

STATE OF ILLINOIS

Action Plan Amendment No.10

March 10, 2011

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.10)

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.

10. IKE-Small and Large Business Stimulus Components- Consolidating the Two Components

Under IKE Plan Amendment No. 10, Illinois is combining the IKE-Small Business Stimulus and IKE-Large Business Stimulus components into a single program, renamed the "IKE- Business Stimulus Program". The program will continue to provide funding assistance (grants and/or loan awards) to support companies that can create or retain significant permanent jobs in IKE-eligible communities. Funding will typically support companies that can also serve as a catalyst for long term economic growth and recovery in an eligible community, through the presence of the company in the community, investments by the company and other external sources, the industry connected with the company's business focus in the community, etc. Additionally, the standard threshold award for an individual project will increase to \$2 million, to reflect the Department's intention of

The Department has determined that the original division of the IKE-Business Stimulus Program is largely unnecessary and (unintentionally) artificial in that the types of activities and intended benefits connected with projects awarded funding under the former large and small business components are essentially, or wholly the same. The key distinction, the number of overall employees the private company employs prior to the IKE award-- does not in the Department's assessment warrant treating and characterizing these two components as separate programs.

Therefore, through this IKE plan amendment, the two components are consolidated. Companies with projects that meet the parameters described below for the consolidated IKE-Business Stimulus Program, where the company, community and/ or other eligible applicant is seeking IKE assistance are eligible to apply to the Department. The IKE-ED Business Stimulus Program (BSP) application can be downloaded at DCEO IKE Disaster Recovery website:

http://www.illinoisbiz.biz/dceo/Bureaus/Community_Development/CDBG+Disaster+Recovery+Programs/i ke.htm

The **previous** parameters for the Ike Small Business Stimulus Program and IKE- Large Business Stimulus Program respectively were as follows:

"Ike" Small Business Stimulus Component- *Per Ike Plan Amendment No.7.*

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,
 - (i) Local communities that are located in an Illinois 2008 FEMA-declared county (Exhibit A), on behalf of local businesses, and
 - (ii) Not-for-profit organizations on behalf of one or more Ike-eligible local communities.
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 Award Threshold: \$750,000¹.
5. Eligible Activities: Awards and assistance may be in the form of grants or various CDBG-eligible loan instruments as determined by the Department.
6. Eligibility 105(a)(14),(15),(17).
7. National Objective: Must meet either: LMI (51%), urgent need, or the slum/blight national objective.

"Ike" Large Business Stimulus Component- *Per Ike Plan Amendment No.7.*

1. 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 Local communities that are located in an Illinois 2008 FEMA-declared county (Exhibit A), on behalf of local businesses,
 - (ii) Local communities that are located in an Illinois 2008 FEMA-declared county (Exhibit A), on behalf of local businesses, and
 - (iii) Not-for-profit organizations on behalf of one or more Ike-eligible local communities.
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: \$750,000¹.
5. Eligible Activities: Awards and assistance may be in the form of grants or various CDBG-eligible loan instruments as determined by the Department.
6. Eligibility 105(a)(14),(15),(17).
7. National Objective: Must meet either: LMI (51%), urgent need, or the slum/blight national objective.

The **revised** parameters for the newly consolidated IKE- Business Stimulus Program are as follows:

IKE-Business Stimulus Component:

1. Allocation for Activity: \$15,000,000¹.
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,
 - (ii) Local communities that are located in an Illinois 2008 FEMA-declared county (Exhibit A), on behalf of local businesses, and
 - (iii) Not-for-profit organizations on behalf of one or more Ike-eligible local communities.
3. Threshold Criteria:
 - (i) Business supported suffered physical damage due to the 2008 disasters,
 - (ii) Business supported 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,
 - (iii) Business supported is a for-profit business including, but not limited to, a sole proprietorship, partnership, corporation, joint venture, association or cooperative.
4. Individual Award Threshold: \$2,000,000².
5. Eligible Activities: Awards and assistance may be in the form of grants or various CDBG-eligible loan instruments as determined by the Department to support permanent job creation and/ or retention by the company(s) receiving IKE-Business Stimulus Program assistance.³
6. Eligibility 105(a)(14),(15),(17).
7. National Objective: Must meet either: 51% low-to-moderate income (LMI) benefit, urgent need, or the slum/blight national objective.

¹ The IKE-ED-Business Stimulus Program budget is the combined budget developed for the former IKE- Small Business Stimulus Program and IKE-Large Business Stimulus Program, respectively.

² Per Illinois' Ike Disaster Recovery Plan, the Department reserves the right to grant awards exceeding the standard threshold limits under the various program components, as determined on a case-by-case basis.

³ The project can support other beneficial activities, such as construction jobs, long term economic recovery, economic revitalization, but these activities cannot replace the primary objective of supporting permanent job creation or retention, within two years from the start of the project.

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