlington, Hannibal, Saverton, Louisiana, and Clarksville) along its course. On June 4, 2008, four more communities along the Mississippi River (Gladstone, Gregory Landing, Canton, and Quincy) reached flood stage. In response to the rising waters, first responders in the affected areas immediately began life safety operations and on June 4th, the American Red Cross opened the first of seven shelters to provide temporary shelter to those who had been displaced by the flooding. On June 5, 2008, the Mississippi River at Alton reached flood stage at 21 feet. By June 7, 2008, the Embarras River at Ste. Marie and Lawrenceville as well as the Mississippi River at Keithsburg had reached flood stage. On June 8th and 9th, the Mississippi River at New Boston, the Wabash River at Mount Carmel, the Des Plaines River at Russell and the Rock River at Shirland all reached flood stage. On June 10, 2008, with the Mississippi, Embarras, Wabash, Des Plaines, and Rock rivers continuing to rise, the Governor of the State of Illinois Rod R. Blagojevich authorized the activation of the State of Illinois Emergency Operations plan. By that point, assets of various state agencies, including: Illinois State Police (ISP), Illinois Department of Transportation (IDOT), Illinois Department of Natural Resources (IDNR), Illinois Emergency Management Agency (IEMA) and the Illinois Department of Public Health (IDPH) were providing assistance in the affected areas.

During the period of June 10 through June 14, 2008, the Des Plaines River at Gurnee, the Rock River at Latham Park and Rockton, and the Mississippi River at various locations north of New Boston reached flood stage. On June 13, 2008, the Governor made a request to expedite a Federal Disaster Declaration for the affected counties in all regions of the state. From the middle to the end of June the waters continued to rise on the Embarras, Wabash, Des Plaines, Rock and Mississippi Rivers inundating homes, businesses and transportation corridors. As of June 27,

2008, heavy rains were continuing to inundate river basins that feed major waterways across the state of Illinois. The crests at several locations set new records and others replaced longstanding records for 2nd and 3rd highest crest [See Attachment B]. As of July 30, 2008, the President of the United States declared 24 Illinois counties as disaster areas, qualifying them for individual assistance and public assistance [See Attachment A].

Federally Designated Areas Eligible for Assistance (through this supplemental appropriation)

Illinois has been allocated \$17,341,434 in supplemental CDBG funding for disaster recovery. The federal disaster declaration that is relevant to this supplemental appropriation is 1771. For areas eligible for assistance, please see the attached FEMA map of the declared disaster. Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Greene, Hancock, Henderson, Jasper, Lake, Lawrence, Madison, Mercer, Monroe, Pike, Randolph, Rock Island, Scott and St. Clair Counties

Illinois' Disaster Recovery Objectives and Goals

(To be Supported by 2008 CDBG (1771) Funding)

Providing adequate, flood resistant housing for all income groups that live in flood impacted areas

Illinois' flood disaster task force is currently assessing strategies for long-term recovery, flood mitigation, economic development and other needs to support communities throughout the state that have been impacted significantly by flooding and storm-related disaster. This disaster proposal reflects Illinois' portion of funding received by a special CDBG program allocation, referred to as the 2008 CDBG 1771 allocation.

This funding, approved for Illinois and other midwestern states, was put in place to support fairly urgent, if not immediate needs across communities that were impacted primarily in 2007-2008 by flood and storm-related disasters. The eligible project activities identified by this proposal will not conflict with the long-term strategies under consideration by the Illinois disaster recovery task force. The activities outlined for the 2008 CDBG 1771 disaster funding can support both longer and short-term flood recovery objectives for Illinois. CDBG matching funds to support FEMA housing buyouts in Illinois, has been identified by the Illinois flood task force as one important objective for these funds.

In areas where a flood-related disaster was federally declared, DCEO will supplement FEMA resources in place for housing and home repair assistance, by providing CDBG disaster recovery resources and in some cases with a 25% CDBG disaster recover program cost share. Currently, the state is working with over thirty communities' long-term recovery committees to assist residents with long-term housing assistance to meet unmet disaster- related housing needs whenever feasible.

The Illinois Emergency Management Agency (IEMA) is coordinating, collaborating, communicating and cooperating with many government and private agency partners to bring in funds, volunteers, materials and other resources to assist people in relocating, rebuilding,

repairing, or appropriately addressing their housing needs. Additionally, IEMA and the U.S. Department of Economic Development (EDA) are assisting communities with housing buy-out projects. Homeless shelters and transitional housing units impacted by the recent flooding are eligible for assistance through this plan, when these facilities are located outside the 100-year flood plain. Homeless and transitional facilities that are (or were) located within Illinois' 100-year flood plain, could be eligible for assistance in rebuilding outside the flood plain.

Promotion of Short and Long Term Recovery Planning (NFIP Program)

Nearly 20,000 communities across the United States and its territories participate in the National Flood Insurance Program (NFIP) by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes federally-backed flood insurance available to homeowners, renters, and business owners in these communities. Community participation in the NFIP is voluntary.

At the request of FEMA, each Governor has designated an agency within their state or territorial government, to coordinate that state's or territory's NFIP activities. These agencies often assist communities in developing and adopting necessary floodplain management measures. Between October 1, 2006 and September 30, 2007 there were over 1,200 claims and about \$6.9 million in total claim payments made.

Flood insurance is designed to provide an alternative to disaster assistance to reduce the escalating costs of repairing damage to buildings and their contents caused by floods.

Flood damage is reduced by nearly \$1 billion a year through communities implementing sound floodplain management requirements and property owners purchasing of flood insurance. Additionally, buildings constructed in compliance with NFIP building standards suffer approximately 80 percent less damage annually than those not built in compliance. And, every \$3 paid in flood insurance claims saves \$1 in disaster assistance payments.

In addition to providing flood insurance and reducing flood damages through floodplain management regulations, the NFIP identifies and maps the Nation's floodplains. Mapping flood hazards creates broad-based awareness of the flood hazards and provides the data needed for floodplain management programs and to actuarially rate new construction for flood insurance.

When a community chooses to join the NFIP, it must adopt and enforce minimum floodplain management standards for participation. FEMA works closely with states and local officials to identify flood hazard areas and flood risks. The floodplain management requirements within the "Special Flood Hazard Area" (SFHA) are designed to prevent new development from increasing the flood threat and to protect new and existing buildings from anticipated flood events.

The community must require permits for all development in the SFHA and ensure that construction materials and methods used will minimize future flood damage. Permit files must contain documentation to substantiate how buildings were actually constructed. In return, the federal government makes flood insurance available for almost every building and its contents within the SFHA-community.

Communities also must ensure that their adopted floodplain management ordinance and enforcement procedures meet program requirements. Local regulations must be updated when additional data are provided by FEMA or when federal or state standards are revised.

The regulatory requirements set forth by FEMA are the minimum measures acceptable for NFIP participation. More stringent requirements adopted by the local community or state take precedence over the minimum regulatory requirements established for flood insurance availability.

"Floodplain management measures" refers to an overall community program of corrective and preventive measures for reducing future flood damage. These measures take a variety of forms and generally include zoning, subdivision, or building requirements, and special-purpose floodplain ordinances.

The minimum federal requirements affect existing buildings only when an existing building is substantially damaged or improved. There may also be situations where a building has been constructed in accordance with a local floodplain management ordinance, and the owner subsequently alters it in violation of the local building code, without a permit. Such unapproved modifications to an existing building may not meet the minimum Federal requirements.

"Substantial damage" means damage of any origin sustained by a building when the cost of restoring the building to its pre-damaged condition would equal or exceed 50 percent of the market value of the building before the damage occurred. Substantial damage is determined regardless of the actual repair work performed. "Substantial improvement" means any rehabilitation, addition, or other improvement of a building when the cost of the improvement equals or exceeds 50 percent of the market value of the building before start of construction of the improvement. The term includes buildings that have incurred "substantial damage."

Substantial improvement or damage does not, however, include any project for improvement of a building to correct existing violations of State or local health, sanitary, or safety code specifications identified by local code enforcement officials as the minimum specifications necessary to assure safe living conditions. Also excluded from the substantial improvement requirement are alterations to historic buildings as defined by the NFIP.

Illinois has contracted a study of short and long term effects of the flood and how best the State should address short and long term recovery. All budget estimates in the method of distribution have been established with consultation with IEMA for best use of funds to fill the gaps in financing by the local governments.

ANTI-DISPLACEMENT AND RELOCATION

Recipients implementing activities identified in this Action Plan are expected to ensure the assistance and protections afforded to any persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended and section 104(d) of the Housing and Community Development Act of 1974 (HCD), as amended. **The State of Illinois** plans to exercise the waivers set forth in Federal Register Vol. 73 No. 177

pertaining to URA and HCD given its priority to engage in voluntary acquisition and optional relocation activities to avert repeated flood damage and to improve floodplain management.

EMERGENCY SHELTER AND TRANSITIONAL HOUSING NEEDS OF HOMELESS INDIVIDUAL AND FAMILIES

The State, through the Illinois Department of Human Services (IDHS) administers the State-funded Emergency Food and Shelter (EF&S) Program to meet the emergency and transitional housing needs of individuals and families Under the State-funded, State-administered program, grants are made directly to homeless shelter providers (emergency overnight shelters, transitional shelters, second-stage housing and voucher programs) on a statewide basis. The State Supportive Housing Program (funded through the Illinois Department of Human Services) serves low-income individuals and families who are formerly homeless or at risk of becoming homeless. Services are delivered by governmental units, community organizations and not-for-profit groups that operate housing programs. Supportive services include alcohol and substance abuse counseling, mental health programs, transportation and other services deemed needed by the residents (including persons with special needs) of single room occupancy facilities (SROs), other affordable rental properties and purchasable single-family dwellings. The supportive services help individuals and families gain and maintain permanent housing and prevent those at risk from becoming homeless. The State continues to strengthen its continuum of services for homeless persons through assistance in housing location, placement and follow-up services

Regarding special needs of non-homeless persons, the State coordinates such activities through the State Agencies Housing Committee of the Illinois Housing Development Authority (IHDA) to ensure the maximizing of leveraging of resources and making State social services agencies aware of funding opportunities under existing programs. This policy will mean the continuation of participating in informational workshops (as needed) for local services providers. Section II: Housing and Homeless Needs Assessment of the State of Illinois 2005-2009 Consolidated Plan includes descriptions of other special needs categories such as persons with disabilities, frail elderly, migrant farm workers, persons with substance abuse problems, among others. Also, Section III: Housing Market Analysis of the five-year Plan discusses the current inventory of facilities in the State that serve these special needs population.

ACTIONS THE STATE WILL TAKE TO PREVENT LOW-INCOME INDIVIDUALS AND FAMILIES WITH CHILDREN (ESPECIALLY THOSE WITH INCOME BELOW 30% OF MEDIAN INCOME) FROM BECOMING HOMELESS

The Homeless Prevention Program administered by the IDHS works to stabilize individuals and families in their existing homes, reduce the amount of time spent in shelters, as well as to secure affordable housing. The program provides rental security deposit assistance, utility assistance, management and supportive services directly related to the prevention of homelessness or repeated episodes of homelessness. Another program, the Rental Housing Support Program, signed into law in July 2005 and administered by IHDA, will fund rent subsidies to landlords throughout the state to make rental units affordable to households who earn less than 30% of

the area median income. Half of the funding will be dedicated to households who are at 15% of the area median income and below.

Homelessness prevention is also one of four eligible activities under the Illinois DCEO-administered Emergency Shelter Grants (ESG) program. Up to 30% of the state's allocation can be awarded for this activity.

ACTIONS THE STATE WILL TAKE TO HELP HOMELESS PERSONS MAKE THE TRANSITION TO PERMANENT HOUSING AND INDEPENDENT LIVING

Illinois Continuums of Care employ several strategies for ending chronic homelessness in each of their jurisdictions. Continuums across the state are working diligently to develop and implement a ten-year plan for ending chronic homelessness. Similarly, Illinois Continuums are at varying stages of implementing a Homeless Management Information System (HMIS). Besides implementing ten-year plans and HMIS, other strategies include the following: developing additional permanent supportive housing, improving outreach to chronically homeless, increasing capacity and enhancing organization, conducting public awareness activities to foster support, and improving transportation services (especially in rural areas).

ACTIONS TO ADDRESS THE SPECIAL NEEDS OF PERSONS WHO ARE NOT HOMELESS

The State has continued to coordinate the special needs of non-homeless persons through the State Agencies Housing Committee of the Illinois Housing Development Authority (IHDA) to ensure the maximizing of leveraging of resources and making State social services agencies aware of funding opportunities under existing programs. This policy has meant continued participation in informational workshops (as needed) for local services providers. .

Section II: Housing and Homeless Needs Assessment of the State of Illinois 2005-2009 Consolidated Plan includes descriptions of other special needs categories such as persons with disabilities, frail elderly, migrant farm workers, persons with substance abuse problems, among others. Also, Section III: Housing Market Analysis of the five-year Plan discusses the current inventory of facilities in the State that serve these special needs population. In the chart below is listed the State Advisory Groups that specialize in non-homeless special needs activities, as well as the results from each group:

Group/Lead Agency	Participation	2008 Activities
Disabilities Services Advisory Committee (DSAC)/Illinois Department of Human Services (IDHS)	PA93-0638	The full DSAC met on September 16 and December 16, 2008 to initiate planning for 2009 activities: 1) to formulate recommendations for the Governor and 2) to provide input into implementation of the Illinois Money Follow the Person Demonstration. Recommendations include \$3 million for a cross-disability bridge rental subsidy program for persons with disabilities who are transitioning from institutional care, and \$4.85 million for the continued development and expansion of housing options for persons with mental illnesses.
Older Adults Services Advisory Committee (OASAC)/Illinois Department on Aging (IDoA)	PA93-1031	The Third Report to the Illinois General Assembly from the Illinois Department of Aging (IDoA) was sent in January 2008. A priority objective of the 2008 plan is to begin to investigate the consolidation the oversight, monitoring, evaluation, and/or administration of Assisted Living, Shared Housing and Supportive Living Facilities under one state agency and ensure adequate funding and staffing. Subsequent reports are due each January.
4. Governor's Statewide Community Safety and Re-Entry Working Group/Illinois Department of Corrections (IDOC) and Illinois Department of Human Services (IDHS)	Administrative Action	Continuing dialogue between IHDA and IDOC to identify strategies that will better serve the short and long term housing needs of the returning prisoner population.
5. HIV/AIDS Housing Steering Committee/Illinois Department of Public Health (IDPH)	Administrative Action	IDPH is in the process of meeting with the Steering committee to review the recommendations of the HIV/AIDS housing plan, made public in September 2007. The Steering committee is planning forums to be held around the state to address the recommendations of the housing plan, which are designed to align closely with the housing strategies identified in the State's Consolidated and Comprehensive Housing Plans.
6. Community Services Advisory Council (CSAC)/Department of Commerce & Economic Opportunity (DCEO)	Federal- Community Services Block Grant (CSBG)/OBR Act of 1991	Bi-Annual State Anti-Poverty Plan submitted to HHS; most recent report was submitted September 2007. The next Plan is due September 2009.
7. Illinois Mental Health Planning & Advisory Council (IMHPAC)/Illinois Department of Human Services (IDHS)	Federal-Title XX- Mental Health Block Grant (OBR Act-1991)	One of IMHPAC's goals is to increase awareness and provide basic sponsor/developer skill-set training on housing persons with mental illness through Corporation for Supportive Housing's Supportive Housing Institutes. These Institutes aim to result in increased production of permanent housing options for persons with mental illness and co-occurring disorders in Illinois.
8. Homeless Veterans Working Group	Informal Network established administratively	IDVA has begun to expand into offering permanent supportive housing through the Prince Homeless Program on the Manteno Veterans' Home campus.

The State of Illinois, primarily through the Illinois Housing Development Authority (IHDA), Illinois Department of Human Services (IDHS), and other agencies, is keenly aware of the dual

services and housing needs of special needs populations. This is particularly an issue to be addressed by coordination and joint funding opportunities, as detailed in the Illinois Comprehensive Housing Planning Act (P.A. 94-965). The Illinois Housing Task Force, through its Interagency Subcommittee, has begun to address many of these issues.

- 1. Training Using the success of IDHS's Supportive Housing (Services) Program (which primarily assisted IHDA permanent homeless housing developments) as a model, there have been other successes. For instance, the homeownership assistance program for persons with developmental disabilities requires participant applicants to have State services as a prerequisite to program eligibility.
- 2. Data Another major problem in assisting persons with disabilities who need accessible housing is linking those persons with available properties, especially rentals. In May 2007, Illinois was chosen by the federal Centers for Medicare and Medicaid Studies for a five-year Money Follows the Person (MFP) Demonstration geared toward helping approximately 3,500 persons living in institutional care to return to community settings. The MFP Demonstration involves an 'Enhanced Match' (increase in federal match for Medicaid spending) of \$55.7 million over the five-year grant period. Leading the effort is Department of Healthcare and Family Services, in collaboration with the Department on Aging, three divisions of the Department of Human Services, and the Illinois Housing Development Authority. In June 2008, Illinois' Operational Protocol, which describes MFP implementation processes, was approved by Centers for Medicare and Medicaid Studies. Over the term of the demonstration, the state will increase housing opportunities for MFP participants through many efforts, including but not limited to creating housing and services referral networks and establishing a comprehensive affordable and accessible housing database. IDHS will also work with IHDA to solicit cooperation and assistance from other agencies (HUD, USDA-Rural Development, PHAs, and trade organizations (i.e. the Illinois Association of Realtors), and has solicited the assistance of local Centers for Independent Living (CILs) and Area Agencies on Aging.
- 3. Accessibility Modifications Both IHDA and DCEO fund a significant amount of accessibility/adaptability modification programs through existing local housing rehabilitation programs. DCEO (via CDAP) and IHDA (via HOME and Affordable Housing Trust Fund) also do not currently track such activities. The IHDA administered Home Modification program (funded with Affordable Housing Trust Fund) continued to receive funding in 2008. The Home modification program provides grants for home modification for seniors and persons with disabilities. It is a focus of the 2009 State comprehensive housing plan to extend the life of this program.
- 4. Olmstead IHDA has continued working and meeting with IDHS and other State and local agencies, especially regarding the Olmstead decision and the State's subsequent plans to review programs and services for persons with disabilities. The IDHS-chaired Disabilities Services Advisory Council, of which IHDA is also a member, was created by State law to address these matters. IHDA continues to maintain an open forum at its OHCS Advisory Committee meetings for discussion of disabilities—related issues.

HIGH QUALITY, DURABILITY AND ENERGY EFFICIENCY

All housing activities involving the construction or rehabilitation of multi-family and single-family dwellings must meet all building codes and standards adopted and enforced by the State of Illinois as well as any local ordinances that exceed State codes and standards. All housing activities shall be designed to achieve maximum energy efficiency to the extent that this can be accomplished on a cost-effective basis, considering construction and operating costs over the life cycle of the structure. Efficiency may be demonstrated through design based on LEED, Green Globes, Energy Star, and/or other comparable guidelines and rating systems. Historic aesthetic and local sourced materials shall be afforded value in this analysis.

PROVISION OF ADEQUATE, FLOOD-RESISTANT HOUSING FOR ALL INCOME GROUPS THAT LIVED IN THE DISASTER-IMPACTED AREAS

The State of Illinois will utilize a portion of its CDBG supplemental appropriation to mitigate the unmet affordable housing needs in disaster-impacted communities through voluntary acquisition, rehabilitation, and homebuyer assistance. Local Continuums of Care have been actively engaged in the long-term recovery committees to ensure that the homeless or those at risk of homelessness due to flooding have adequate housing and support services. As appropriate, the Homeless Management Information System will be utilized to assess household needs, to link families with services, and to track outcomes. It is anticipated that shelters, transitional housing units and permanent supportive housing properties damaged or lost due to this flooding disaster will be eligible for some assistance under the housing assistance component of this plan.

Monitoring assurances of the grantees receiving funding

Risk Analysis, Non-Duplication of Benefits, Monitoring Procedures to avoid/mitigate fraud, abuse and mismanagement:

- At the time the State makes awards to sub-recipients, the State will conduct a risk analysis to determine how often the grant needs to have on-site monitoring. These risk analysis will be conducted by the grant manager responsible for the particular grant. The analysis will be reviewed and approved by the program manager. The local grantee as well as the administrative unit will be evaluated to determine risk. Due to the high risk involved in Disaster relief projects all grantees will be monitored.
- The State will provide on-going technical assistance to the sub-recipients/sub-grantees as the need arises.
- The State will coordinate projects with the Federal Emergency Management Agency, Illinois Emergency Management Agency and all other agencies assisting in disaster relief in order to prevent duplication of benefits.
- The State will require each sub-grantee to document <u>all</u> funding that has been received.
- At time of monitoring, all public and private funds used in the project will be reviewed.

- Cash requests will be approved by grant managers prior to submission to insure correct use of funds.
- The State will continue to follow all the guidelines it uses to monitor projects funded under the regular CDBG program. These include but are not limited to environmental review, fair housing, compliance with the Davis-Bacon Act, financial management, EEO compliance, acquisition/relocation compliance.
- It is the responsibility of the local government/administrator to establish a system to assure that financial and program compliance is carried out and to allow the State access to these records upon request.
- As required by federal law, program funds will be audited by an independent auditor.

If CDBG funds are used to pay any part of the cost of a project which causes any persons or entities to be displaced the following rules and regulations will be followed, except as to those parts waived under this supplemental appropriation:

- Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (42 USC 4601, et seq.)
- Title 49 of the Code of Federal Regulations Part 24, as amended (March 2, 1989)
- Section 104(d) of the Housing and Community Development Act of 1974 as amended, and implementing regulations at 24 CFR 570.488(c),
- 24 CFR 570.488. Displacement, relocation, acquisition and replacement of housing

These requirements are discussed in detail in the CDAP Grant Management Handbook

The Department has established a new Office of Accountability where all programs will be monitored for compliance. Through this new office, internal auditors, under our department of Central Management Services (CMS) will review the CDBG Disaster Recovery program annually.

The Department is also assessing the agency's current CDBG grant management handbook to verify that it continues to meet federal program requirements and will also create a supplement for disaster recovery program related issues.

Method of Distribution

1) Housing Buyouts – FEMA Match

CDBG funds will be used as the 25% local match required for the FEMA home buyouts program in flood-prone areas. The following parameters are proposed for this category of funding:

- 1) Allocation for Activity: \$4,000,000.
- 2) Eligible Applicants: Applicants eligible under the FEMA Hazard Mitigation Grant Program in Illinois.
- 3) Threshold criterion:
 - (i.) Receipt of a grant award commitment for projects approved by the FEMA Hazard Mitigation Grant Program for Illinois housing buyouts.
- 4) Selection Criterion:
 - (i.) Projects will be funded in order of priority, determined by Illinois' Interagency Mitigation Advisory Group.
- 5) Grant Size limits: Limited to 25% of the total CDBG disaster budget allocated for housing buyouts in approved FEMA" Hazard Mitigation Grant Program" awards, plus 5% administration.
 - *Funding level based on projection from IEMA on the shortfall in local government contribution to housing buyout costs.

2) Public Infrastructure

CDBG funds will be used as the 25% local match required for the FEMA infrastructure projects in flood-prone areas and for projects that FEMA or other sources cannot fund, but which are nevertheless critical to recovery. Examples include damaged water and sewer systems, storm drainage, levees, roads and bridges.

- 1) Allocation for Activity: \$12,474,363 (Any funds returned or unobligated after housing buyouts have been completed for all applicants will be allocated to this activity).
- 2) Eligible Applicants: Local and county governments (in regions eligible for this disaster recovery funding).
- 3) Threshold Criteria (All criteria must be met:
 - (i.) Receipt of an award commitment for the FEMA Hazard Mitigation Grant Program or project will address needs arising from the 2008 disaster not eligible under FEMA.
- 4) Selection Criteria (All criteria will be weighted equally):
 - (i.) Project is the best alternative to resolve the need.
 - (ii.) Urgency of the need for the facility; threat to health, safety, or welfare.
 - (iii.) Sufficient other local, state, or federal funds either are either not available or cannot be obtained in the period required.
 - (iv.) Use of additional local taxes or user fees in place of the requested assistance would place undue burden on residents, especially low- and moderate income households.
- 5) Individual grant limit: No single project may be awarded more than 25% of all funds available for this activity, which equals \$3,118,591.

3) Business Assistance

Businesses that were damaged by flood-related disaster within the eligible period may seek assistance in the form of grants and low-interest loans to fill budget gaps.

- 1) Allocation for Activity: \$0. (There is no set-aside for the business assistance category-projects can be considered only if funding is available and transferred from other categories, assuming all funding is not utilized in categories with budget set-asides.)
- 2) Eligible Applicants: Local and county governments (in regions eligible for this disaster-recovery funding).
- 3) Selection Criterion: Projects will be evaluated using the CDAP Economic development guide lines established in the 2008 Program year action plan.
 - (i.) The funding is sought and is considered necessary to bring the business back to preflood production or service levels
- 4) Individual grant limit: \$250,000. (Funding may not be available in this category, per comments under Allocation).

4) State Administration

State administration will include staff, equipment, consultant, and other operating costs involved in selection, funding, assisting, and monitoring local projects, detailed quarterly reporting to HUD, documentation of adherence to all laws, and other expenses.

Allocation for Activity: \$867,071.

DCEO on behalf of the state of Illinois, reserves the right to shift money from one program to another if the need should arise, or it is determined that doing so will better support the objectives for this funding as outlined in this plan document.

Method of Distribution - Table Summary

		<u>Individual</u>	Application
Program Category	Budget	Grant Ceiling	Dates
Housing Buyouts – FEMA Match	\$4,000,000	\$1,000,000*	TBD
Public Infrastructure	\$12,474,363	\$3,118,591*	TBD
Business Assistance**	0	\$250,000	NA
State Administration	\$867,071	NA	NA
TOTAL Program Budget	\$17,341,434		

^{*} A single project in either category is limited to 25% of the budget allocation for the category.

The state of Illinois reserves the right to shift money from one program to another if the need should arise.

^{**} There is no set-aside for the business assistance category- projects will be considered only if funding is available for transfer from other categories.

Application Guidelines

Unless otherwise noted in these guidelines, all CDBG rules apply to the use of these funds. The disaster recovery funds are intended for activities related to long term disaster recovery and they may not otherwise replace other federal, state, or local financial assistance available for any project.

1) Eligible applicants

Only those cities and counties listed in Federally Declared Disaster 1771 shall qualify for access to these funds declared September 2, 2008. Please see attached FEMA maps. Counties included: Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Greene, Hancock, Henderson, Jasper, Lake, Lawrence, Madison, Mercer, Monroe, Pike, Randolph, Rock Island, Scott and St. Clair Counties

2) Duplication of Benefits:

Any use of the funds to assist homeowners, renters or businesses directly, must consider and deduct any duplication of benefits. DCEO will work with the FEMA offices and the Illinois Emergency Management Agency to assist local governments in determining any such duplication.

3) National Objective and LMI benefit requirement:

The national objective to achieve a low-to-moderate (LMI) benefit is not entirely waived. Fifty-percent of this special allocation disaster recovery funding approved for Illinois must be used for activities that meet HUD's LMI national objective for CDBG program funding. The LMI objective requires 51% of all persons benefitted by a CDBG project have an income at 80 % of the median household income or below. The LMI benefit may use area benefit, direct benefit (such as housing), jobs, or limited clientele. The other 50% of the funds may be used to meet the national objective of an urgent threat to health and safety (without regard to income). Each applicant will have to identify the proposed national objective and selections and awards will be made where the State can achieve compliance with the regulation.

4) Entitlement communities:

DCEO may accept applications for these funds directly from entitlement communities within the declared counties of DR 1771.

5) Citizen Participation (state):

DCEO will post a draft action plan for the use of the funds on the website with adequate notification to Regional Planning Commissions and communities for a period of not less than 15 days for comment. All comments will be reviewed and incorporated into the draft plan for submission to HUD. E-mail your comments to CDAP@illinois.gov or mail your comments to:

CDAP 620 E Adams CIPS - 3 Springfield, IL 62701 Comments were accepted through the close of business on 4/15/09. **No comments were received.**

6) Citizen Participation (local):

There are no local public hearings required for the applicants to this fund. Access by citizens to open records at the local level is required.

7) Reporting:

Each successful grantee will be required to provide reporting on a quarterly basis on a form provided by DCEO. DCEO will aggregate the reports and provide them to HUD through their DRGR online reporting system as required by the regulation.

8) Housing Activities:

- New housing construction is an eligible activity with these funds.
- The arms length voluntary purchase requirement by a person that does not have the power of eminent domain is waived for purchase of a principle residence.
- The URA requirements of financial assistance sufficient to reduce a displaced persons rent and utility costs to 30 percent of household income is waived.
- The URA requirement to use the moving expense and relocation allowance schedule published by the Federal Highway Administration is waived provided a reasonable allowance is made.
- Section 104(d), the one for one replacement requirement for demolished of converted low and moderate income housing is waived.
- The relocation assistance requirements under 104 (d) are waived and relocation assistance calculations may use the URA standard for all persons.

9) Business Activities:

A limited waiver of the anti-pirating requirements allows the flexibility to provide assistance to a business located in another state or market area within the same state, if the business was displaced from a declared area, and the business wishes to return.

10) Application evaluation:

All applications will be evaluated for the following:

- Need (the breadth and depth of the disaster in terms of population affected and sectors (housing, infrastructure, business, environment) affected within the community;
- Capacity (the degree of expertise and experience that the local government or contracted agency has to manage the project, administer the funds, and succeed with the outcomes and objectives defined in the application);

- The project's impact on short and long term community recovery (the amount of spin off, community awareness and support and degree to which the activities will lead to further recovery);
- Local effort (cash, human resources, in-kind efforts);
- Consistency with a local short and long term recovery plans;
- Consistency with local and state floodplain management practices;
- Project sustainability and future disaster mitigation (the degree to which activities are defined with sound construction practices, quality and durability, energy efficiency and flood control or flood resistance)
- Available funds.

11) Buyouts:

- Communities must indicate whether they are paying pre-flood acquisition prices or post flood acquisition prices for properties. A uniform use of either method must be made within any applicant community.
- Relocation amounts proposed along with post flood purchases may not exceed \$25,000. The calculation of a relocation payment used with a post flood acquisition payment is typically:
 - o Amount of comparable decent safe and sanitary home outside the floodplain
 - Less insurance
 - Less any FEMA real property payments
 - Less the post flood acquisition amount paid
- Equals the actual calculated amount or \$25,000, whichever is less.
- Duplication of benefits includes any FEMA real property payments and private insurance. Any calculation of buyout assistance must deduct these amounts.
- All properties acquired must deed restrict future use to only those activities allowed under Section 404(b)(2) of the Robert T. Stafford Act.

12) Flood Insurance/Floodplain Restrictions:

Funds may not be used for persons who may have received previous federal assistance (including loans) where purchase and maintenance of flood insurance was a requirement, and have since allowed that flood insurance to lapse.

All grantees must inform participating property owners of the future requirements to purchase and maintain flood insurance.

No funds may be used for any activities in areas delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain.

13) Monitoring

All projects will be monitored several times during the life of the grant. Communities needing technical assistance may request additional training by staff.

All CDBG rules unless otherwise waived, apply and will be monitored for compliance. A list of waived rules will be provided with the grant agreement.

All monitoring reports are reviewed by the program manager for consistency along with the division manager.

CERTIFICATIONS FOR STATE GOVERNMENTS, WAIVER AND ALTERNATIVE REQUIREMENT

In accordance with the applicable statutes and the regulations governing the consolidated plan and the Supplemental Appropriations Act, 2008, the State of Illinois certifies that:

- A) The state certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See 24 CFR 570.487(b)(2).)
- B) The state certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- C) The state certifies its compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that Part.
- D) The state certifies that the Action Plan for Disaster Recovery is authorized under state law and that the state, and any entity or entities designated by the state, possesses the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.
- E) The state certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24, except where waivers or alternative requirements are provided for this grant.
- F) The state certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR Part 135.
- G) The state certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 (except as provided for in notices providing waivers and alternative requirements for this grant), and that each unit of general local government that is receiving assistance from the state is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- H) The state certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the non-entitlement, entitlement and tribal areas of the state in determining the method of distribution of funding;
- I) The state certifies that it is complying with each of the following criteria:
 - 1) Funds will be used solely for necessary expenses related to disaster relief, long term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of recent natural disasters.

- 2) With respect to activities expected to be assisted with CDBG disaster recovery funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.
- 3) The aggregate use of CDBG disaster recovery funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the amount is expended for activities that benefit such persons during the designated period.
- 4) The state will not attempt to recover any capital costs of public improvements assisted with CDBG disaster recovery grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (A).
- J) The state certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.
- K) The state certifies that it has and that it will require units of general local government that receive grant funds to certify that they have adopted and are enforcing:
 - A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 - 2) A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- L) The state certifies that each state grant recipient or administering entity has the capacity to carry out disaster recovery activities in a timely manner, or the state has a plan to increase the capacity of any state grant recipient or administering entity that lacks such capacity.
- M) The state certifies that it will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

N) The state certifies that it will comply with applicable laws.

Signature/Authorized Official/Date

Title

APPLICATION FOR		OND Appic	VEG NO. 3076-0006		version 7703		
FEDERAL ASSISTANCE	*	2. DATE SUBMITTED		Applicant Idea	ntifier 11931		
1. TYPE OF SUBMISSION:		3. DATE RECEIVED BY	STATE	State Applica			
Application	Pre-application						
Construction	Construction	4. DATE RECEIVED BY	FEDERAL AGENCY	Federal Ident	fier		
Non-Construction	Non-Construction						
5. APPLICANT INFORMATION Legal Name:			Organizational Unit:				
State of Illinois			Department:				
Organizational DUNS:	· · · · · · · · · · · · · · · · · · ·		Community Developed Division:	nent			
806811931			Community Assistance	e			
Address:					rson to be contacted on matters		
Street: Department of Commerce and Economic Opportunity			involving this application (give area code) Prefix: First Name:				
620 East Adams			Mr.	Patrick			
City: Springfield			Middle Name				
County: Sangamon	•		Last Name Davis				
State: Illinois	Zip Code		Suffix:				
Country:	62701		 Email:	•			
USA							
6. EMPLOYER IDENTIFICATIO	N NUMBER (EIN):		Phone Number (give a	rea code)	Fax Number (give area code)		
37-1380174]		217-785-6142				
8. TYPE OF APPLICATION:			7. TYPE OF APPLICA	ANT: (See bac	k of form for Application Types)		
If Revision, enter appropriate lett	v	n 🔲 Revision	A				
(See back of form for description	of letters.)		Other (specify)		-		
Other (annife)	. [_]		A NAME OF FEBER	AL ACENOV			
Other (specify)			9. NAME OF FEDERA Housing and Urban D		Į		
10. CATALOG OF FEDERAL D	OMESTIC ASSISTANC	E NUMBER:	11. DESCRIPTIVE TI	TLE OF APPLI	CANT'S PROJECT:		
		1 4-2 2 8	Community Developm				
TITLE (Name of Program): Labor Management Cooperation	- Dua		Disaster relief act und	ler FR 5250-N-4)1		
12. AREAS AFFECTED BY PR		States etc.)	_				
Statewide	(, 2.2.00, 2.0.,					
13. PROPOSED PROJECT		·	14. CONGRESSIONA	U DISTRICTS	OF:		
Start Date:	Ending Date:		a. Applicant		b. Project		
5/1/09 15. ESTIMATED FUNDING:	until exhausted		Statewide	CUD IECT TO	Statewide REVIEW BY STATE EXECUTIVE		
			ORDER 12372 PROC	ESS?			
a. Federal \$		17,341,434			I/APPLICATION WAS MADE ATE EXECUTIVE ORDER 12372		
b. Applicant \$.00		S FOR REVIEW			
c. State \$		00	DATE:				
	PHILIPPIN						
d. Local \$			b. No. III PROGRA	M IS NOT COV	ÆRED BY E. O. 12372		
e. Other \$, vu			T BEEN SELECTED BY STATE		
f. Program Income \$			FOR REV		NT ON ANY FEDERAL DEBT?		
g. TOTAL \$		00	<u> </u>		_		
		17,341,434	Yes If "Yes" attach	•	ı		
18. TO THE BEST OF MY KNO DOCUMENT HAS BEEN DULY							
ATTACHED ASSURANCES IF 1			THE APPLICANT AND	THE APPLICA	NI WILL COMPLY WITH THE		
a. Authorized Representative	Circt Name		المائدة	Nama			
Prefix Mr.	First Name Warren		Middle	LAGILIE			
Last Name Ribley			Suffix				
b. Title	~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	-)		phone Number	(give area code)		
Director d. Signature of Authorized Repre	sentative =			32-3233 Signed	- + 1 - C		
			U. Date	1	20/09		
Previous Edition Usable Authorized for Local Reproductio	n			1	Standard Form 424 (Rev.9-2003) Prescribed by OMB Circular A-102		

INSTRUCTIONS FOR THE SF-424

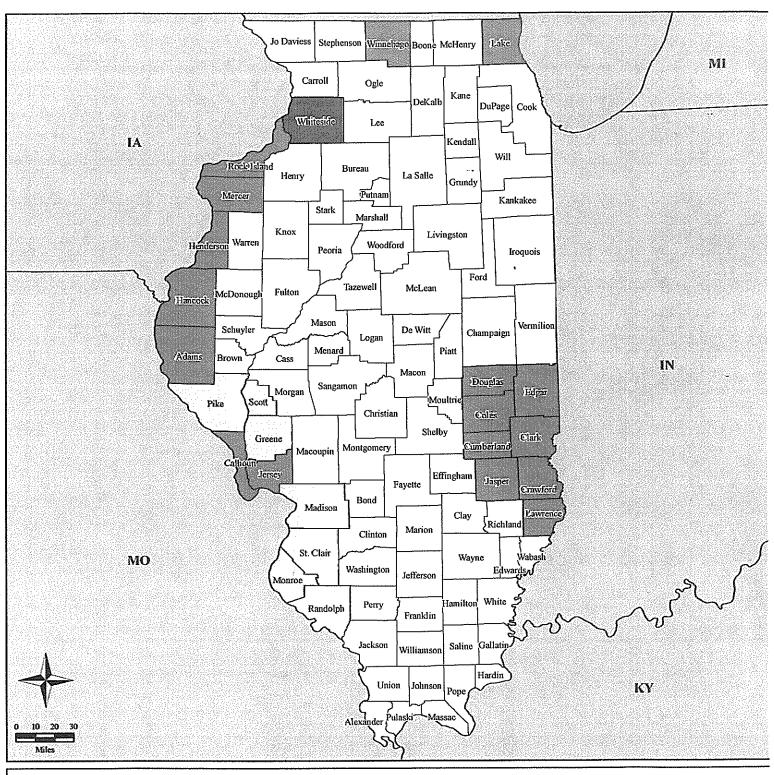
Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form used by applicants as a required face sheet for pre-applications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

Item:	Entry:	Item:	Entry:
1.	Select Type of Submission.		Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.
2.	Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).		List only the largest political entities affected (e.g., State, counties, cities).
3.	State use only (if applicable).	13	Enter the proposed start date and end date of the project.
4.	Enter Date Received by Federal Agency Federal identifier number: If this application is a continuation or revision to an existing award, enter the present Federal Identifier number. If for a new project, leave blank.		List the applicant's Congressional District and any District(s) affected by the program or project
5.	Enter legal name of applicant, name of primary organizational unit (including division, if applicable), which will undertake the assistance activity, enter the organization's DUNS number (received from Dun and Bradstreet), enter the complete address of the applicant (including country), and name, telephone number, email and fax of the person to contact on matters related to this application.	15	Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.
6.	Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.	16.	Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.
7.	Select the appropriate letter in the space provided. A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District H. Independent School District State Controlled Institution of Higher Learning K. Institution of Higher Learning Learning K. Individual F. Individual M. Profit Organization Other (Specify) Other (Specify) Organization Organization Organization	17.	This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.
8.	Select the type from the following list: "New" means a new assistance award. "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date. "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision enter the appropriate letter: A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration		To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)
9.	Name of Federal agency from which assistance is being requested with this application.		
10.	Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.		

FEMA-1771-DR, Illinois Disaster Declaration as of 09/02/2008





Legend

Designated Counties No Designation Public Assistance Individual Assistance Individual Assistance and Public Assistance

All counties are eligible for Hazard Mitigation



ITS Mapping & Analysis Center Washington, DC 09/02/08 -- 02:37 PM EDT

Source: Disaster Federal Registry Notic Amendment No. 8 - 09/02/2008



OFFICE OF THE GOVERNOR

JRTC, 100 W. RANDOLPH, SUITE 16 CHICAGO, ILLINOIS, 60601

Pat Quinn Governor

March 16, 2009

Mr. Jessie Handforth Kome, Director Disaster Recovery and Special Issues Division US Department of Housing and Urban Development (HUD) 451 7th Street, SW, Room 7286 Washington, DC 20410

Re: Designee for Illinois' CDBG Supplemental Appropriation (1771) Disaster Recovery

Dear Director Handforth-Kome:

This is in response to the US Department of Housing and Urban Development (HUD) Notice regarding the Midwestern Flood Relief supplemental funding, totaling \$17,341,434 for Illinois under supplemental CDBG appropriation (1771), effective September 16, 2008. In this notice, HUD stipulates that each state must designate an agency to administer this special allocation funding:

...That funds provided under this heading shall be administered through an entity or entities designated by the Governor of each state....

The State of Illinois, headed by Governor Patrick Quinn, has designated the Illinois Department of Commerce and Economic Opportunity (DCEO) as the agency that will administer this disaster recovery funding on behalf of Illinois. Director Warren Ribley of DCEO is aware of this special allocation and is in full support of the Governor's decision to designate DCEO to oversee this funding.

DCEO manages Illinois' Community Development Block Grant (CDBG) program and funding, known as the Community Development Assistance Program (CDAP). DCEO has also administered previous CDBG flood disaster funding allocations on behalf of the State of Illinois.

DCEO has drafted a supplemental CDBG action plan for public review and comment, with preliminary guidance from HUD. Following the period for public comment, and any subsequent revisions, Illinois will forward the official draft of our plan to HUD for formal approval.

Please direct correspondence about this funding to:

Illinois Department of Commerce and Economic Opportunity (DCEO) Community Development Bureau Attn: Patrick Davis, CDAP Program Manager 620 East Adams Street, CIPS 3 Springfield, Illinois 62701

Sincerely,

Pat Quinn Governor

cc: Warren Ribley, Director, DCEO