

STATE OF ILLINOIS

Action Plan Amendment No. 15

September 5, 2012
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. 15)

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

To further support the needs of Illinois communities within the Federally-Designated Areas Eligible for CDBG "Ike" Assistance (Exhibit A) the State of Illinois is proposing to make revisions described below to Illinois' CDBG "Ike" Disaster Recovery Action Plan.

Public Comment Period

In accordance with CDBG requirements, DCEO has posted draft changes to the Illinois CDBG Disaster Recovery Action Plan in order to provide opportunity for public comment. The proposed Amended Plan for the "Ike" Property Buyout Program is available on DCEO's website, at http://www.illinoisbiz.biz/dceo/Bureaus/Community_Development/CDBG+Disaster+Recovery+Programs/.

Interested parties should feel free to submit comments in writing or via email to DCEO. Comments may be directed to: Frankie Atwater, Acting Deputy Director, Office of Community Development, DCEO, 500 E. Monroe Street, Springfield, IL 62701, or emailed to frankie.atwater@illinois.gov, with "Public Comment to Ike Plan Amendment No.15" in the email subject line.

Preface to the Proposed "Ike" Action Plan Revisions

Illinois continues to make program adjustments as greater understanding of the specific needs of disaster impacted communities develops. The Ike-Program Amendment (No. 15) proposes the following changes to the previously-approved "Ike" Action Plan, as amended:

1. "Ike" Property Buyout Program: This amendment modifies the previous "Ike" Property Buyout Program parameters set forth in "Ike" Action Plan Amendment No. 14 to clarify eligibility criteria for Housing Incentives.

Working with several grantees and homeowners, they have expressed the need for the incentive not only as a means to entice participants to reside in the area, but as a necessary incentive for participation in the program. Many participants do not have the means to resettle and the Property Buyout Program is a hardship for several property owners. Considering the amount of households that fall below 120% of the Area Median Income (AMI), the increase in the eligible incentive requirements is reasonable and necessary.

2. IKE PROPERTY BUYOUT PROGRAM

The previous parameters for the “Ike” Property Buyout Program Housing Incentives are as follows:

Housing Incentives

Incentives may be provided to homeowners that relocate outside a 100 year floodplain.

1. Eligible Applicants must meet all the following criteria:
 - (i) Municipality must have applied for incentive grant funds, and
 - (ii) Applicant must be a low-and-moderate income (LMI) homeowner¹ that resided in the 100 year floodplain at the time of the 2008 disaster and have completed the buyout process, and
 - (iii) Applicant must purchase a new home outside the 100 year floodplain, and
 - (iv) The purchased property must serve as the applicant’s primary residence.
2. Individual Grant Threshold:
 - (i.) \$20,000 per homeowner who relocates in the city of buyout¹;
 - (ii.) \$15,000 per homeowner who relocates outside of the city but in the county of buyout; and
 - (iii.) \$10,000 per homeowner who relocates outside of city and county of buyout but remains in Illinois.
3. National Objective:
 - (i.) Must meet the national objective of benefitting persons of low and moderate income (24 CFR 570.483(b)), or
 - (ii.) Must meet the national objective of meeting community development needs having a particular urgency (24 CFR 570.483(d)) – *available to Henderson County homeowners only*.
4. Eligibility: Federal Register FR-5441-N-01 specifically allows for housing incentives to promote housing development or resettlement in particular geographic areas.

¹ Due to the substantial flood damage incurred by Henderson County in 2008 and the urgent need of homeowners to relocate outside the 100 year floodplain, exceptions will be granted to allow non-LMI homeowners in Henderson County that meet all other eligibility criteria to receive housing incentives.

¹ Exceptions may be granted for any community where 90% or more of the incorporated boundaries are within a 100 year floodplain and the homeowner relocates within the County.

The revised parameters for the “Ike” Property Buyout Program Housing Incentives are as follows:

A. Housing Incentives

Incentives may be provided to homeowners that relocate outside a 100 year floodplain.

1. Eligible Applicants must meet all the following criteria:
 - (i) Municipality must have applied for incentive grant funds, and
 - (ii) Applicants must be at or below 120% of the Area Median Income (AMI published annually by HUD) at the time the assistance is provided¹ and resided in the 100 year floodplain at the time of the 2008 disaster and have completed the buyout process, and
 - (iii) Applicant must purchase a new home outside the 100 year floodplain, and
 - (iv) The purchased property must serve as the applicant’s primary residence.
2. Individual Grant Threshold:
 - (i.) \$20,000 per homeowner who relocates in the city of buyout²;
 - (ii.) \$15,000 per homeowner who relocates outside of the city but in the county of buyout; and
 - (iii.) \$10,000 per homeowner who relocates outside of city and county of buyout but remains in Illinois.
3. National Objective:
 - (i.) Must meet the national objective of benefitting persons of low and moderate income (24 CFR 570.483(b)) or
 - (ii.) Must meet the national objective of meeting community development needs having a particular urgency (24 CFR 570.483(d))
4. Eligibility: Federal Register FR-5441-N-01 specifically allows for housing incentives to promote housing development or resettlement in particular geographic areas.

¹ Due to the substantial flood damage incurred by Henderson County in 2008 and the urgent need of homeowners to relocate outside the 100 year floodplain, exceptions will be granted to allow homeowners in Henderson County that exceed 120% of the AMI but that meet all other eligibility criteria to receive housing incentives.

² Exceptions may be granted for any community where 90% or more of the incorporated boundaries are within a 100 year floodplain and the homeowner relocates within the County

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* | 15. 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 | 15. 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 and Scott counties were declared under both the FEMA 1771 and 1800 declarations