

STATE OF ILLINOIS

Action Plan Amendment No.2

April 12, 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.2)

Through this Community Development Block Grant (CDBG) Disaster Recovery (DR) 1800 (CDBG "Ike") 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.

Through this plan amendment, Illinois reserves the right to expand the types of projects it can consider for Ike funding consideration under the Large and Small Business Stimulus components and the Public Infrastructure component. The following is proposed by this amendment:

2.1 Small Business Stimulus Component-- Expanding the Range of Eligible Projects that can be Considered for "Ike" Program Funding under the Small Business Stimulus Component

The original parameters for the Ike Small Business Stimulus Program are as follows:

"Ike" Small Business Stimulus Component-Original Plan.

1. Allocation for Activity: \$6,500,000.
2. Eligible Applicants: Businesses impacted by 2008 floods and storms.
3. Small Business Threshold Criteria:
 - (i) Capability and experience with business assistance programs, especially disaster relief
 - (ii) Commitment to use the following criteria for assistance to individual businesses:
 - (a.) Business suffered physical damage or economic loss due to the 2008 disasters.
 - (b.) Receipt of a disaster loan from the U.S. Small Business Administration (SBA), a financial institution, or an economic development corporation or other equivalent types of loans.
 - (c.) Assistance to be provided as a forgivable loan equal to 25% of the loan received under (b), up to a maximum of \$50,000.
 - (d.) Commitment to re-open business within 12 month of receipt of assistance.All applicants meeting the threshold criteria will be selected until funds are exhausted.
4. Individual Grant Threshold:
 - i. Grants to local program operators will be based on the total approved SBA disaster loan amounts within the operator's jurisdiction as a percent of the total SBA disaster loan amount awarded in the state.
5. Eligibility: 105(a)(14),(15),(17)
6. National Objective: Must meet either: LMI (51%), urgent need, or the slum/blight national objective.

This plan amendment will expand the range of eligible projects under the Small Business stimulus component in the following manner:

1. Allocation for Activity: \$6,500,000.
2. Eligible Applicants:
 - (i) Businesses in communities that fall within an Illinois 2008 FEMA-declared county. (See Exhibit A), or Local communities that are located in an Illinois 2008 FEMA-declared county (Exhibit A), on behalf of local businesses, and
 - (ii) Local communities that are located in an Illinois 2008 FEMA-declared county (Exhibit A), on behalf of local businesses
3. Small Business Threshold Criteria: For-profit businesses including, but not limited to, a sole proprietorship, partnership, corporation, joint venture, association or cooperative, which has,

including its affiliates, less than 500 full time employees, or is determined by the Department to not be dominant in its field.

4. Individual Award¹ Threshold: \$750,000*.
5. Eligibility: 105(a)(14),(15),(17)
6. National Objective: Must meet either: LMI (51%), urgent need, or the slum/blight national objective.

2.2 Large Business Stimulus Component-- Expanding the Range of Eligible Projects that can be Considered for "Ike" Program Funding under the Large Business Stimulus Component

The original parameters for the Ike Large Business Stimulus Program are as follows:

"Ike" Large Business Stimulus Component-Original Plan.

1. Allocation for Activity: \$8,500,000
2. Eligible Applicants: 2008 disaster-affected local communities with large businesses needing economic development funding support to remain or locate in a 2008 disaster-affected community.
3. Large Business Threshold Criteria:
 - i. Business suffered physical damage or economic loss due to the 2008 disasters, or
 - ii. Businesses were located or are considering location in a community affected by 2008 disaster and are relying in part or whole on CDBG-DR economic development program funding to remain or relocate into the disaster-affected community.
4. Selection criteria:
 - i. Private business commitment of job retention or creation in the impacted community for the duration of the project.
 - ii. \$15,000 cap per job created or retained, with exceptions made on a case-by-case basis.
5. Individual Grant Threshold:
 - i. \$750,000 max per grant award (Grants to communities to support large business job retention or creation will not be factored against the total SBA disaster loan amount awarded to the state, unlike the small business stimulus program).
6. Eligibility: 105(a)(17)
7. National Objective: Must meet either: LMI (51%), urgent need, slum/ blight national objective

This plan amendment will expand the range of eligible projects under the Large Business stimulus component in the following manner:

1. Allocation for Activity: \$8,500,000.
2. Eligible Applicants:
 - (i) Businesses in communities that fall within an Illinois 2008 FEMA-declared county. (See Exhibit A), or
 - (ii) Local communities located in an Illinois 2008 FEMA-declared county (Exhibit A), as incentive and assistance in retaining or attracting an identified business.
3. Threshold Criteria:
 - (i) Business suffered physical damage due to the 2008 disasters, or
 - (ii) Business is currently located or will locate in an Illinois county affected by 2008 disaster (Exhibit A) and is relying in part or whole on CDBG-Ike economic development program funding to remain or relocate into the disaster-affected county.
4. Individual Award Threshold: \$750,000.*
5. Eligibility: 105(a)(17).
6. National Objective: Must meet either: LMI (51%), urgent need, or the slum/blight national objective.

¹ "Ike" small business program awards may be in the form of grants or forgivable loans as determined by the Department.

2.3 Public Infrastructure Component-- Expanding the Range of Eligible Projects that can be considered for "Ike" Program Funding under the Public Infrastructure Component

The original parameters for the Ike Public Infrastructure Program are as follows:

"Ike" Public Infrastructure Program Component-Original Plan.

- 1 Allocation for Activity: \$47,993,238
- 2 Eligible Applicants: City and county governments
- 3a. Threshold Criteria
 - (i) Eligible projects will address short or long term public infrastructure needs arising from the 2008 disasters in Illinois
 - (ii) Project is the best alternative to resolve the need
- 3b. Criteria for Selection:
 - (i) Demonstrated urgency of the need for the infrastructure activity, or
 - (ii) Supports an eligible community with a 51% low-to-moderate income population, or addresses slum/blight in the affected community, and
 - (iii) A demonstrated threat to health, safety, or welfare
 - (iv) Insufficient other local, state, or federal funds either are unavailable or cannot be obtained in the time frame required.
 - (v) 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. All criteria will be weighted equally.
4. Individual Grant Threshold: ~~\$500,000~~. (The Department reserves the right to increase maximum award based on the unique aspects or circumstances surrounding a project application submitted.)
5. Eligibility: 105(a)(2)
6. National Objective: Must meet either: LMI (51%), urgent need, or slum/ blight national objective.

This plan amendment will expand the range of eligible projects under the Public Infrastructure Program component in the following manner:

1. Allocation for Activity: \$47,993,238
2. Eligible Applicants: City and county governments that fall within an Illinois 2008 FEMA-declared county. (See Exhibit A).
- 3a. Threshold Criteria:
 - (i) Eligible projects will address short or long term public infrastructure needs arising from the 2008 disasters in Illinois
 - (ii) Project is the best alternative to resolve the need
- 3b. Criteria for Selection:
 - (i) Insufficient other local, state, or federal funds either are unavailable or cannot be obtained in the time frame required.
 - (ii) 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.
 - (iii) A demonstrated threat to health, safety, or welfare
4. Individual Award Threshold: \$750,000.*
5. Eligibility: 105(a)(2).
6. National Objective: Must meet either: LMI (51%), urgent need, or the slum/blight national objective.

* The Department reserves the right to increase the maximum individual award under the various program components identified for the CDBG Ike program, based on the unique aspects or circumstances surrounding a project application submitted.

Exhibit A
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

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|-------------------|-----------------------|
| 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

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