

STATE OF ILLINOIS
Action Plan Plan Amendment No.1
February 1, 2010

**Supplemental CDBG Disaster Recovery 1800 ("Ike") Funding
from the Supplemental Appropriations Act
Public Law 110-329, 2008
Federal Register FR-5337-N-01**

GOVERNOR PAT QUINN
STATE OF ILLINOIS



ILLINOIS CDBG "IKE" ACTION PLAN AMENDMENT (NO.1)

Through this Community Development Block Grant (CDBG) Disaster Recovery (DR) 1800 (CDBG "Ike") (nonsubstantial) plan amendment, Illinois is providing for greater flexibility in awarding "Ike" funds through the methods outlined below. This request reflects Illinois' commitment to utilize and award "Ike" funding in a manner that best supports the needs of Illinois residents and communities, and that can be assisted with CDBG Disaster "Ike" program funding. The following is proposed by this amendment:

1.1 Reserving the Right to Fund Additional CDBG Ike Eligible Activities

Through this plan amendment, Illinois reserves the right to fund CDBG "Ike"-eligible project activities that are in addition to the program components that were identified for Illinois' "Ike" program in the original plan submission. The list of program activities identified in the State's original "Ike" plan, with the budget for each of these, follows below (Exhibit A). This amendment does not augment the number of specific Ike allowable activities (i.e., program components) proposed by the State's original CDBG Ike plan, but provides the ability to consider select projects for funding that would also support communities within the 42 eligible counties for the "Ike" program (Exhibit B).

Any activities funded under this flexible spending reserve would fall within the key areas of eligible activities that Illinois has selected as its focus for the Ike program, including economic development, housing, and public infrastructure activities:

- Economic development projects: Eligibility: 105(a)(1), (11), (14), (15), (17); National objectives: LMI (51%), urgent need, and/ or slum/blight
- Housing projects: Eligibility: 105(a)(1), (4), (7), (8), (11), (24); National objectives: LMI (51%), urgent need, and/ or slum/blight
- Public infrastructure projects: Eligibility: 105(a)(1), (2); National objectives: LMI (51%), urgent need, and/ or slum/blight

The state is proposing to reserve 25% of the overall "Ike" program funding for this purpose (this does not include administrative reserve). None of the flexible spending set-aside will be deducted from the Affordable Rental Housing program component, for which the budget established (\$18,950,911) is mandated by HUD per the CDBG "Ike" Notice FR-5337-N-01. Any funding approved for this flexible spending will be transferred from any or all of the remaining "Ike" program components and determined as DCEO assesses demand for program funding under the various "Ike" program components established.

The State believes that expanding the possible project activities that it can support with "Ike" program funding will help to ensure that local municipalities are assisted in achieving their housing, economic development, public infrastructure and other objectives on behalf of their residents to a greater extent than would be possible under the original "Ike" plan parameters and method of distribution established.

The State is therefore providing for this enhanced flexibility in the types of projects that can be funded with "Ike" program resources through this plan amendment.

1.2 Increasing the Flexibility in the Review and Selection Process under all Program Components

Through this plan amendment, Illinois reserves the right to review and select projects for funding under "Ike" outside of the standard process developed for the various "Ike" program components.

This expansion is primarily to allow for the possible selection of projects in the initial stages of the State's "Ike" program that are: (1) deemed to be of great importance to a community(or communities) in furthering objectives that can be supported by "Ike", (2) are too time-sensitive to delay a possible award and (3) where

the community (or communities) involved has demonstrated to the State's satisfaction that it has substantial capacity to effectively complete and achieve the stated objectives for the proposed project or project phase.

The State believes that by providing for this flexibility in selecting projects it will help to ensure that projects identified by local communities as important in furthering economic development, housing, health and safety (public infrastructure) objectives are not unduly delayed by adhering to a standardized, and otherwise acceptable process for selection and possible "Ike" grant award.

The State is therefore providing for this enhanced flexibility in the process for selecting projects under the program components identified by its "Ike" Action Plan.

Exhibit A
Method of Distribution
(Summary of Illinois' Original CDBG "Ike" State Plan Budget)

| Program Category | Budget (%) | Budget (\$) |
|-----------------------------------------------------------------|-------------------|-------------------------|
| Housing Activities (Local Administered) | | |
| Affordable Rental Housing Program | 11% | \$18,950,911.00 |
| Homeownership-Community Stabilization Program | 12% | \$20,000,000.00 |
| Housing Rehabilitation & Repair | 4% | \$7,112,750.00 |
| Housing Buyouts and Related Programs | 8% | \$14,225,500.00 |
| Economic Development Activities | | |
| Small Business Stimulus | 4% | \$6,500,000.00 |
| Large Business Stimulus | 5% | \$8,500,000.00 |
| Business Rental Assistance | 3% | \$5,000,000.00 |
| Commercial Buyouts | 8% | \$13,838,250.00 |
| Public Infrastructure | 28% | \$47,993,237.75 |
| Planning Activities | 10% | \$16,919,124.80 |
| Technical Assistance/ Increasing Capacity at Local Level | 1% | \$1,691,913.00 |
| Administration (State and Local) | 5% | \$8,459,562.45 |
| TOTAL Program Budget | 100% | \$169,191,249.00 |

Exhibit B
Federally-Designated Areas Eligible for CDBG "Ike" Assistance

The following Illinois counties were declared eligible for federal assistance in the three 2008 Disaster Declarations:

Illinois Counties Declared Under FEMA-1800-DR

- | | |
|-------------------|-----------------------|
| 1. Bureau County | 9. Kendall County |
| 2. Cass County | 10. LaSalle County |
| 3. Cook County | 11. Macoupin County |
| 4. DeKalb County | 12. Montgomery County |
| 5. DuPage County | 13. Peoria County |
| 6. Greene County* | 14. Scott County |
| 7. Grundy County | 15. Will County |
| 8. Kane County | 16. Woodford County |

Illinois Counties Declared Under FEMA-1771-DR

- | | |
|----------------------|------------------------|
| 1. Adams County | 14. Lake County |
| 2. Calhoun County | 15. Lawrence County |
| 3. Clark County | 16. Madison County |
| 4. Coles County | 17. Mercer County |
| 5. Crawford County | 18. Monroe County |
| 6. Cumberland County | 19. Pike County |
| 7. Douglas County | 20. Randolph County |
| 8. Edgar County | 21. Rock Island County |
| 9. Greene County* | 22. St. Clair County |
| 10. Hancock County | 23. Scott County |
| 11. Henderson County | 24. Whiteside County |
| 12. Jasper County | 25. Winnebago County |
| 13. Jersey County | |

Illinois Counties Declared Under FEMA-1747-DR

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|--------------------|----------------------|
| 1. Iroquois County | 2. Livingston County |
|--------------------|----------------------|

* Greene County was declared under both the FEMA 1771 and 1800 declarations