

**2008**

**APPLICATION GUIDELINES**

**COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM**

**ECONOMIC DEVELOPMENT**

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## **COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM**

### **Federal and State Program Objectives**

The Community Development Block Grant (CDBG) Program was established by the federal Housing and Community Development Act of 1974 (Act). Administered nationally by the U.S. Department of Housing and Urban Development (HUD), the Act combined eight existing categorical programs into a single block grant program. In 1981, Congress amended the Act to allow states to directly administer the block grant for small cities. At the designation of the Governor, the Department of Commerce and Economic Opportunity assumed operation of the State of Illinois Community Development Block Grant -- Small Cities Program in the same year. The Illinois block grant program is known as the Community Development Assistance Program (CDAP). Through this program, funds are available to assist Illinois communities meet their greatest economic and community development needs, with an emphasis upon helping persons of low-to-moderate income.

To ensure that the state-administered program meets the intent of the federal Housing and Community Development Act of 1974, as amended, Congress has required that state-administered programs meet at least one of the following three national objectives:

- { Benefiting low-to-moderate income persons;
- { Aiding in the prevention or elimination of slums and blight; or
- { Meeting other community development needs that pose a serious and immediate threat to the health and welfare of the community.

To complement these federally-mandated objectives, the state has established the following specific objectives for the Community Development Assistance Program:

- { Strengthened community economic development through the creation of jobs, stimulation of private investment and strengthening the tax base;
- { Improvement of public infrastructure and elimination of conditions which are detrimental to health, safety and public welfare; and
- { Conservation and expansion of the state's housing stock in order to provide a decent home and a suitable living environment for persons of low-to-moderate income and the developmentally disabled.

Within the statutory requirements of the Act, Illinois has the flexibility to design its own program objectives and procedures for program administration and to develop criteria for selection of grant recipients. CDAP offers a variety of financial assistance programs which have been designed to meet locally defined community needs.

## SECTION I

### GENERAL APPLICANT INFORMATION

#### **A. FUNDING AVAILABILITY**

For 2008, the state's federal Community Development Assistance Program tentative allocation (assuming a 10% cut from 2007) is \$29,211,443.00. Each program component has a maximum funding level or grant ceiling. While grant ceilings establish the upper limits that may be requested, individual grants are invited only in amounts commensurate with requirements of the proposed project. Fund availability will be distributed as follows:

<u>Program Category</u>	<u>Budget</u>	<u>Grant Ceiling</u>	<u>Application Dates</u>
<b><i>Set-aside Programs</i></b>			
General Economic Development	\$8,000,000	\$750,000	
Emergency Public Facility	\$750,000	\$100,000	
MARS	\$750,000	\$100,000	
Community Revitalization	\$250,000	\$750,000 **	
Disaster Recovery*		\$750,000	
<b><i>Competitive Programs</i></b>			
Housing Rehabilitation	\$4,350,000	\$350,000	11/14/2008
Public Facilities Construction	\$11,385,101	\$350,000	2/20/2009 ***
Planning Assistance/Design Engineering	\$2,500,000	\$15,000 / \$150,000	5/15/2009
<b><i>Administration</i></b>			
Technical Assistance	\$292,114		
Administration ****	\$934,228		
<b>TOTAL</b>	<b>\$29,211,443</b>		

\* Funded from deobligated/returned grants.

\*\* Grant ceiling is larger than the program allocation to allow additional funding from returned and deobligated funds.

\*\*\* All applicants using income survey must submit the survey for review and approval no later than 11/15/2008. No application will be accepted without prior income survey approval.

\*\*\*\* Administration is proposed at 2% of the allocation and 2% of Revolving Fund (RF) program-income, plus \$100,000.

#### **B. ELIGIBLE APPLICANTS**

Only units of general local government (i.e., cities, villages, townships and counties) as defined by the Illinois State Constitution may apply for funding. Municipalities must be 50,000 or less in population and must not be located in an urban county that receives "entitlement" funds. **County and township applicants should not include areas that are incorporated within a city or village.** Incorporated areas should apply on their own behalf, regardless of whether a water district or sanitary district is involved.

Illinois has 38 metropolitan cities and eight urban counties that are receiving an annual allocation directly from the Department of Housing and Urban Development on an entitlement or formula basis. (See **ATTACHMENT A** for a listing of those areas.)

Local governments are limited in the number of applications which may be submitted and awarded in a program year. A local government may submit one application per component, per funding cycle and may be funded only once per component in a program year under all components except for the General Economic Development and Emergency Public Facilities components.

Units of local government may also submit "on behalf of " applications for local entities that otherwise may not be eligible to apply. In a situation where two or more eligible local governments face a common problem, a joint application may be filed. (See Page 64 of this Application Guide for a sample cooperation agreement.) Local governments, however, must not only share a common problem but must be able to demonstrate that a joint effort is required to solve the problem. Joint applications which are submitted only for administrative convenience will not be accepted. Local governments considering a joint application must contact the department prior to submittal. An "on behalf of " or joint application may not be filed for an entitlement city or a city located in an entitlement county. In addition, an "on behalf of" or joint application may not be filed solely for the purpose of circumventing the rule that a unit of local government may submit only one application per component.

C. **ELIGIBLE ACTIVITIES**

Under the CDAP Economic Development component funds may be used to assist for-profit and not-for-profit firms to carry out economic development projects. Generally, CDAP grant funds will be provided by the unit of local government to the profit or not-for-profit business under a financial assistance agreement at agreed upon terms.

"Financial assistance" means the provision of funds to an eligible economic development project through the purchase of any note, stock, convertible security, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate of subscription, transferable share, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under such a patent or application, or in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe to or purchase any of the foregoing, but not including any instrument which contains voting rights in the possession of the Grantee, or other means whereby financial aid is made to or on behalf of an Illinois company as appropriate to the form of agreement, for working capital, the purchase or lease of machinery and equipment, or the lease or purchase of real estate, but does not include refinancing debt. Loans, investments and lines of credit may be extended in participation with other financial institutions. By providing expanded application for CDAP funds, the unit of local government will have enhanced capacity to pool public and private resources in support of a community project. The business may use the funds for land acquisition; construction, reconstruction, installation or rehabilitation of commercial or industrial buildings, structures and other real property; equipment and improvements; and working capital expenses. Working

capital is defined as inventory, employee salaries, general operational expenses and advertising/ marketing expenses. CDAP funds may not be used as grants or loans to help service or refinance existing debt. Alternatively, CDAP funds may be used to finance public facilities and improvements in support of economic development (e.g., water system upgrade to serve an expanding business).

#### **D. INELIGIBLE ACTIVITIES**

The following activities are considered ineligible.

1. Construction of buildings, or portions thereof, used predominantly for the general conduct of government (e.g., city halls, courthouses, jails, police stations, etc.).
2. General government expenses.
3. Costs of operating and maintaining public facilities and services (e.g., mowing parks and replacing street light bulbs).
4. Servicing or refinancing of existing debt.

NOTE: Although an activity may be eligible, it may not be competitive given the state's funding criteria.

#### **\*Prohibition on Use of CDAP Assistance for Job-Pirating Activities**

The federal statute [HCDA, codified at 42 U.S.C. §5305(h)] and implementing regulations issued by HUD [24 C.F.R. §570.482(h) for state programs] establishing this anti-pirating policy, prohibit the state (and state grantees) from using CDAP funds for "job-pirating" activities that are likely to result in significant job loss in the Labor Market Area (LMA) from which the business is relocation. The regulation targets businesses that move (or expand) existing operations from on LMA to another LMA. Relocations within a LMA are not subject to the regulations.

The regulations prohibit providing CDAP funds to for-profit businesses (including expansions of existing businesses) if the funding will assist in the relocation of a plant, facility, or operation (terms defined in the regulations) – and – if the relocation is likely to result in significant loss of jobs in the LMA from which the relation occurs. A "significant job loss" is defined as:

- **500** jobs lost in a LMA is always considered a significant loss; and thus CDAP funds cannot be used in such cases.
- **25** or fewer jobs lost in a LMA is not a significant loss; and thus not a job-pirating problem, so CDAP funds can be used in such cases.
- **26-499** jobs lost may be significant job loss if the lost jobs are equal to or greater than one-tenth of one percent (0.1%) of the total number of persons in the labor force of the LMA from which the proposed business relocation would occur. As an example, 26 jobs lost would be a significant job loss in a LMA with a labor force size of 26,000 people.

Grants to communities for infrastructure improvements that aid in the relocations of a specific business are covered by this anti-pirating rule, being considered the same as directly assisting the relocations business.

Under the regulations a job will be considered to have been relocated if positions are eliminated at an existing operation within three (3) years of the time when CDAP funding assistance was provided to the expansion site operation of the business.

Certifications (by the business, as to non-relocation of jobs) are required by the regulations to be part of the agreement which governs CDBG assistance to the business. These certifications are made by the business, not by the grantee. The business must also contractually agree that if significant job losses do occur (within a 3-year window) at an existing location from which an expansion was CDBG assisted, then the business will reimburse the CDBG recipient (the community) for CDBG assistance provided to the business (directly) or expended on behalf of the business (e.g., infrastructure improvement project). These certifications and agreements to reimburse, by the business, must be a part of the MOU for the project.

The LMAs defined by the U.S. Department of Labor will be used. The designations of the LMAs and labor force data are found at the Bureau of Labor Standards website at <http://www.bls.gov/>

The HUD regulations in this area are very detailed. The guidelines explanations above are not intended to be a full explanation of this restriction. The full text of the regulations must be read and understood in order to achieve compliance. Attached as **ATTACHMENT B** is a copy of the rules.

#### **E. APPLICATION REVIEW AND EVALUATION PROCESS**

The screening and review process for the program is designed to ensure that limited CDAP funds are awarded to communities that demonstrate the need for financial assistance and have a well-designed project. The actual number and types of awards will be subject to funding availability and the amount of each applicant's request. All recommendations are forwarded to the director of the department who makes the final funding decisions; however, all decisions will be based on the general distribution of funds outlined on the following pages.

The department will review all applications as follows:

- { Projects which do not benefit at least 51 percent low-to-moderate income persons will not be reviewed further.
- { Each application will be evaluated according to the evaluation criteria described in Section III of the applicable application guidebook. After reviewing each application, site visits may be made for the purpose of verifying information and further evaluating projects. The department reserves the right to collect additional project documentation.
- { Characteristics that will be considered in the final funding decision include the following:

- demonstrated need for CDAP financial assistance;
- capacity to implement the project immediately and complete it in the shortest time possible;
- financial soundness and design of a project; and/or
- coordinated use of other resources.

## F. **APPLICANT INFORMATION**

1. Costs incurred in preparation of applications are not reimbursable under this grant program.
2. The department reserves the right to reject any or all applications received, to negotiate or to cancel in part, or in their entirety, grants resulting from application awards if it is in DCEO's best interest to do so.
3. The department reserves the right to withdraw a commitment for CDAP funds where special grant conditions have not been satisfied 60 days after the date of the executed grant agreement or at the discretion of the department if it is determined the project will not progress.
4. Project applications may consist of one or more activities which are directly related to or obviously complementary to or supporting one principal activity. The principal activity must clearly be designed to address needs appropriate to the particular CDAP component under which an applicant may apply. The selection of the appropriate program component is the responsibility of the applicant.
5. The department reserves the right to establish the amount of grant funds awarded, raise the individual grant ceilings, and to shift funds from one CDAP component funding area to another.
6. The department reserves the right to deny funding when submitted applications involve eligible units of government with serious unresolved audit or monitoring findings related to the performance capacity.
7. On an annual basis, the department will re-evaluate the timely distribution of funds under all program components, as well as the availability of unspent and recaptured funds. Unspent and recaptured funds will be awarded to fund additional projects. Depending upon available funds, a Back-up Funding round may be implemented in November.

**G. SUBMISSION INFORMATION**

Applications may be submitted on an as-needed basis. All applicants should complete the application package and submit an original and two copies to the department. Facsimile submissions will not be accepted. The following address should be used for all application submissions under CDAP's economic development component:

Department of Commerce and Economic Opportunity  
Division of Community Assistance  
620 East Adams Street, Mail Code: CIPS-3  
Springfield, Illinois 62701

**H. TECHNICAL ASSISTANCE**

If you have any questions concerning the application process, please call DCEO at 217/785-6142, TDD: 800/785-6055.

## SECTION II

### **PROGRAM INFORMATION AND POLICIES**

This section of the Application contains a description of the general requirements and policies which are applicable to all CDAP projects.

#### **A. LOW-TO-MODERATE INCOME REQUIREMENTS**

All projects funded through the CDAP Economic Development Component must benefit at least 51.0 percent low-to-moderate income (LMI) persons that are either created and/or retained, as determined by HUD Section 8 Income Guidelines (**ATTACHMENT C**). At the time of closeout of the project, 51.0 percent of the total number of actual jobs created and/or retained must benefit low-to-moderate income persons.

Job Creation -- If a project involves job creation, evidence of benefit can be documented in one of two ways. The business must agree to:

- a) obtain and keep on file for verification necessary information about the family income of the individual hired, through the use of the Employee Income Certification Form (see page 49 of this application guidebook); and/or
- b) accept employment referrals through the local Illinois Employment and Training Center.

Job Retention -- If a project involves job retention, the Employee Income Certification Form (see page 50) must be completed by each existing employee to be retained as a result of the project and the original forms must be submitted as part of the application package.

#### **B. CITIZEN PARTICIPATION**

All applicants **must** provide for public participation. A public hearing must be held prior to submission of an application and prior to passage of a local council resolution of support. The Notice of Public Hearing **must** be published at least once in a newspaper of general circulation at least seven calendar days (excluding the date of publication) prior to the public hearing. If this publication guideline is not met, the application will not be reviewed further. The public hearing must cover: (a) the amount of funds available; (b) the range of activities that may be undertaken as the result of CDAP assistance; (c) the estimated amount proposed for activities that will benefit low-to-moderate income individuals; (d) plans for minimizing displacement as a result of the CDAP grant-assisted activities and to assist persons actually displaced, if applicable; and (e) a detailed prioritized list of community development needs. **Please note: Specific community development needs must be described and prioritized in the certified minutes.** The minutes of the public hearing must be certified by the chief elected official or other authorized local officials, such as county clerk, city clerk, etc. Efforts must be made to assure reasonable access to the public hearings by persons with disabilities. In addition,

public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate. Those attending the public hearing must be informed of where and how to access the applicant's CDAP records. A copy of the public hearing attendance sheet must be included as part of the citizen participation documentation. It is suggested that each person attending the public hearing provide his address and identify his role of participation (e.g., citizen, elected or appointed official, municipal employee, contractor, grant administrator, business owner, etc.). Subsequent to such meeting, a resolution of support from the local governing body must be passed that authorizes the local government to apply for funds.

**Note:** Successful applicants must also conduct a close-out public hearing to review program performance and obtain citizen views regarding program activities and performance under the grant. The same notice and publication requirements apply, as noted above.

**C. APPLICANT/GRANTEE/RECIPIENT DISCLOSURE**

Subsequent to Section 102 of the Housing and Urban Development Reform Act of 1989, a number of provisions ensure greater accountability and integrity in the way HUD and its grantees make funds available. CDAP is one of the HUD programs covered by Section 102. Applicants will be required to complete a disclosure form (pages 66 - 69) at the time of application, and if approved, update the form as required.

**D. ADMINISTRATION**

CDAP funds may be used to finance reasonable costs associated with general management, oversight and coordination of the project. Such costs include, but are not limited to, salaries, travel costs, administrative services performed under third party contracts, including legal and audit services or other services required for administration of the grant, and under Financial Intermediary Agreements.

Planning and administration costs are eligible with the exception of pre-program costs, such as application preparation and local income survey costs. Local governments should take into consideration staffing, and environmental review costs when determining administration need. CDAP funds requested for grant administration should be detailed on the "CDAP Administration Costs Which Will Be Paid Out of CDAP" (page 52). Administration budgets submitted may include the estimated cost of an audit to be conducted in accordance with the Comptroller General's Governmental Auditing Standards and the Single Audit Act, as amended by the Single Audit Act Amendments of 1996, and the Office of Management and Budget (OMB) Circular A-133, if applicable. However, be advised that CDAP funds can only be used to pay for its portion of the costs of an audit when a "single audit" is required by A-133. If a grantee expends less than \$500,000 of federal funds in one fiscal year, a single audit is not required. The grantee may still have to conduct an annual audit as required by state statute, but CDAP funds may not be used to pay for any portion of the audit costs.

The maximum amount of CDAP funds which will be allowed for grant administration for the Economic Development Component is as follows:

**Infrastructure improvement projects on behalf of businesses**

<u>CDAP Grant Amount</u>	<u>Percentage for Administration</u>
\$0 to \$50,000	10%
\$50,001 to \$250,000	7%
\$250,001 to \$750,000	6% (not to exceed \$30,000)

**Financial assistance to businesses (i.e., working capital, machinery and equipment, etc.)**

<u>CDAP Grant Amount</u>	<u>Percentage for Administration</u>
\$0 to \$750,000	3%

**E. STATE AND FEDERAL COMPLIANCE AREAS**

Each applicant must agree to comply with all applicable federal and state requirements. These can have a significant impact on the costs and complexity of a project. Applicants who receive a grant award will be expected to submit signed assurances that they will comply with all federal mandates. Some areas which applicants must comply with include:

1. The National Environmental Policy Act (NEPA) establishes procedures for protecting the environment. In order to use the CDAP funds awarded to a local government, the grantee has to comply with environmental procedures, standards and guidelines mandated by NEPA and all other applicable environmental regulations (e.g., prime farmland protection, historic preservation, floodplain hazards, etc.). Applicants may conduct environmental reviews during the application phase. Costs associated with the application phase review are reimbursable by the department for those applicants that are awarded a CDAP grant. **Please refer to Section III E for Instructions to initiate the early warning environmental review process.**

**NOTE:** Federal statutes (the National Environmental Policy Act and HCDA) and HUD implementing regulations (24 C.F.R. Part 58) require that CDAP-assisted projects must have an appropriate environmental review process completed and an environmental clearance letter issued by the Department prior to costs for the project being incurred, whether those costs are incurred by the community or the assisted business and regardless of the source of funding. The process must be documented with an appropriate environmental review record. The environmental review process and its documentation are the responsibility of the applicant unit of general local government. The entire project – not just a portion of the project which might involve CDAP-funded activities – must be aggregated when reviewing the project’s environmental impact.

**The time required to complete the entire process of environmental review varies considerably depending on the facts and circumstances of each project. The process can take as little as a few days to as much as several**

**months. The time requirement for the process is often underestimated by businessess. In many projects, clearing the environmental review is a time-consuming task, so start the process immediately.**

Questions should be directed to Kara Cozadd at (217) 558-2844.

2. The Interagency Wetland Policy Act of 1989 requires applicants to certify that the proposed project is compatible with established State of Illinois policy regarding wetlands (i.e., to minimize the destruction of existing wetlands in Illinois as a result of state and state-supported activity).
3. The Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act require consultation with the Endangered Species Consultation Program of the Illinois Department of Natural Resources to assure compliance. The consultation process must be implemented to avoid or minimize adverse impacts to state listed species and their essential habitats that may result from the actions of state and local units of government. Applicants must certify the completion of the consultation process for all non-exempt proposed projects.
4. The Davis-Bacon Prevailing Wage Act requires the payment of prevailing wages for all construction funded in whole or in part with federal funds, including funds passed through to private firms. If your project involves construction and/or equipment installation, you should contact the department so a determination can be made concerning the applicability of federal labor standards.
5. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1987 applies to federally assisted activities that involve the acquisition of real property or the displacement of persons, including displacement caused by rehabilitation and demolition activities. Any person or business displaced as a direct result of federal assistance must be provided with Uniform Relocation benefits.
6. Equal Opportunity and Fair Housing Accessibility Laws require that CDAP grantees administer their project in a manner that affirmatively furthers equal opportunity and fair housing. All CDAP grantees will be required to undertake specific activities to further fair housing. CDAP grantees must assure all activities and services are accessible to persons with disabilities.
7. Section 3 under the Housing and Urban Development Act of 1968 requires recipients to give, to the greatest extent feasible and consistent with the existing federal state and local laws and regulations, job training, employment, contracting and other economic opportunities to Section 3 residents and Section 3 business concerns.

#### **F. INITIAL GRANTEE RESPONSIBILITY**

Successful applicants will receive a separate grant award document specifying terms and conditions of its grant. It will include the following:

- { Scope of Work;
- { Special Grant Conditions;
- { Grant Budget; and
- { Program Assurances and Certifications.

In general, grantees will be expected to sign and return the grant award document within 30 days from the date of the letter transmitting the grant award document to the grantee. Grantees are expected to meet all special grant conditions within 30 days of the grant award execution date.

No project costs may be incurred prior to authorization by the department, and release of funds will not occur without a fully executed grant award document and clearance of all special grant conditions. It is important to note the following:

- a) CDAP administrative costs may be incurred as of the date of the grant award letter;
- b) Project costs (both CDAP and non-CDAP funds) may be incurred only after receiving a grant award letter and meeting environmental review requirements; and
- c) CDAP funds will not be disbursed until all special conditions are met.

NOTE: The grant could be terminated if CDAP funds are incurred prior to notification from the department that the grantee has satisfied the environmental review requirements.

## SECTION III

### **GENERAL ECONOMIC DEVELOPMENT COMPONENT**

#### **A. APPLICATION REQUIREMENTS**

The department has allocated \$8,000,000 in block grant funds to this program component and established a grant ceiling of \$750,000. The general Economic Development Component funds are available on an as-needed basis throughout the year to all eligible applicants meeting program component requirements until all funds allocated to this component have been distributed. All awards in this category are predicated upon project feasibility and a demonstrated need for funds. This will include a review of all sources and uses of funds, an analysis of the recipients ability to comply with the terms of the Financial Assistance Agreement, and a determination that CDAP participation is appropriate.

Only projects which create and/or retain permanent jobs in the industrial and commercial sectors will be funded. Projects should attract sizable private investment, have solid commitments to create or retain permanent jobs and demonstrate financial feasibility and benefit to low-to-moderate income persons. Financial feasibility is determined by the anticipated project in relation to the company's ability to maintain continuous operation beneficial to the public based on the anticipated operations costs, of less than or equal to anticipated income, or the availability of equity to cover any shortfalls as identified in the review of the company's historical and projected financial statements. Further, there must be evidence that the project and related investment would not occur without CDAP involvement.

CDAP Economic Development funds may be used to assist private for-profit and not-for-profit businesses to carry out economic development projects. Generally, CDAP grant funds are granted to communities to be provided as financial assistance to a private profit or not-for-profit entity who must document the need for grant and/or financial assistance. The recipient may use the funds for land acquisition; construction, reconstruction, installation or rehabilitation of commercial or industrial buildings, structures and other real property; equipment and improvements; and working capital. Working capital is defined as inventory, employee salaries, general operating expenses and advertising/marketing expenses. The refinancing of existing debt is not an eligible activity.

The department will negotiate the relevant terms and conditions for financial assistance. These terms will be flexible and consistent with the risk involved, and consistent with the terms of comparable private market instrument. Where financial assistance is provided through a debt instrument, the department may match, but not exceed the terms and conditions of the participating lender and take a subordinate collateral position. The minimum interest rate on loans under the economic development component is three percent to be computed on the unpaid balance and amortized monthly. The CDAP loan rate will be established at the time of loan commitment.

In addition to using CDAP funds for financial assistance to businesses, units of local government may use CDAP funds for public facilities improvements in support of economic development, such as a water main extension to serve a new business.

B. **LOW-TO-MODERATE INCOME BENEFIT REQUIREMENTS**

The following is a requirement of all applicants under this component. An application must document at least a 51.0 percent benefit to low-to-moderate income persons or it will not be reviewed further.

Low-to-moderate income status is based upon a determination of family size and family income using the median family income for the county in which the project is located. See **ATTACHMENT C** for the HUD Section 8 Income Guidelines.

If a project involves job creation, evidence of benefit can be documented in one of two ways. The business must agree to:

- Document the family income of each individual hired through the completion of the Employee Income Certification Form (see page 49); and/or
- Accept employment referrals through the local service provider under the Workforce Investment Act (WIA).
- Document the family income of each existing employee retained through the completion of the Employee Income Certification (see page 50)

C. **SPECIAL REQUIREMENTS FOR ECONOMIC DEVELOPMENT**

1. **Grant Funds Provided as Financial Assistance to a Business in Support of Economic Development**

The following requirements, in addition to those listed in Section II, apply to applications submitted for consideration under the Economic Development Component requesting grant funds in providing financial assistance to a business in support of economic development.

- a. All projects are reviewed to determine whether CDAP funding is appropriate. The supporting financial data which must be submitted by the business are outlined on pages 34-36. The following elements are included in the department's determination of "appropriate" if the activity complies with public benefit standards set forth in 24 CFR 570.209(b):
  - { The department will review each project cost element to determine that the cost is reasonable and consistent with third-party, fair-market prices for that cost element.
  - { The department will review all projected sources of funds necessary to complete the project. The applicant must verify that all sources (in

particular private debt and equity financing) have been firmly committed and are available to be invested in the project.

- { A financial review will be conducted to ensure that CDAP funds are not being substituted for available private debt financing or equity capital. The amount of CDAP assistance provided to a business will be limited to the amount, with appropriate terms and conditions, sufficient to allow the project to go forward without substituting CDAP funds for available private debt or cash equity. Terms will be structured so that the business is allowed a reasonable rate of return on invested equity, considering the level of risk of the project. The **minimum** interest rate for a CDAP loan is three percent (3%). In completing the financial analysis, the department reserves the right to set a higher rate of interest. Factors influencing the department's pricing evaluation include, but are not limited to, profitability, cash flow, collateral coverage and use of funds.
- b. The participating business must meet one of the following criteria in determining the appropriate level of financial assistance:
  - { Financing Gap - This argument will demonstrate that a business can raise only a portion of the financing necessary to complete a project.
  - { Locational - This argument is used when a firm or business is considering multi-state location options. CDAP funds are needed to equalize cost factor variations between sites. This requires cost disclosures for each site under consideration.
  - { Rate of Return - This argument is traditionally used for developer projects. It assumes that full financing is available, but the rate of return is insufficient to induce development as determined by prevailing industry standards.
- c. For successful applicants, the department will issue a written agreement or grant award document which will contain among other things, the conditions attendant to the grant. In addition, the department will participate in the drafting of the loan agreement and/or other relevant Financial Intermediary Agreements.

If the department's evaluation of the liquidation value of the collateral or other forms of secured interest offered indicates that it is insufficient, the department reserves the right to deny the application or require additional security interests. The Department will conduct a financial analysis of the assisted company in relation to the proposed project. The Department will assess the risk of potential project failure (the project will not come to fruition and, if applicable, the potential that CDAP loan funds would not be repaid either through cash flow or liquidation of collateral) and weigh this risk against the potential project benefit [the number of jobs created/retained, type of jobs created/retained, private leverage invested and the level of distress of the area that will benefit from the project (i.e.,

county rate of unemployment as compared to the state wide average)]. The Department will approve the project if it determines that the risk is reasonable, that is, the potential benefit outweighs the potential financial risk. Applicants should note that “additional security interests” may include guarantees from a spouse and/or a subordinate mortgage against a personal residence, royalties, and convertible debt.

- d. The following are examples of what will generally be required of all businesses as a condition of a CDAP financial assistance closing:
  - { Written evidence of finalization of all sources of financing (copies of promissory notes, commitment letters);
  - { Finalization and documentation of all project costs (a detailed narrative for all non-CDAP activities with corresponding costs) and independent vendor cost estimates which verify expenditures associated with CDAP activities;
  - { Written evidence of lease or sale between the owner of the real property and the company;
  - { Business interruption insurance;
  - { Assignment of life insurance on the principal(s) in the amount of the financial assistance which will be a decreasing term unless equivalent dollar amounts for existing permanent type insurance are substituted;
  - { Subordination of all existing and future officer and director's notes payables for the term of the loan in favor of the local government. If there is no such subordinated debt, the company must attest that there are not such subordinate note holders, and its Board must resolve that no loans to officers and directors will be made by the company for the duration of the CDAP financial assistance;
  - { Certification of Insurance evidencing coverage for general liability, workers compensation/employer's liability and all business personal and/or real property designating the unit of local government as loss payee and/or mortgagee; and
  - { Preliminary mortgage title commitment policies; and
  - { Certificate of Good Standing from the Illinois Secretary of State and the Illinois Department of Revenue.
- e. Payments, which may include principal and interest, generated from financial assistance may be recaptured by the local government provided an approved recapture strategy is formulated and approved by the department. Recaptured funds must be used to capitalize a revolving loan fund for further economic development. All recipients who will be providing financial assistance to businesses must submit a recapture strategy. An outline of those elements which at a minimum must be addressed in any recapture strategy is contained on page 62. Use of the recapture payments are subject to the recapture statement submitted to the department and will be monitored.
- f. In addition, all economic development grant applications for financial assistance must meet the requirements in Part D, paragraphs 1 - 6 on pages 18-20.

## 2. **Grant Funds for Public Infrastructure in Support of Economic Development**

The following requirements, in addition to the requirements listed in Section II, apply to applications requesting grant funds for public infrastructure in support of economic development.

- a. All projects are reviewed to determine whether CDAP funds are appropriate. The supporting financial data which must be submitted by the business are outlined on pages 37-39. The following elements are included in the department's determination of "appropriate":
  - { The department will review each project cost element to determine that the cost is reasonable and consistent with third-party, fair-market prices for that cost element.
  - { The department will review all projected sources of funds necessary to complete the project. The applicant must verify that all sources (in particular private debt and equity financing) have been firmly committed and are available to be invested in the project.
  - { A financial review of the unit of local government will be conducted to ensure that it does not have the capacity to fund infrastructure improvements without CDAP assistance.
- b. For infrastructure-related projects, the unit of local government must demonstrate the financial gap argument as the sole rationale for funding. This rationale will be determined through the review of the unit of local government's audit to ensure that it does not have the capacity to fund infrastructure improvements without CDAP assistance.
- c. For successful applicants, the department will issue a written agreement or grant award document and Participation Agreement which will contain among other things, the conditions attendant to the grant.
- d. The following are examples of what will generally be required of all businesses as a condition of a CDAP grant closing:
  - { Written evidence of finalization of all financing (copies of promissory notes and commitment letters);
  - { Finalization and documentation of all project costs (a detailed narrative for all non-CDAP activities with corresponding costs) and independent vendor cost estimates which verifies expenditures associated with CDAP activities;
  - { Written evidence of lease or sale between the owner of the real property and the company; and
  - { Confirmation by the appropriate legal authority that all infrastructure related activities will take place on publicly-owned property.

- e. Applicants or the entity that will own and operate the improvement, e.g., water or sanitary district must also provide their most recent certified local government audit and complete the Local Government Financial Checklist on page 53.
- f. As a condition of the award of a grant for the construction of public infrastructure in support of economic development, the grantee will be required to enter into a "Participation Agreement" with the business regarding the specific CDAP project objectives, e.g., investment, jobs, low-to-moderate income benefit, and the applicable sanctions that may be applied if those objectives are not satisfied. The department will provide this agreement at the time the grant agreement is issued and its execution will be a condition of award.
- g. In addition, all economic development grant applications for public infrastructure must meet the requirements in Part D, paragraphs 1 - 6 below.

**D. ADDITIONAL PROGRAM INFORMATION AND REQUIREMENTS FOR ALL ECONOMIC DEVELOPMENT GRANT APPLICATIONS**

- 1. If a start-up project is proposed, leveraging must include an equity injection of at least 20 percent of the total eligible non-CDAP financing. The Director may waive this requirement for good cause. Good cause may include, but is not limited to, cases where CDAP funds are used for the construction or rehabilitation of public infrastructure, where the equity requirement would create an unreasonable hardship for the applicant, where financial assistance is sought by a minority enterprise, where other conditions of the loan are so firmly supported that the equity requirement is not necessary or where the need for job creation in the geographical area far exceeds the relative security offered by the 20 percent equity requirement.
- 2. In accordance to HUD's interim rule published October 24, 2000, 24 CFR Part 570, Prohibition of Use of Community Development Block Grant Assistance for Job-Pirating Activities, grant funds may not be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from one area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.

Priority will be given to export-oriented jobs. Export jobs are defined as jobs which are created or retained by a company where the final user of its product or service is not a resident of the state.

- 3. Projects involving the retail sale of goods and services are generally considered of lower priority. The department will target assistance for retail/commercial projects toward either minority or female owned businesses or businesses that are located in a Tax Increment Financing District, Illinois State Enterprise Zone, federal empowerment zone/enterprise community, areas of high unemployment

(i.e., the applicable county unemployment is higher than the state average), or a business which addresses a void in the local retail and/or service economy.

4. The following activities are ineligible under the Economic Development Component.
  - (a) Assistance to professional sports teams;
  - (b) Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele where the benefit to such clientele clearly outweighs employment or other benefits to low-to-moderate income persons;
  - (c) Acquisition of land, for speculative purposes, for which no specific proposed use has been identified;
  - (d) Additional assistance to a for-profit business while that business is the subject of unresolved findings of noncompliance relating to previous CDAP assistance; and
  - (e) CDAP funds will not be approved in direct support of projects for gambling or construction of facilities that have gambling as their principal purpose.
5. Each applicant must show evidence that initial contact has been made with concerned state agencies in accordance with federal NEPA requirements described on page 8 of this application guide. At a minimum, the applicant must submit evidence that they have contacted the following state agencies: Illinois Environmental Protection Agency, Illinois Department of Agriculture, Illinois Department of Natural Resources and the Illinois Historic Preservation Agency. Instructions for preparing these "early warning" letters of notification are contained on pages 20-23 of this application guide.
6. To assist applicants in the preparation of applications, certain terms are defined below:

Resource Leveraging - a financial contribution which includes other sources of private and public financing (e.g., U.S. Department of Commerce, Economic Development Administration, U.S. Small Business Administration, Illinois Environmental Protection Agency, and USDA Rural Development). Leveraging may include cash equity infusion by either the owner(s) of the company or by the corporation itself. Machinery and equipment brought into the state from another state are an additional source of leverage. (The value will be determined based upon market value.) Under-utilized land and/or buildings will also be considered when the appraised value qualifies them as under-utilized. There are exclusions to the leveraging definition, and the following exceptions apply:

- { Costs that are integrated with the project and incurred prior to date of grant award will not count as leverage;
- { Retained earnings will not be considered cash equity;
- { Locally held CDAP recapture funds will not be considered as leverage, nor will funds from other department funded programs, e.g., Weatherization, although they may be used to further the project;

- { Generally, the Illinois Department of Transportation (IDOT) will not recognize CDAP funds as leverage against their program funds. However, DCEO recognizes IDOT as a legitimate source of match funds. Please check with IDOT staff in determining their eligibility requirements prior to submitting the CDAP application.
- { Existing in-state equipment, land, buildings, furnishings, inventory, etc., already owned and paid for and being utilized will not be considered leveraging (not including under-utilized land/buildings). Inventory (both existing in Illinois and/or brought into the state from another state) is not considered leverage;
- { Contracts for Deed without a due and payable clause or which are an apparent substitution for simple rent will not be counted as leverage; and
- { Post project costs such as operational expenses will not be considered.

**Full-Time Equivalent (FTE) job** - 1,950 hours of employment in a 12 month period. **(Permanent employees only)**

**Term Loan** - an amortizing loan of a defined duration of at least one year. The term of a CDAP loan shall not exceed the term of the other lenders or investors in the project when funds are used for the same purpose.

**Equity** - tangible assets such as cash, under-utilized land and/or buildings and machinery/equipment located out of state which is unencumbered and available to be put into the project. Cash must be immediately available and unencumbered at the time CDAP funds are disbursed. Machinery and equipment will be accepted at their market value. Land and buildings will be accepted at their fair market value.

**Post Operating Expenses** - necessary business costs incurred after completion of the "project" as defined, which are funded from future internally generated sources of cash. Typical situations which constitute post-operational costs are: 1) future retained earnings to finance project activities; 2) the future sale of excess equipment; and 3) the recognition of future increases in operating costs from the completion of the cash-to-cash inventory and accounts receivable cycles.

## **E.    EARLY WARNING ENVIRONMENTAL REVIEW INSTRUCTIONS FOR ECONOMIC DEVELOPMENT PROJECTS**

The National Environmental Policy Act (NEPA) requires grantees to conduct a review of the environmental effect of a proposed project. As part of this environmental review, applicants must afford the following four state agencies the opportunity to comment on proposed projects prior to the formal environmental review:

1. Illinois Environmental Protection Agency
2. Illinois Department of Agriculture
3. Illinois Historic Preservation Agency

#### 4. Illinois Department of Natural Resources

For purposes of submitting a CDAP application, each applicant must attach a copy of the initial letter of notification to each of the four primary agencies.

Described below is the information each agency requires to complete its review. These items, as appropriate, are to be included in a brief letter explaining the purpose and scope of the project. The letter should also include a contact person, other than the mayor, who is familiar with the project, and can supply additional project information. For purposes of the formal environmental review, these agencies must "sign-off" or respond in writing to the results of their findings prior to publication of the required notice. However, this response is not required as part of the application package. ***The department encourages applicants to initiate the early warning process at the time of application.***

Some projects, depending on activities undertaken, may be exempt from agency review. Refer to Attachment D for a listing of exempt activities, by agency.

##### Illinois Environmental Protection Agency (IEPA)

The IEPA reviews CDAP economic development projects to evaluate the need for permits and necessary environmental controls. If the IEPA is provided with the following information on manufacturing operations and water management plans, the IEPA review can be expedited.

1. Identification of the materials, production processes and products;
2. Anticipated production rates;
3. Anticipated water use and wastewater discharge;
4. Anticipated quality of wastewater (characteristics);
5. Volume and types of hazardous or solid waste generated;
6. Air emission sources and control equipment;
7. Determination of whether sewer or water main extensions will be required;
8. Name and telephone number of manufacturer's representative (plant manager or environmental engineer).

A letter addressing each of the above factors as applicable should be addressed and mailed to the following location:

Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, Illinois 62794-9276

Illinois Department of Agriculture (IDOA)

The Illinois Department of Agriculture reviews the agricultural impacts associated with each project proposal. To facilitate this review, the letter to IDOA should be accompanied by their form, "Agricultural Review Information" which is included in this application guidebook (**Attachment D-1**).

All letters should be addressed to:

Illinois Department of Agriculture  
Bureau of Farmland Protection  
State Fairgrounds  
P.O. Box 1928  
Springfield, Illinois 62794

Illinois Historic Preservation Agency

Applicants involved with activities that include federal involvement at any phase of a project must take into account how their undertakings could affect historic properties (properties listed in or eligible for listing in the National Register of Historic Places). The Illinois Historic Preservation Agency (IHPA) has been designated to act as the review body for these projects. Prior to publication of the notices, a letter must be issued by the IHPA stating that the grantee has complied with all historic preservation requirements.

To facilitate this review, the letter to IHPA should be accompanied by their form, "Illinois Historic Preservation Agency Project Review for Community Development Assistance Program -- Public Facilities Grants" which is included in this application guidebook (**Attachment D-2**).

All letters should be addressed to:

Illinois Historic Preservation Agency  
Preservation Services Division  
Old State Capitol  
Springfield, Illinois 62701

Illinois Department of Natural Resources (IDNR)

Any construction, land management, or other activity authorized, funded or performed by a state agency or unit of local government that will result in a change to the existing environmental conditions and/or may have a direct or indirect adverse impact on a listed species or its essential habitat or that otherwise jeopardizes the survival of that species requires Illinois Department of Natural Resources review. This will include rezoning requests for lands currently zoned as agricultural or "open space" designation to one that would allow development and includes the approval of Planned Unit Developments, conditional or special use permits and preliminary and final subdivision plans.

Rezoning request for lands currently zoned, developed and used in its entirety for commercial, industrial or residential purposes and the issuance of building and zoning use permits, and other non-discretionary decisions by administrative officials are exempt.

When a unit of local government proposes an action that requires review, a Department of Natural Resources Endangered Species Consultation Agency Action Report form (or equivalent information) must be completed and submitted to the Department of Natural Resources. The Department of Natural Resources will review for the presence of listed species. Additional information will be requested.

To facilitate the review, the letter to IDNR should be accompanied by their form, "Endangered Species Consultation Program & Interagency Wetlands Act Agency Action Report" which is included in this application guidebook (**Attachment D-3**).

All requests for reviews should be addressed to:

Illinois Department of Natural Resources  
Division of Natural Heritage  
One Natural Resource Way  
Springfield, Illinois 62702-1271

## **F. APPLICATION EVALUATION**

Each application for funding under the general economic development component will be considered using the four categories identified below in determining the appropriate level of financial assistance:

- { Project Benefit
- { Benefit to Low-to-Moderate Income Persons
- { CDAP Dollars to Jobs Ratio
- { Resource Leveraging

### **1. Project Benefit**

Five factors will be considered under this criterion:

- a. Project Need - Describe in sufficient detail the need for the project and the specific role of CDAP in the project, including any other options which have been pursued. Evidence of project need is demonstrated through a well-developed justification for public financing, either locational, financial or rate of return. The discussion should also address why other financing options could not be obtained or are not feasible, and repercussions if funding is denied. Additional supporting documentation of need would include high unemployment levels (i.e., applicable county unemployment rate is higher than the state average), or other factors demonstrating public benefit. The company must demonstrate the need for program funds by including evidence that the project's financing cannot be obtained without Department participation at an interest rate and term that makes the project viable in conjunction with leverage funds.
- b. Project Design - Describe the activities that will be undertaken for this project with an emphasis upon project specifics, the reasonableness of activities, their timelines and how the needs, activities and projected impact will interrelate.

- c. Financial Commitments - Provide evidence of firm commitments from all lenders and investors for the non-CDAP portion of the project. Refer to page 38 for a sample leverage commitment letter.
- d. Financial Feasibility - Provide adequate documentation of project feasibility and the company's ability to bring the project to fruition. Financial feasibility of the project is a measure of the company's ability to maintain continuous operation beneficial to the public interests as determined by anticipated operational costs, of less than or equal to the anticipated income or the availability of equity to cover any shortfall based on historical and projected financial statements. For guidance on specific information to be submitted, refer to pages 34 to 39.
- e. Commitments for Job Creation/Retention - Provide firm assurances from the borrower (employer) regarding the number of permanent jobs to be created or retained for low-to-moderate income persons, types of positions and the time frame for job creation, not to exceed 24 months.

## 2. **Benefit to Low-to-Moderate Income Persons**

Applicant projects must benefit at least 51 percent low-to-moderate income persons. All applicants must identify the methodology used to determine the percentage of project benefit to low-to-moderate income persons. The Analysis of Benefit to Low-to-Moderate Income Persons Form in Part III of this Guide will be used to determine benefit. At the time of closeout of the project, 51.0 percent of the total number of actual jobs created and/or retained must benefit low-to-moderate income persons.

## 3. **CDAP Dollars to Full-Time Equivalent (FTE) Jobs Ratio**

This factor considers the number of permanent FTE jobs to be created or retained with CDAP dollars within a specified period, with a maximum period of 24 months from the date funds are awarded based upon the written commitment of the borrower (employer). Projects must demonstrate at least one FTE job will be created and/or retained for each \$15,000 of CDAP funds – no exceptions will be made. (No credit will be given for temporary construction jobs or other temporary jobs that are created for the duration of the project.)

## 4. **Resource Leveraging**

This considers the ratio of other (non-CDAP) funds to total CDAP funds being invested in the project. The evaluation threshold is a 1.5:1 ratio; however, the department will consider a lower level of leverage if necessary to make the project feasible. In no instance will this level be less than a 1:1 ratio. Only those funds firmly documented will be accepted as leverage.

For applicants that are not funded, denial reasons often include the following:

- { No justification of the need for funds;
- { Insufficient collateral;
- { Project commenced, e.g., leverage/CDAP funds committed prior to department approval;

- { Projected financial data, particularly sales growth, not documented; and/or
- { Revenues insufficient to cover debt service; and
- { Evidence that program funds replace sources of capital available to the business and/or community.

**Potential applicants are cautioned that costs incurred against any funds used as leverage prior to the award of a grant and completion of the formal environmental review will not count as leverage and may jeopardize project funding.**

## **SECTION IV**

### **APPLICATION FORMS**

**Note:** *Applicants are not required to use the forms contained in this application guide. However, any forms generated by the applicant must contain all the information requested on the DCEO forms. Incomplete forms will not be accepted.*

**PART A**  
**PROJECT INFORMATION**

SAMPLE

Letter of Transmittal

Illinois Department of Commerce  
and Economic Opportunity  
620 East Adams Street  
Springfield, Illinois 62701

Dear Director:

The (unit of local government) is submitting an application for an economic development grant under the Community Development Assistance Program (CDAP) for a \_\_\_\_\_ project. The grant request is in the amount of \$\_\_\_\_\_ to be used to (use of funds). The benefit to low-to-moderate income individuals is \_\_\_\_ %. The grant will be leveraged by \$\_\_\_\_\_ in additional public and private funds.

Very truly yours,

(Signature of Chief Elected Official)  
(or designee)

**ECONOMIC DEVELOPMENT**  
**CDAP SUBMISSION CHECKLIST AND TABLE OF CONTENTS**

All CDAP applications will be screened for completeness. Applicants must complete and submit this checklist with the application. **All pages of the application must be sequentially numbered.** Use the right-hand column, labeled "Page Number", to indicate the page for each item.

- Letter of Transmittal from Chief Elected Official
- One original and one copy of the application
- Completed Submission Checklist/Table of Contents

**PROJECT INFORMATION** **PAGE NUMBER**

- CDAP Applicant Project Information \_\_\_\_\_
- CDAP Economic Development Fact Sheet \_\_\_\_\_
- Business Financial Documentation Required for Financial Assistance \_\_\_\_\_
- Business Financial Documentation Required for Infrastructure \_\_\_\_\_
- Project Summary \_\_\_\_\_
- Project Location Map \_\_\_\_\_
- CDAP Leveraging Information \_\_\_\_\_
- Leverage Commitment Letter(s) \_\_\_\_\_
- Project Schedule \_\_\_\_\_
- Appropriate Review Form \_\_\_\_\_
- Program Income from Previous Grants \_\_\_\_\_
- Analysis of Benefit to Low-to-Moderate Income Persons \_\_\_\_\_
- Job Creation/Retention Impact Analysis \_\_\_\_\_
- Employee Income Certification - Job Creation \_\_\_\_\_
- Employee Income Certification - Job Retention \_\_\_\_\_
- Minority Benefit/Affirmative Housing Statement \_\_\_\_\_
- Administrative Budget Detail \_\_\_\_\_
- Local Government Financial Checklist (Infrastructure Grants Only) \_\_\_\_\_

**DOCUMENTATION, CERTIFICATIONS, RESOLUTIONS**

- Council Resolution of Support \_\_\_\_\_
- Citizen Participation/Public Hearing - 7 day notice, newspaper clippings, publisher's certification, certified minutes, attendance sheet \_\_\_\_\_
- Local Government Certifications \_\_\_\_\_
- Business Certification \_\_\_\_\_
- Recapture Strategy (Loans to Businesses Only) \_\_\_\_\_
- Applicant/Grantee/Recipient Disclosure Certification \_\_\_\_\_
- Intergovernmental Cooperation Agreement, if applicable \_\_\_\_\_

**ATTACHMENTS (Provided by Unit of Local Government)**

- Early Warning Letters of Notification for Environmental Review
- Vendor Cost Estimates for CDAP-related activities
- Detailed narrative of all non-CDAP related activities which references all sources of financing and corresponding specific uses of funds.
- Local Government Audit (Infrastructure Grants Only)

## **CDAP APPLICANT PROJECT INFORMATION**

TYPE OF CDAP REQUESTED:  DESIGN ENGINEERING  PLANNING ASSISTANCE  ECONOMIC DEVELOPMENT  
 PUBLIC FACILITIES  EMERGENCY PUBLIC FACILITIES  
 HOUSING REHABILITATION  HOUSING REHABILITATION

### **I. GENERAL INFORMATION**

RESUBMISSION:  Yes  No

(Information in this section applies only to the governmental entity. DO NOT include the name/address of the administrator.)

APPLICANT TYPE:  City  County  Village  Town  Township

APPLICANT NAME (Entity): POPULATION (from most recent U.S. Census)

CHIEF ELECTED OFFICIAL:

TITLE:

BUSINESS ADDRESS:

Street Address \_\_\_\_\_ P.O. Box \_\_\_\_\_  
(required) (Only if no street address)

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
(include + 4) E-Mail \_\_\_\_\_ (required)

EXPIRATION DATE OF CURRENT TERM: \_\_\_\_\_

DAYTIME PHONE: (\_\_\_\_\_) \_\_\_\_\_ HOME PHONE: (\_\_\_\_\_) \_\_\_\_\_  
(Telephone Numbers must be given in order to reach the official for award announcement purposes.)

APPLICANT FEDERAL EMPLOYER IDENTIFICATION NUMBER: \_\_\_\_\_  
(required)

### **II. GEOGRAPHICAL PROJECT INFORMATION**

**This information is required for the project benefit area, not necessarily the applicant.**

COUNTY: \_\_\_\_\_ TOWNSHIP (OR PRECINCT NAME/NUMBER): \_\_\_\_\_

CENSUS TRACT(S): \_\_\_\_\_ ZIP CODE FOR PROJECT BENEFIT AREA: \_\_\_\_\_

STATE SENATE DISTRICT(S): \_\_\_\_\_ STATE HOUSE DISTRICT(S): \_\_\_\_\_

U.S. CONGRESSIONAL DISTRICT(S): \_\_\_\_\_

### **III. PROJECT INFORMATION**

AMOUNT OF CDAP FUNDING REQUESTED \$ \_\_\_\_\_ (Whole Dollars ONLY)

TOTAL AMOUNT OF LEVERAGE \$ \_\_\_\_\_

TOTAL COST OF PROJECT \$ \_\_\_\_\_

LEVERAGE SOURCE:  LOCAL  USDA Rural Development  
 IEPA  IHDA  
 BANK  PRIVATE  
 IRBB  OTHER \_\_\_\_\_

PROJECT DESCRIPTION: \_\_\_\_\_

NAME OF ENTITY THIS APPLICATION IS IN SUPPORT OF: \_\_\_\_\_

#### IV. PROJECT BENEFIT INFORMATION

A. Provide the following information for Public Facilities, Design Engineering, Emergency Public Facilities, and Planning projects:

TOTAL NUMBER OF PERSONS SERVED	TOTAL NUMBER OF LMI PERSONS SERVED	PERCENT BENEFIT TO LMI PERSONS
-----------------------------------	---------------------------------------	-----------------------------------

B. Provide the following information for Economic Development projects only:

NUMBER OF JOBS CREATED	NUMBER OF LMI JOBS CREATED	PERCENT LMI PERSONS BENEFITING FROM JOBS
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C. Provide the following information for Housing projects only:

NUMBER OF UNITS TO BE REHABILITATED	TOTAL NUMBER OF PERSONS SERVED	TOTAL NUMBER OF LMI PERSONS SERVED
--	-----------------------------------	---------------------------------------

INCOME LEVEL

LOW (80%)	_____	_____
-----------	-------	-------

VERY LOW (50%)	_____	_____
----------------	-------	-------

POVERTY (30%)	_____	_____
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D. Provide the following information for all CDAP projects, except Housing Rehabilitation:

Number of persons by specific ethnic group benefiting from the project. If the project is an Economic Development project, provide this information for only the number of jobs retained by the company.

Ethnic Category	Total Persons	# Also Hispanic
White	_____	_____
Black/African American	_____	_____
Asian	_____	_____
American Indian/Alaskan Native	_____	_____
Native Hawaiian/Other Pacific Islander	_____	_____
American Indian/Alaskan Native and White	_____	_____
Asian and White	_____	_____
Black/African American and White	_____	_____
American Indian/Alaskan Native and Black/African American	_____	_____
Other Individuals Reporting more than One Race	_____	_____

# of female headed households? \_\_\_\_\_

#### V. DESIGNATED PROJECT MANAGEMENT/ADMINISTRATIVE AGENCY (or CITY ADMINISTRATOR)

(If not using an administrative agency, please complete for Local Government Contact.)

AGENCY TYPE:  Private Firm  Regional Planning Commission  Government Agency  Applicant

AGENCY CONTACT PERSON: \_\_\_\_\_ TITLE: \_\_\_\_\_

AGENCY ADDRESS AND PHONE NUMBER:

Legal Name of Agency: \_\_\_\_\_

Street Address: \_\_\_\_\_ P.O. Box: \_\_\_\_\_  
(required) (Only if no street address)

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ E-Mail: \_\_\_\_\_  
(include + 4) (required)

BUSINESS PHONE: (\_\_\_\_\_) \_\_\_\_\_ FAX PHONE: (\_\_\_\_\_) \_\_\_\_\_

ADMINISTRATIVE AGENCY FEDERAL EMPLOYER IDENTIFICATION NUMBER: \_\_\_\_\_

(required)

**VI. NAME OF HOUSING INSPECTOR, Provide this information for Housing projects only**

NAME:

TITLE:

Legal Name of Agency \_\_\_\_\_

Street Address \_\_\_\_\_ P.O. Box \_\_\_\_\_  
(required) (Only if no street address)

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ E-Mail \_\_\_\_\_  
(include + 4) (required)

BUSINESS PHONE: (\_\_\_\_\_) \_\_\_\_\_ FAX PHONE: (\_\_\_\_\_) \_\_\_\_\_

**HOUSING INSPECTOR FEDERAL EMPLOYER IDENTIFICATION NUMBER:** \_\_\_\_\_  
(required)

**VII. NAME OF PROJECT ENGINEER, if applicable**

NAME:

TITLE:

Legal Name of Agency \_\_\_\_\_

Street Address \_\_\_\_\_ P.O. Box \_\_\_\_\_  
(required) (Only if no street address)

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ E-Mail \_\_\_\_\_  
(include + 4) (required)

BUSINESS PHONE: (\_\_\_\_\_) \_\_\_\_\_ FAX PHONE: (\_\_\_\_\_) \_\_\_\_\_

**PROJECT ENGINEER FEDERAL EMPLOYER IDENTIFICATION NUMBER:** \_\_\_\_\_  
(required)

**HOUSING INSPECTOR ILLINOIS LEAD INSPECTOR/RISK ASSESSOR LIC. #:** \_\_\_\_\_  
(required)

**GRANTEE CERTIFICATE:** To the best of my knowledge and belief, the information and data provided are true and correct. I realize that regardless of the elections made, we the grantee, are responsible to ensure compliance with all provisions of the grant agreement and to respond to official correspondence/notifications as required within allowable times. Further, I understand that the submission of changes to the information certified above is a grantee responsibility and that DCEO will use information from the latest certification on file based on the date of signature. I have full signature authority to sign on behalf of this grantee.

\_\_\_\_\_  
Signature - Chief Elected Official

\_\_\_\_\_  
Date

This state agency is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined under Ill. Comp. Statutes, 20 ILCS 605/46.1. Disclosure of this information is VOLUNTARY. No penalties attach for failure to respond. This form has been approved by the State Forms Management Center.

## CDAP ECONOMIC DEVELOPMENT FACT SHEET

*Please complete the information requested below.*

1. Business Name: \_\_\_\_\_

2. Legal Name of Recipient: \_\_\_\_\_

3. Location of Business: \_\_\_\_\_ *City/Town* \_\_\_\_\_ *County* \_\_\_\_\_

4. Type of Firm:  Corporation  Partnership  Sub S  Sole Proprietor  
 LLC  Other \_\_\_\_\_

5. Breakdown of Company Ownership: (Must total 100% ownership)

<i>Name</i>	<i>Title</i>	<i>% Ownership</i>
_____	_____	_____
_____	_____	_____
_____	_____	_____
		= 100 %

6. Officers of the Company: (*Officers referred to in the Secretary's Certificate of Board of Directors, Resolutions, and Consent of Shareholders*)

<i>Name</i>	<i>Title</i>	<i>% Ownership</i>
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. Company Mailing Address: \_\_\_\_\_

Company Contact Person: \_\_\_\_\_ Telephone: (\_\_\_\_) \_\_\_\_\_

\*Person(s) Offering Personal Guarantee: \_\_\_\_\_

\*Company(ies) Offering A Corporate Guarantee (if applicable) \_\_\_\_\_ (relationship) \_\_\_\_\_

8.\* Collateral/Security Offered for CDAP Loan:  
 \_\_\_\_\_  
 \_\_\_\_\_

9. Participating Bank: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_ Telephone: (\_\_\_\_) \_\_\_\_\_

10.\* Names of Subordinate Note Holders (*Individuals that extended a loan to the company for purposes of capitalization of which repayment is expected in the future*) and amounts of those loans:  
 \_\_\_\_\_  
 \_\_\_\_\_

11. Affiliate(s) and subsidiaries of the company (include percentages of ownership):  
 \_\_\_\_\_  
 \_\_\_\_\_

12. DUNS Number \_\_\_\_\_ (For instructions concerning securing a DUNS number, please see attachment F.)

**\*Note: Not applicable for Infrastructure Grant Applications**

## **BUSINESS FINANCIAL DOCUMENTATION REQUIRED FOR FINANCIAL ASSISTANCE**

The following information must be included in the application, as appropriate to the type of project being considered. Applicants are asked to refer to the attachments by page number. This will help to assure that information is not overlooked in the application review.

<u>ATTACHMENT</u>	<u>REQUIRED INFORMATION</u>
[ ]	LETTERS OF LEVERAGE COMMITMENT - <u>All</u> sources of leverage in debt financing must be firmly documented in commitment letters. Loans from financial institutions must have language indicating the loan amount, the specified term and interest rate, collateral, conditions attendant to the loan, and the fact that the loan is approved. Any commitment to purchase a revenue bond must have an executed inducement resolution and the rates, terms, and conditions of approval of the buyer. (A sample leverage commitment letter can be found on page 39).
[ ]	HISTORY OF THE COMPANY - Submit a brief history of the business and past employment growth.
[ ]	MARKET INFORMATION - Submit information on the company's products or services and identify existing and potential major customers and competitors, and current market trends.
[ ]	CORPORATE FINANCIAL STATEMENTS - Submit historical corporate financial statements for the past three years and interim statements dated no more than 90 days prior to application. Financial statements will also be required of not-for-profit organizations which may be recipients of funds. Accounting notes, or detailed notes, in those instances when statement has not been audited must be included with the statement.  <ol style="list-style-type: none"><li>1. Profit and Loss (Income) Statements</li><li>2. Balance Sheets</li><li>3. Disclosure of Contingent Liabilities</li></ol>
	For those small companies with no formal financial statement, the prior three years of tax statements may be submitted.
[ ]	TWO YEAR PROJECTIONS - Submit two years projections of the profit and loss statement and balance sheet and a monthly cash flow projection for year one. Financial assumptions must be included. An acceptable format for a monthly cash flow statement is found on pages 71 and 72. This requirement is not applicable for publicly-traded corporations. Projected statements of financial condition are generally not required for infrastructure-related projects except in cases where a business is a startup operation.

- [ ] **DISCLOSURE OF ALL AFFILIATES AND SUBSIDIARIES**
- [ ] **CURRENT INDEBTEDNESS** - Provide information on installment debt, contracts, notes, mortgages payable (present balances should agree with latest balance sheet submitted). A recommended format is found on page 73.
- [ ] **PERSONAL FINANCIAL STATEMENT(s)** for each principal(s) and spouse(s) owning greater than or equal to 20 percent of the company or partnership dated no later than 90 days prior to the date the application is submitted. This information must include name, home address, and social security number. Personal financial statements are not required for infrastructure-related projects. A recommended format is located on pages 74 and 75.
- [ ] **COMPANY MANAGEMENT** - List those people that are responsible for the management of the company, all officers of the company, and indicate their corresponding positions along with percentages of ownership.
- [ ] **BANKRUPTCY** - Indicate if the firm officers or principals of the firm have ever been involved in bankruptcy insolvency procedures. If yes, a complete discussion must be provided.

[ ] Yes      [ ] No
- [ ] **PENDING LAWSUITS** - Indicate if the business or any officers or principals of the business are involved in any lawsuits. If yes, details must be provided.

[ ] Yes      [ ] No
- [ ] **PERSONAL RESUME(s)** - Submit resumes for senior management of the company.
- [ ] **SITE MAP** - Outline the general location of the project on a site map. Indicate the boundaries of the applicable unit of local government, the location of any floodplain areas and any existing Enterprise Zone or TIF districts. If applicable, infrastructure-related improvements in relation to the business also must be clearly defined.
- [ ] **LAND AND BUILDING INFORMATION** (if applicable) - For land and/or building acquisition where these items will be used as collateral for the CDAP loan, attach an appraisal and demonstration of fair-market value and a copy of the purchase option or agreement. In instances in which CDAP-related activities include building construction or renovation, all contractor or architect's cost estimates should be provided. If these expenditures represent leverage funds, a narrative must be provided.
- [ ] **INFRASTRUCTURE-RELATED ACTIVITIES** -- Provide engineer's cost estimate(s).

[ ] **DESCRIPTION OF COLLATERAL** - List what will be offered as collateral to secure the CDAP loan in relation to collateral to be secured by other lenders as referenced in the project. (The form on page 75 is provided for that purpose.)

[ ] **DESCRIPTION OF MACHINERY AND EQUIPMENT** (if applicable) - Identify major equipment or classes of equipment to be acquired with the department's program funds and matching sources of financing. For acquisition of new machinery and equipment acquired with CDAP funds, attach all reliable vendor cost estimates. In instances in which new machinery and equipment are acquired through non-CDAP funds, a detailed narrative is needed which identifies specific descriptions of equipment with a specific source of financing. For used machinery and equipment acquisition, provide an appraisal demonstrating market value in line with the purchase price.

[ ] **DESCRIPTION OF WORKING CAPITAL** (if applicable) - For working capital inventory, moving and installation of equipment, provide a detailed narrative of the need for and specific use of the funds. Sources of financing must be identified with each corresponding project activity.

[ ] **DOCUMENTATION EVIDENCING EXISTENCE OF BUSINESS ENTITY AND AUTHORIZATION TO ENTER INTO THE LOAN** - Submit the following, as appropriate:

- a. For Corporations
  - i) Articles and Certifications of Incorporation
  - ii) Copy of Corporate Bylaws
  - iii) Certificate of Good Standing
- b. For Partnerships
  - i) Certificate of Partnership (for Limited Partnerships)
  - ii) Certificate of Partnership Agreement
  - iii) Certificate of Good Standing (for Limited Partnerships)
- c. For Sole Proprietorship
  - i) Operating Licenses/DBA Certification
- d. For Land Trust
  - i) Copy of Trust Agreement
  - ii) Letter of Direction to Trustee Authorizing Execution/Acknowledgement of Loan Documents
  - iii) Disclosure of Beneficial Interests
  - iv) All Preliminary Documents for Guarantor under a, b, or c above

## **BUSINESS FINANCIAL DOCUMENTATION REQUIRED FOR INFRASTRUCTURE**

The following information must be included in the application, as appropriate to the type of project being considered. This information is provided by the business. Applicants are asked to refer to the attachments by page number. This will help to assure that information is not overlooked in the application review.

### **ATTACHMENT    REQUIRED INFORMATION**

[ ]            **LETTERS OF LEVERAGE COMMITMENT** - All sources of leverage in debt financing must be firmly documented in commitment letters. Loans from financial institutions must have language indicating the loan amount, the specified term and interest rate, conditions attendant to the loan, and the fact that the loan is approved. Any commitment to purchase a revenue bond must have an executed inducement resolution and the rates, terms, and conditions of approval of the buyer. (A sample leverage commitment letter can be found on page 43.)

[ ]            **HISTORY OF THE COMPANY** - Submit a brief history of the business and past employment growth.

[ ]            **CORPORATE FINANCIAL STATEMENTS** - Submit historical corporate financial statements for the past three years and interim statements dated no more than 90 days prior to application. Financial statements will also be required of not-for-profit organizations which may be recipients of funds. Accounting notes, or detailed notes, in those instances when statement has not been audited must be included with the statement.

1. Profit and Loss (Income) Statements
2. Balance Sheets
3. Disclosure of Contingent Liabilities

For those small companies with no formal financial statement, the prior three years of tax statements may be submitted.

[ ]            **DISCLOSURE OF ALL AFFILIATES AND SUBSIDIARIES**

[ ]            **COMPANY MANAGEMENT** - List those people who are responsible for the management of the company, all officers of the company, and indicate their corresponding positions along with percentages of ownership.

[ ]            **BANKRUPTCY** - Indicate if the firm officers or principals of the firm have ever been involved in bankruptcy insolvency procedures. If yes, a complete discussion must be provided.

[ ] Yes        [ ] No

[ ] PENDING LAWSUITS - Indicate if the business or any officers or principals of the business are involved in any lawsuits. If yes, details must be provided.

[ ] Yes [ ] No

[ ] PERSONAL RESUME(s) - Submit resumes for senior management of the company.

[ ] SITE MAP - Infrastructure-related improvements must be clearly defined in relation to the company site. Indicate the boundaries of the applicable unit of local government, the location of any floodplain areas, and any existing Enterprise Zones or TIF districts.

[ ] INFRASTRUCTURE-RELATED ACTIVITIES - Provide engineer's cost estimate(s).

[ ] LAND AND BUILDING INFORMATION (if applicable) - If leverage activities include building construction or renovation, a narrative must be provided as referenced on pages 20 and 43 of this application guide.

[ ] DESCRIPTION OF MACHINERY AND EQUIPMENT (if applicable) - If new machinery and equipment are acquired with leverage funds, a detailed narrative is needed which identifies specific descriptions of equipment with a specific source of financing. For used machinery and equipment acquisition, provide an appraisal demonstrating book value in line with the purchase price.

[ ] DESCRIPTION OF WORKING CAPITAL (if applicable) - For working capital inventory, moving and installation of equipment, provide a detailed narrative of the need for and specific use of the funds. Sources of financing must be identified with each corresponding project activity.

[ ] DOCUMENTATION EVIDENCING EXISTENCE OF BUSINESS ENTITY - Submit the following, as appropriate:

- a. For Corporations
  - i) Articles and Certifications of Incorporation
  - ii) Copy of Corporate Bylaws
  - iii) Certificate of Good Standing

- b. For Partnerships
  - i) Certificate of Partnership (for Limited Partnerships)
  - ii) Certificate of Partnership Agreement
  - iii) Certificate of Good Standing (for Limited Partnerships)

- c. For Sole Proprietorship
  - i) Operating Licenses/DBA Certification
- d. For Land Trust
  - i) Copy of Trust Agreement
  - ii) Letter of Direction to Trustee Authorizing Execution/Acknowledgement of Loan Documents
  - iii) Disclosure of Beneficial Interests
  - iv) All Preliminary Documents for Guarantor under a, b, or c above

## PROJECT SUMMARY

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Provide a detailed description of the project. This should include a brief description of the company, e.g., type of firm and its product or service. Describe how the CDAP funds will be used and reasons why they are needed in order for the company to be in a position to create and/or retain jobs, and its ability to make an investment in the community. Explain what circumstances make this project necessary, e.g., adding machinery or working capital to accommodate new sales, or extending infrastructure to provide for a new company or company expansion. Indicate the number of jobs to be created or retained as a result of the project.

Specify other financing that will be expended as part of the project. Leverage financing that is discussed in the Project Summary narrative should be detailed in the CDAP Leveraging Information form (page 37) and should be documented by the inclusion of leverage commitment letters.

A firm commitment from a FINANCIAL INSTITUTION must include: language which indicates that the loan has been approved and that the institution will lend subject to certain conditions; the specific dollar amount of the loan; the specific term of the loan; the interest rate of the loan; and specific collateral or security. The lender's letter should also discuss why the lender cannot/will not provide additional funds for the project.

A firm commitment to purchase a REVENUE BOND must include: an executed bond inducement resolution and a firm commitment to purchase the bond.

If an investment banking firm is making the commitment to purchase the bond, the commitment letter must state the "commitment to purchase the bond". Letters which indicate a willingness to offer the bonds for sale on a "best efforts" basis are not satisfactory commitments. The investment banking firm must be willing to hold the bond in its own portfolio should adequate numbers of buyers not be found in the market place. If the commitment to purchase the bond comes from a financial institution, the commitment to purchase must satisfy the requirements for "Loans from Financial Institutions" as described above.

---

## PROJECT LOCATION MAP

A project map must be included in the application. It should show the boundaries of the applicable unit of local government, the location of any floodplain areas, and any existing Enterprise Zones or TIF districts. If the project includes public infrastructure activities, the map must sufficiently detail those improvements and their location. All infrastructure improvements must be made on publicly owned property.

---

## CDAP LEVERAGING INFORMATION

For each specific activity, e.g., equipment purchase, water line extension, building construction, itemize each corresponding source of financial resources that will be used. Write a brief description of the type of collateral and guarantee for each source of funds. Be sure that the sources and uses of funds are consistent with the application narrative and documentation. Identify any lines of credit and/or the commitment of funds from a CDAP funded local revolving loan fund. These are not eligible leverage, but may be necessary to the project. For projects involving alterations of streets, roads or highways which have pedestrian walkways, grantees must factor in the costs of adding and/or replacing curb ramps at all intersections having curbs or other barriers to entry from a street level or pedestrian walkway.

Purpose of Funds by Major Activity	CDAP	Bank	Equity or Other Private	Other Public
Collateral Offered for each Entity's (including CDAP) Loan				

CDAP Project Request (1) \$\_\_\_\_\_

CDAP Administration (2) \$\_\_\_\_\_

Total Sources of Financing (debt and equity) (3) \$\_\_\_\_\_

Total Eligible Leverage (4) \$\_\_\_\_\_

Total Project Cost (lines 1+2+3) (5) \$\_\_\_\_\_

Identify Non-Eligible Leverage funds, included on line (3), which will be used for the project (RLF funds, lines of credit, etc.)

---

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## SAMPLE LEVERAGE COMMITMENT LETTER

Date

Dear \_\_\_\_\_:

This letter is to advise you that \_\_\_\_\_ has offered to provide financing in the amount of the \$\_\_\_\_\_ for the \_\_\_\_\_ expansion of \_\_\_\_\_ facility, if \$\_\_\_\_\_ is made available from the Community Development Assistance Program (CDAP). The expansion should have a total project cost of \$\_\_\_\_\_ and our loan will be secured by a \_\_\_\_\_. In order for us to secure a superior lien on the real estate, it will be necessary for \_\_\_\_\_ to subordinate its existing mortgage on the property.

We have reviewed the financial statement, projections and other data submitted to us and have found the project to be feasible with the participation of CDAP and \_\_\_\_\_ equity injection from \_\_\_\_\_. Financial assistance is limited to \$\_\_\_\_\_ given to factors relating to (collateral coverage ratios, lending limits, etc.).

Our loan for \$\_\_\_\_\_ would be in the form of a \_\_\_\_\_ for \_\_\_\_\_ years at a rate of \_\_\_\_\_ percent.

This offer is contingent upon the receipt of the CDAP grant to the \_\_\_\_\_ for this project and a \$\_\_\_\_\_ equity injection by \_\_\_\_\_.

The foregoing terms and conditions are not all inclusive for the proposed financing. This offer will expire \_\_\_\_\_ unless extended by the bank in writing.

Should you have any questions, feel free to contact \_\_\_\_\_.

Sincerely,

## PROJECT SCHEDULE

Account for the completion of all major project activities. For each activity listed on page 43, indicate estimated starting and ending dates. **Milestones which must be noted in the project schedule should, in addition, include dates of projected environmental clearance, projected release of funds from all participating entities, i.e., IEPA, USDA, etc., close-out of the project, job creation, and the estimated date of contract award for construction projects.**

Project Activity	<u>Starting Month/Year</u>	<u>Ending Month/Year</u>

## APPROPRIATE REVIEW

Select one of the following and provide detailed justification for the need for CDAP funds. Infrastructure-related projects may only use the financial gap argument.

---

[ ] FINANCING GAP - For Economic Development loans, this argument will demonstrate that a business can raise only a portion of the financing necessary to complete the project. Banks and other financial institutions must disclose their legal lending units and other circumstances which would prevent them from financing the project without CDAP assistance. Reference the documentation within the application which supports the argument.

For Infrastructure-related projects, the local government must demonstrate the financial gap argument as the sole rationale for funding. The department will review the local government's audit to ensure that it does not have the capacity to fund the project without CDAP assistance.

Any unit of local government that has in existence a CDAP Revolving Loan Fund must disclose the current fund balance. Executed promissory notes must be provided by the Unit of Local Government for those amounts committed from the CDAP Revolving Loan Funds account, but not yet disbursed to the Borrower.

RLF Balance: \$ \_\_\_\_\_

Less immediate Commitment(s): \$ \_\_\_\_\_  
(List on a separate page with the anticipated date of disbursement of funds)

Total Unobligated balance: \$ \_\_\_\_\_

**NOTE: An unobligated balance in excess of \$15,000 will be subject to a dollar-for-dollar reduction of funds requested for this project.**

---

[ ] RATE OF RETURN - This assumes that full financing is available, but the rate of return is insufficient to induce development. Provide the rationale and supporting documentation.

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[ ] LOCATIONAL - This argument is used when a firm is considering location options in more than one state and CDAP funds are needed to equalize cost factor variations between sites. This requires cost disclosures for each site under consideration. The application must contain this supporting documentation.

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## ANALYSIS OF BENEFIT TO LOW-TO-MODERATE INCOME PERSONS

#### A. Current jobs at the time of application:

				Check appropriate box	
Job Classification	Hourly Wage Scales and/or Annual Salaries by Classification	Number of Positions	Permanent Full-Time	Part-Time	Temporary
Total:					

#### B. Jobs created as the result of assistance:

			Check appropriate box		
Job Classification	Hourly Wage Scales and/or Annual Salaries by Classification	Number of Positions	Permanent Full-Time	Part-Time	Temporary
Total:					

### C. Jobs retained as the result of assistance:

Jobs retained as the result of assistance:			Check appropriate box		
Job Classification	Hourly Wage Scales and/or Annual Salaries by Classification	Number of Positions	Permanent Full-Time	Part-Time	Temporary
Total:					

**Total percent benefit of low-to-moderate income persons =**

## **ANALYSIS OF BENEFIT OF LOW-TO-MODERATE INCOME PERSONS, Cont.**

Indicate the method(s) used (or to be used) to determine the benefit to low-to-moderate income persons by checking the appropriate box(es) below:

<input type="checkbox"/> Use of WIA Eligible Individuals	This must be documented by the business on the business certification form (See Page 61). If possible, there should be evidence that the Illinois Employment and Training Center has been contacted.
<input type="checkbox"/> Use of Employee Income Certification Form	For <u>retention</u> projects, the original completed certification forms (see Page 51) must be included in the application to document low-to-moderate income benefit. Copies should be kept in the applicant's file. At least 51 percent of the employees to be retained must have family incomes below the applicable income limits. A summary must be provided for each individual completing the Employee Income Certification Form, including the name, social security number, and appropriate income designation as either "above" or "below" the income threshold.
	For <u>creation</u> projects, the business must agree to hire 51 percent low-to-moderate income persons and further agree to obtain and keep on file employee income certification forms (see Page 50) for each employee to document low-to-moderate income benefit. This must be documented on the business certification form (see page 60).

## **JOB CREATION/RETENTION IMPACT ANALYSIS**

The purpose of this form is to detail the job creation/retention impact of a proposed project.

## A. Jobs Created

Indicate the number and type of permanent Full-Time Equivalent (FTE)\* jobs to be created as a direct result of the project, as well as the planned wage scales.

Job Titles	Hourly Wage Scales and/or Annual Salaries by Classification	Number of Positions
		<b>TOTAL</b>

## B. Jobs Retained

Indicate the number and type of Full-Time Equivalent (FTE)\* jobs to be retained as a direct result of the project, as well as wage scales.  
(for retention related projects)

Job Titles	Hourly Wage Scales and/or Annual Salaries by Classification	Number of Positions

### C. Job Relocation

Are any jobs to be relocated from existing temporary or permanent facilities in Illinois?

Yes  No

\* FTE is defined as 1,950 hours of employment in a 12-month period (permanent employees only).

\*\*This number should match the number of original income certifications included in the application.

**EMPLOYEE INCOME CERTIFICATION**  
**JOB CREATION**

---

(Name of Company)

(date)

Dear Employee:

Please provide the information requested on this form so that we can verify to the Department of Commerce and Economic Opportunity that your employment here is achieving the goals of the Illinois Community Development Assistance Program. The information will be placed in your **confidential** personnel file and is available to only a limited number of company officials. This information is also subject to verification by \_\_\_\_\_  
(name of local government) \_\_\_\_\_ and representatives of the Department of Commerce and Economic Opportunity.

*For assistance, please see \_\_\_\_\_.* Thank you.  
(company official)

**Step 1:** Circle the size of your family. Count yourself and all family members living at home.

Family Size:      1      2      3      4      5      6      7      8

County: \_\_\_\_\_  
(insert the appropriate Sec. 8 income limits)

**Step 2:** Circle **ABOVE** or **BELOW** in the following question:

BEFORE TAKING THIS JOB, WAS YOUR FAMILY'S TOTAL INCOME **ABOVE** OR **BELOW** THE AMOUNT FOR YOUR FAMILY SIZE AS STATED ABOVE?

**Step 3:** A. Please indicate your ethnic group.

Ethnic Category	Total Persons	# Also Hispanic
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native and White		
Asian and White		
Black/African American and White		
American Indian/Alaskan Native and Black/African American		
Other Individuals Reporting more than One Race		

B. Sex:       Male       Female

C. Are you a female head of household?       Yes       No

D. Are you a person with a disability?       Yes       No

**Step 4:** Please Complete.

Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Signature: \_\_\_\_\_ Date of Hire: \_\_\_\_\_

# EMPLOYEE INCOME CERTIFICATION JOB RETENTION

---

(Name of Company)

(date)

Dear Employee:

Please provide the information requested on this form so that we can verify to the Department of Commerce and Economic Opportunity that your employment here is achieving the goals of the Illinois Community Development Assistance Program. The information will be placed in your **confidential** personnel file and is available to only a limited number of company officials. This information is also subject to verification by \_\_\_\_\_  
\_\_\_\_\_  
(name of local government) and representatives of the Department of Commerce and Economic Opportunity.

*For assistance, please see \_\_\_\_\_.* Thank you.  
(company official)

**Step 1:** Circle the size of your family. Count yourself and all family members living at home.

Family Size:      1      2      3      4      5      6      7      8

County: \_\_\_\_\_  
(insert the appropriate Sec. 8 income limits)

---

**Step 2:** Circle **ABOVE** or **BELOW** in the following question:

IS YOUR FAMILY'S TOTAL INCOME **ABOVE** OR **BELOW** THE AMOUNT FOR YOUR FAMILY SIZE AS STATED ABOVE?

---

**Step 3:** A. Please indicate your ethnic group.

Ethnic Category	Total Persons	# Also Hispanic
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native and White		
Asian and White		
Black/African American and White		
American Indian/Alaskan Native and Black/African American		
Other Individuals Reporting more than One Race		

B. Sex:       Male       Female  
C. Are you a female head of household?       Yes       No  
D. Are you a person with a disability?       Yes       No

---

**Step 4:** Please Complete.

Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Signature: \_\_\_\_\_ Date of Hire: \_\_\_\_\_

## MINORITY BENEFIT/AFFIRMATIVE HOUSING STATEMENT

a. What is the percentage of the minority group(s) population residing in the community?	
What is the percentage of the minority group(s) population residing in the proposed project area?	%
b. What is the goal for the percentage of CDAP funded contracts to be awarded to minority contractors?	
c. If the percentage goal in b is <u>substantially less</u> than the percentage of minorities residing in the community, please explain.	%
<hr/> <hr/>	
d. If funded, the applicant agrees to affirmatively further fair housing by posting Fair Housing Posters and by making HUD Fair Housing Complaint Forms available to the public. In addition, the Department <u>recommends</u> that the unit of local government pass a fair housing ordinance. Please check one below:	
<input type="checkbox"/> We already have a Fair Housing Ordinance on file. (Indicate Number and Date Passed _____)	
<input type="checkbox"/> If funded, we will pass a Fair Housing Ordinance	
<input type="checkbox"/> We do not plan to pass a Fair Housing Ordinance at this time.	

Signature of Chief Elected Official: \_\_\_\_\_

**ADMINISTRATION COSTS  
WHICH WILL BE PAID OUT OF CDAP**

I. PERSONNEL COSTS				
POSITION	COMPENSATION	% OF CDAP TIME	NUMBER OF MONTHS	CDAP TOTAL
				\$
				\$
				\$
				\$
II. GENERAL MANAGEMENT COSTS				
A. COMMUNICATIONS				
PHONE				\$
POSTAGE				\$
B. SUPPLIES/MATERIALS				
COPYING/PRINTING				\$
D. EQUIPMENT (LIST)				
				\$
				\$
				\$
				\$
SUB-TOTAL				\$
E. TRAVEL				
III. CONTRACTUAL COST (IDENTIFY)				
				\$
				\$
				\$
				\$
SUB-TOTAL				\$
IV. COSTS ASSOCIATED WITH FINANCIAL INTERMEDIARY AGREEMENTS				
				\$
				\$
				\$
				\$
SUB-TOTAL				\$
V. OTHER (IDENTIFY IN DETAIL)				
				\$
				\$
				\$
				\$
% OF CDAP REQUEST _____				TOTAL* \$

\*This amount must not exceed the CDAP Administration limits listed on page 9.

## LOCAL GOVERNMENT

### **FINANCIAL CHECKLIST**

NOTE: This form must be completed only if seeking a public facilities grant in support of an economic development project.

1. Please attach one copy of the most recent annual audit report.
2. Please provide the following information relative to the project for needing CDAP funding:

Total Project Cost: \$\_\_\_\_\_

CDAP Grant Requested: \$\_\_\_\_\_

3. Most recent Census Population: \_\_\_\_\_
4. Current municipal government tax rate: \_\_\_\_\_
5. Current aggregate tax rate for all local taxing bodies (e.g., county, township, school districts):  
\_\_\_\_\_
6. Equalized assessed valuation for 2005: \$\_\_\_\_\_  
2004: \$\_\_\_\_\_  
2003: \$\_\_\_\_\_  
2002: \$\_\_\_\_\_  
2001: \$\_\_\_\_\_

7. What is the monthly charge for both 1,000 gallons of water and 1,000 gallons of sewage usage.  
For the project site only, project user only.

#### In Gallons

Water Monthly Charge, per 1,000 gallons \$\_\_\_\_\_

Sewage Monthly Charge, per 1,000 gallons \$\_\_\_\_\_

Water Rate Change: \_\_\_\_/\_\_\_\_/\_\_\_\_

Sewage Rate Change: \_\_\_\_/\_\_\_\_/\_\_\_\_

Projected water consumption per month \_\_\_\_\_

Projected sewer consumption per month \_\_\_\_\_

If retail project, projected annual retail sales as the result of the project \$\_\_\_\_\_

Estimated Full Market Value of facility at its completed state \$\_\_\_\_\_

8. Include a copy of the most recent annual audit report.

## **PART B**

### **DOCUMENTATION, CERTIFICATIONS AND RESOLUTIONS**

# SAMPLE

## **COUNCIL RESOLUTION OF SUPPORT**

**Resolution No. \_\_\_\_\_**

WHEREAS, the (unit of local government) \_\_\_\_\_ is applying to the State of Illinois for a Community Development Assistance Program grant, and

WHEREAS, it is necessary that an application be made and agreements entered into with the State of Illinois.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1) that the (unit of local government) apply for a grant under the terms and conditions of the State of Illinois and shall enter into and agree to the understandings and assurances contained in said application.
- 2) that the Mayor and City Clerk on behalf of the City execute such documents and all other documents necessary for the carrying out of said application.
- 3) that the Mayor and City Clerk are authorized to provide such additional information as may be required to accomplish the obtaining of such grant.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

ATTEST: \_\_\_\_\_  
\_\_\_\_\_  
City Clerk \_\_\_\_\_  
\_\_\_\_\_  
Mayor

**LOCAL GOVERNMENT CERTIFICATIONS  
(For Economic Development Financial Assistance)**

On this **(date)** day of **(month)**, **(year)** the **(title and name of the Chief Elected Official)** of **(name of the local government)** hereby certifies to the Department of Commerce and Economic Opportunity in regard to an application and award of funds through the Community Development Assistance Program:

1. When CDAP funds are provided and one or more events of default specified in the financial assistance agreement have occurred and are continuing, it shall take all steps reasonably necessary to insure the recapture of the grant funds from the subgrantee, including but not limited to, taking appropriate steps under federal bankruptcy laws.
2. It will utilize any available program income as derived through funds obtained in the CDAP revolving loan fund for purposes of reducing subsequent draws of future CDAP grants it may receive.
3. It will comply with the National Environmental Policy Act (NEPA) with the submission of this application and it further certifies that no aspect of the project proposed for assistance has or shall commence and no costs have been incurred prior to the award of funds to the community and the receipt of an environmental clearance.
4. It will comply with the Interagency Wetland Policy Act of 1989 including the development of a plan to minimize adverse impacts on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland.
5. It will comply with the Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act by completing the consultation process with the Endangered Species Consultation Program of the Illinois Department of Natural Resources, or providing written evidence that the proposed project is exempt.
6. It will identify and document all appropriate permits necessary to the proposed project, including but not limited to: building, construction zoning subdivision, EPA, and IDOT.
7. No legal actions are underway or being contemplated that would significantly impact the capacity of the **(name of local government)** to effectively administer the program, and to fulfill the requirements of the CDAP program.
8. It will coordinate with the County Soil and Water Conservation District regarding standards for surface and subsurface (tile) drainage restoration and erosion control in the fulfillment of any project utilizing CDAP funds and involving construction.
9. It acknowledges the applicability of Davis-Bacon prevailing wage rate requirements to construction projects and equipment installation; a request for wage rate determination will be submitted prior to commencement of any construction or equipment installation; and, it shall discuss these requirements with the contractor.

10. It certifies that no occupied or vacant occupiable low-to-moderate income dwellings will be demolished or converted to a use other than low-to-moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended.
11. It will conduct a Section 504 self-evaluation of its policies and practices to determine whether its employment opportunities and services are accessible to persons with disabilities.
12. Specify whether any project activities/area are in a flood plain. Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, does it participate in the National Flood Insurance Program? Yes \_\_\_\_\_ No \_\_\_\_\_  
If no, provide an explanation as to why it does not participate: \_\_\_\_\_

---

13. It is understood that the obligation of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly or federal funding source fails to appropriate or otherwise make available sufficient funds for this agreement.
14. It will comply with Section 3 of the Housing and Urban Development Act of 1968 to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, be directed to low and very low income persons.

---

Signature of Chief Elected Official

---

Date

## LOCAL GOVERNMENT CERTIFICATIONS (For Infrastructure)

On this (date) day of (month), (year) the (title and name of the Chief Elected Official) of (name of the local government) hereby certifies to the Department of Commerce and Economic Opportunity in regard to an application and award of funds through the Community Development Assistance Program:

1. It will utilize any available program income as derived through funds obtained in the CDAP revolving loan fund for purposes of reducing subsequent draws of future CDAP grants it may receive.
2. It will comply with the National Environmental Policy Act (NEPA) with the submission of this application and it further certifies that no aspect of the project proposed for assistance has or shall commence and no costs have been incurred prior to the award of funds to the community and the receipt of an environmental clearance.
3. It will comply with the Interagency Wetland Policy Act of 1989 including the development of a plan to minimize adverse impacts on the wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland.
4. It will comply with the Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act by completing the consultation process with the Endangered Species Consultation Program of the Illinois Department of Natural Resources, or providing written evidence that the proposed project is exempt.
5. It will identify and document all appropriate permits necessary to the proposed project, including but not limited to: building, construction zoning subdivision, EPA, and IDOT.
6. No legal actions are underway or being contemplated that would significantly impact the capacity of the **(name of local government)** to effectively administer the program, and to fulfill the requirements of the CDAP program.
7. It will coordinate with the County Soil and Water Conservation District regarding standards for surface and subsurface (tile) drainage restoration and erosion control in the fulfillment of any project utilizing CDAP funds and involving construction.
8. **(Name of local government)** acknowledges the applicability of Davis-Bacon prevailing wage requirements for CDAP-related activities only, **(name of local government)** assures that a request for a wage rate determination will be submitted prior to commencement of any construction activities, and it will discuss these requirements with the contractor.
9. It certifies that no occupied or vacant occupiable low-to-moderate income dwellings will be demolished or converted to a use other than low-to-moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974 as amended.
10. It will conduct a Section 504 self-evaluation plan of its policies and practices to determine whether its employment opportunities and services are accessible to persons with disabilities.

11. Specify whether any of the project activities/area are in a flood plain. Yes  No   
If yes, does it participate in the National Flood Insurance Program? Yes  No   
If no, provide an explanation as to why it does not participate: \_\_\_\_\_

---

12. It is understood that the obligation of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly or federal funding source fails to appropriate or otherwise make available sufficient funds for this agreement.
13. All infrastructure-related improvements will take place on publicly-owned property and/or permanent right-of-way or easements.
14. It will comply with Section 3 of the Housing and Urban Development Act of 1968 to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low and very low income persons.

---

Signature of Chief Elected Official

---

Date

## BUSINESS CERTIFICATIONS

**The company understands that no aspect of the project proposed for assistance (expenditures to be paid out of either program or non-CDAP funds) will commence prior to the award of funds to the community and the receipt of environmental clearance.**

The company will invest at least \$\_\_\_\_\_ in this project, from the following source(s): (check the appropriate source and complete the corresponding amount)

debt financing in the amount of \$\_\_\_\_\_

unencumbered and immediately available at the time CDAP funds are disbursed cash equity in the amount of \$\_\_\_\_\_

The company certifies that it shall ensure that at least 51 percent of the persons hired or retained are low-to-moderate income individuals and shall document this through the use of: (1)\_\_\_\_\_ Employee Income Certification forms and/or (2)\_\_\_\_\_ Workforce Investment Act (WIA) eligible individuals for the jobs created as a result of this project (please check the appropriate response). If (2) is checked, the company agrees to discuss with representatives of the Illinois Employment and Training Center the hiring of WIA-eligible individuals for the jobs to be created as the result of this project.

The company agrees to submit to the department, through the grantee on a quarterly basis, information regarding job creation/retention and benefit to low-to-moderate income individuals and documentation that leverage has been injected.

The company certifies that it is a company in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. The company further authorizes the Department of Commerce and Economic Opportunity to seek a tax clearance letter from the Illinois Department of Revenue and authorizes the Department of Revenue to provide such a letter stating whether the records of the department show that Borrower is in compliance with all tax acts administered by the Department of Revenue and to which Borrower is subject.

The company also certifies that no tax liens, including but not limited to, municipal, county, state, or federal, have been filed against the company, any partners of the company, the majority share holder of the company, or in the name of a related business owned by the recipient.

The company authorizes the Department of Commerce and Economic Opportunity to verify in any manner deemed appropriate any and all items indicated in this application which includes information obtained through the Illinois Department of Employment Security, Consumer Credit Bureau Services, business reporting services such as Dun and Bradstreet and criminal history record check.

The company certifies that all information and documentation contained in this application, is accurate, complete and true to the best of his/her knowledge.

The company certifies that the project is ready to proceed.

The company certifies that it has read and understands the application guidelines.

## **JOBS CREATED/RETAINED AS THE RESULT OF THE PROJECT:**

Check and complete the appropriate certification below:

\_\_\_ A. Job Creation: The company certifies that it employs \_\_\_\_ (number of FTE employees) as of \_\_\_\_\_ (date) and that it will create an additional \_\_\_\_ (number of FTE) jobs by \_\_\_\_\_ (date) as a result of the assistance provided.

\_\_\_ B. Job Retention: The company certifies that it employs \_\_\_\_ (number of FTE employees) as of \_\_\_\_\_ (date) and the \_\_\_\_ (number of FTE) jobs will immediately be retained. Without CDAP assistance, the company certifies that \_\_\_\_\_ (number of jobs) will actually be lost for the duration of [check appropriate box] grant  loan .

\_\_\_ C. Job Creation and Retention: The company certifies that as a result of the assistance provided: (1) it employs \_\_\_\_ (number of FTE employees) as of \_\_\_\_\_ (date); (2) it will create an additional \_\_\_\_ (number of FTE) jobs by \_\_\_\_\_ (date); and (3) \_\_\_\_ (number of FTE) jobs will be retained immediately by the company. Without CDAP assistance, the company certifies that \_\_\_\_ (the number of jobs retained) will actually be lost.

---

Signature of Chief Executive Officer

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Date

---

Typed Name of Chief Executive Officer

---

Name of Company

---

FEIN #

---

Company Address

---

DUNS #

**SAMPLE**

**INSERT UNIT OF LOCAL GOVERNMENT NAME**

**REVOLVING FUND RECAPTURE STRATEGY**

**A. Revolving Fund Goals and Objectives**

1. Stimulate economic growth in the community by assisting with the retention and growth of the existing industrial and commercial base, providing needed capital to new start-up businesses, encouraging the development of minority and female owned businesses.
2. Assist new or existing businesses to create and retain jobs.
3. Ensure that jobs created or retained by business applicants benefit a minimum of 51 percent low-to-moderate (lmi) income persons in the area.
4. Increase the property tax and sales tax base.
5. Provide businesses with the opportunity to expand.
6. Encourage and leverage loans and investments to businesses by area private financial institutions.

**B. Revolving Fund Strategy**

1. Eligible uses of funds for financial assistance projects.
  - a. Site development / infrastructure extension costs.
  - b. Construction of new facility or additions.
  - c. Renovation of existing facilities.
  - d. Leasehold improvements.
  - e. Purchase of new or used machinery or equipment.
  - f. Working capital.
  - g. For every \$15,000 of revolving funds provided, one full time equivalent (FTE) job should be created or retained with 51% lmi benefit. (FTE jobs are positions consisting of a minimum of 1,950 hours worked a year).
2. Eligible uses of funds for units of local government.
  - a. Public Infrastructure improvement projects when the activities will directly result in the creation and/or retention of jobs by a specifically identified for-profit or not-for-profit business.

- b. Community Development Block Grant (CDBG) eligible activities (public improvements on public property except for buildings where the general conduct of government is held) showing a 51% lmi benefit. Must have prior written approval from the Department.
- 3. Ineligible uses of funds.
  - a. Projects of a speculative nature.
  - b. Forgivable financial assistance projects.
  - c. Refinancing existing, private debt.
- 4. The geographic area served by the fund will be for projects which are located within 1 1/2 miles of the corporate limits of the unit of local government or which are determined to principally benefit the residents of the unit of local government.
- 5. The funds will be targeted to assist existing industrial and commercial base, start up businesses, female and minority owned firms on a first come, first served basis as the unit of local government expects to receive more applications than available funding will cover. Applications that demonstrate the greatest potential for job creation and meeting the goals and objectives of the fund will be given the highest priority.
- 6. Applications will be generated by:
  - a. Sending RF information to the community's existing businesses.
  - b. Including RF information in the community's marketing package.
  - c. Provide RF information to area economic development commissions and the chamber of commerce to include in their area marketing information.
  - d. Staff participation in business related seminars or workshops held in the area.
  - e. Provide RF information to local chapter of NAACP, Urban League and other organizations representing minority groups and offer to speak at meetings periodically.
  - f. Provide information to area women's entrepreneur associations and women's service organizations.
  - g. Publicize approved projects by sending news releases to area media and holding news conferences, ribbon cuttings and ground breakings to encourage media coverage.
  - h. Area financial institutions will be provided with information about the RF and asked to inform potential recipients of fund availability.

## **C. RF Management Plan**

1. Members shall be appointed as needed to the Financial Assistance Review Committee. The committee shall consist of, but not be limited to the chief elected official or other representative of the unit of local government, unit of local government's attorney, economic development coordinator/RF administrator, and two experienced area financial institution officers. The committee shall review all applications to the revolving fund. The committee may, as appropriate, meet with the applicant, meet with the representative of the participating financial institution, visit the site if necessary, negotiate terms, length, security of financial assistance agreements and ensure compliance with the RF goals and objectives. A recommendation will be prepared for the unit of local government's review for approval or denial which will include a description of the project, project costs, source of funds, security required, special conditions, and reasons for approval or denial. All other application information is kept confidential. The unit of local government will formally approve or deny the application. The RF will be staffed by the unit of local government's economic development coordinator/RF administrator, finance director and attorney.
2. The financial assistance documents, including commitment agreements, liens, title policies, security recordings, transfer tax declarations, amortization schedules and security releases, shall be obtained and completed by the unit of local government's attorney. The RF administrator shall monitor repayments of the financial assistance agreements, job creation and/or retention reports required to be provided semi-annually until the commitment is met, monitor other special conditions as required and submit semi-annual reports on the status of the RF to the Department of Commerce and Economic Opportunity.
3. Delinquent Loans: When an RF payment becomes 10 days past due, the fund administrator will place a telephone call to the borrower and request payment. At 30 days past due the RF will send a formal letter requesting payment. Should the payment become 45 days past due the matter will be turned over to the city attorney to pursue. All legal rights will be exercised by the RF to reclaim funds. Legal counsel will be consulted during foreclosure and liquidation proceedings if events warrant.
4. Alternatively, the RF may contract with a financial intermediary to conduct as much or as little of the foregoing through a servicing contract as may be desired. Final authority for approving any financial assistance made through the RF shall remain with the unit of local government, unless formally delegated by resolution and outlined in a formal agreement. The RF is responsible for seeing that the financial intermediary follows all state and federal regulations pertaining to the RF program.

#### **D. Assurances**

1. Not more than 10 percent of the annual revenue to the RF will be used for administration of the RF fund. Administrative expenses will be documented via receipts, bills, invoices, etc.
2. Assistance provided from the RF will result in at least 51 percent benefit to lmi income persons and these benefits will be documented by utilizing Job Training Partnership Act (JTPA) service providers, Illinois Employment and Training Centers or the employee certification forms found in the RF Handbook.
3. The RF agrees to report semi-annually on the status of the RF to the Department of Commerce and Economic Opportunity and to provide additional progress report information to further clarify or document activities as may be necessary.
4. Any changes to the recapture strategy will be submitted to the Department of Commerce and Economic Opportunity for approval before implementation.
5. In the event of a financial assistance loss, the circumstances will be reviewed to determine if legal steps are appropriate to recover RF funds and every effort will be made to recover delinquent funds.
6. The RF will assure that there will be one job created or one job retained with 51% lmi benefit for every \$15,000 used in a financial assistance project.
7. A minimum leverage ratio of \$1 non-CDAP funds to \$1 CDAP RF funds must be obtained for each project. RF funds may not comprise more than 50% of the financing for any project.
8. The RF shall assure that environmental reviews will be completed for each project funded, as well as prevailing wages paid if applicable.

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Name of Unit of Local Government

---

Date

Chief Elected Official

## **APPLICANT/GRANTEE/RECIPIENT DISCLOSURE CERTIFICATION INSTRUCTIONS**

Section 102 of the HUD Reform Act of 1989 contains a number of provisions to ensure greater accountability and integrity in the way the U.S. Department of Housing and Urban Development (HUD) and its grantees make certain types of assistance available. The CDAP Program is one of the HUD programs partially covered by Section 102.

A unit of local government applying for a CDAP grant (regardless of the program component), as well as the recipient of the grant must make certain disclosures. These disclosures are only necessary if the aggregate amount of previously awarded CDAP grants, CDAP grant applications currently pending review, and proposed CDAP grants is in excess of \$200,000 for the current program year. This funding threshold determines the extent of the information which must be disclosed.

### **Disclosure Information Required**

1. Other Government Assistance is defined as any loan, grant, guarantee, subsidy, tax benefit, credit, etc., from the federal government, state or unit of local government which is expected to be made available with respect to the project for which the assistance is sought.
2. Interested Parties is defined as follows.
  - a. The name of any developer, contractor, or consultant involved in the application for assistance or in the planning, development or implementation of the project or activity.
  - b. The name of any other person who has a financial interest in the project in excess of \$50,000 or 10 percent of the assistance, whichever is less. If the person referred to is an entity, then disclosure must include an identification of each officer, director and stockholder.
3. Sources and Uses of Funds is defined as the gross amount of funds to be made available for the project from both governmental and non-governmental sources and private capital resulting from tax benefits and the expected uses for those funds.

### **Who Must Complete the Disclosure Certification**

Parts I and II of the Applicant/Grantee/Recipient Disclosure Certification must be completed by every unit of local government applying for CDAP funds and submitted as part of the application package. If the funding threshold of \$200,000 is met, then Parts III through V of the Disclosure Certification, as they pertain to this particular grant request, must also be completed. It is important that the information be as complete and concise as possible. An **applicant** is defined as any unit of local

government applying for CDAP funds. The **grantee** is any unit of local government which has been awarded a grant. The **recipient** is defined as the receiver of the grant funds from the local government and refers to the economic development component only. An example is a city receives a grant to loan to a company for machinery and equipment acquisition. The company is the recipient.

### **Updating the Disclosure Certification**

**During the period in which an application is pending or the period in which the assistance is being provided, the Disclosure Certification must be updated if the following actions occur. Updated reports must be submitted within 30 days of the change requiring the update.**

1. Omitted Information - The application was submitted and the applicant failed to disclose the information as required.
2. Change in Disclosure Threshold - Information subject to disclosure arose after the time for making disclosures, i.e., an interested party who did not previously have a pecuniary interest at the time of application, now meets or exceeds the \$50,000 or 10 percent of assistance threshold.
3. Change to Previously Disclosed Information - Changes must be submitted when any of the following criteria are met:
  - a. Changes in "Other Government Assistance" that exceeds the amount of such assistance that was previously disclosed by \$250,000 or 10 percent of the assistance, whichever is lower;
  - b. Changes in the amount of the pecuniary interest of a person exceeds the amount of the previously disclosed interests by \$50,000 or by 10 percent of such interests, whichever is lower;
  - c. Changes in the source of funds that exceeds the amount of all previously disclosed sources of funds by \$250,000 or 10 percent of those sources, whichever is lower; and
  - d. Changes in the uses of funds that exceeds the amount of all previously disclosed uses of funds by \$250,000 or by 10 percent of those uses, whichever is lower.

**APPLICANT/GRAANTEE/RECIPIENT DISCLOSURE CERTIFICATION**

See attached instructions.

**PART I. APPLICANT/GRAANTEE/RECIPIENT INFORMATION**

Indicate whether this is an Initial Report \_\_\_\_\_ or an Update Report \_\_\_\_\_

A. Applicant/Grantee Name, Address and Telephone (include area code)

113. The following table shows the number of hours worked by 1000 workers in a certain industry. The workers are divided into three categories: A, B, and C. Category A workers work 40 hours per week, Category B workers work 45 hours per week, and Category C workers work 50 hours per week. The table also shows the percentage of workers in each category.

B. Recipient Name, Address and Telephone (include area code) (for economic development component only)

b. Recipient Name, Address and Telephone (include area code) (for economic development component only)

### C. Project Location Address

**C. Project Location Address**

1. **What is the primary purpose of the study?**

D. Type of Assistance Requested/Provided	Amount of Assistance Requested/Provided

## **PART II. THRESHOLD DETERMINATION (Applicant/Grantee only)**

Have you received, or can you reasonably expect to receive (including this grant application), an aggregate amount of CDAP funds in excess of \$200,000 for the time period January 1, 2008 to December 31, 2008.      Yes \_\_\_\_\_      No \_\_\_\_\_

If “yes,” Parts III through V must also be completed.

All applicants must certify that the information provided is true by signing below.

---

Printed Name of Applicant/Grantee/Recipient

Signature of Authorized Official

Date

Printed Name and Title of Authorized Official

Applicant/Grantee/Recipient Disclosure Certification (continued)

<b>PART III. OTHER GOVERNMENT ASSISTANCE</b>			
Federal Department/State/Local		Amount	
Agency Name & Address	Program	Type	Requested/Provided
<b>PART IV. INTERESTED PARTIES</b>			
List of all persons with a Reportable Financial Interest		Type of Participation	Financial Interest in Project (\$ and %)
<b>PART V. SOURCES AND USES OF FUNDS</b>			
Source		Use	

## SAMPLE

### **INTERGOVERNMENTAL COOPERATION AGREEMENT**

The \_\_\_\_\_, \_\_\_\_\_ County, Illinois, seeks to support the efforts of the \_\_\_\_\_ to obtain Community Development Assistance Program funds from the Illinois Department of Commerce and Economic Opportunity for (proposed project) \_\_\_\_\_ located in \_\_\_\_\_. As the chief executives of our respective local governments, we are signing this agreement to cooperate as much as needed to accomplish these improvements.

The \_\_\_\_\_ is hereby designated as the lead agency for this application and will be the applicant for the funds. The \_\_\_\_\_ will be liable for all program administration functions should the grant be awarded.

---

Attest

---

Attest

Date: \_\_\_\_\_

NOTE: This general form (or a suitable variation) is to be used by local government applicants whose proposed project or project area involves more than one jurisdiction. It is a required part of any "on behalf of" or joint application with appropriate modifications as may be required to fit local conditions.

### PROJECTED CASH FLOW

Page 1

1. <b>Your Investment</b>	\$						
2. <b>Less Start-Up Costs</b>	\$						
3. <b>Remainder (*)</b>	\$						
		1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month
4. <b>Beginning Cash</b>	\$						
Plus: Cash Sales	\$						
Collection of A/Rs	\$						
Loans & other cash income	\$						
5. <b>Total Available Cash</b>	\$						
Purchase of Inventory	\$						
Employee Wages-Gross	\$						
Payroll Taxes, etc.	\$						
Outside Services	\$						
Office Supplies	\$						
Repairs and Maintenance	\$						
Advertising	\$						
Car, Delivery & Travel Exp.	\$						
Accounting/Legal Exp.	\$						
Rent	\$						
Telephone	\$						
Utilities	\$						
Real Estate Taxes	\$						
Interest of Term Loans	\$						
Other Expenses	\$						
6. <b>Total Expenses</b>	\$						
#5 Less #6	\$						
Less Owner's Withdrawals	\$						
7. <b>Balance</b>	\$						
Less payments due on fixed (term) payment loans	\$						
Other Loan Payments	\$						
8. <b>Ending Cash (**)</b>	\$						

(\*) This figure represents the beginning cash for the first month.

(\*\*) The ending cash for one period is the beginning cash for the next month.

(\*\*\*) This column must agree with project income statement.

### PROJECTED CASH FLOW

Page 2

1. <b>Your Investment</b>	\$							
2. <b>Less Start-Up Costs</b>	\$							
3. <b>Remainder (*)</b>	\$							
		7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	Total (***) 1-12
4. <b>Beginning Cash</b>	\$							
Plus: Cash Sales	\$							
Collection of A/Rs	\$							
Loans & other cash income	\$							
5. <b>Total Available Cash</b>	\$							
Purchase of Inventory	\$							
Employee Wages-Gross	\$							
Payroll Taxes, etc.	\$							
Outside Services	\$							
Office Supplies	\$							
Repairs and Maintenance	\$							
Advertising	\$							
Car, Delivery & Travel Exp.	\$							
Accounting/Legal Exp.	\$							
Rent	\$							
Telephone	\$							
Utilities	\$							
Real Estate Taxes	\$							
Interest of Term Loans	\$							
Other Expenses	\$							
6. <b>Total Expenses</b>	\$							
#5 Less #6	\$							
Less Owner's Withdrawals	\$							
7. <b>Balance</b>	\$							
Less payments due on fixed (term) payment loans	\$							
Other Loan Payments	\$							
8. <b>Ending Cash (**)</b>	\$							

(\*) This figure represents the beginning cash for the first month.

(\*\*) This ending cash for one period is the beginning cash for the next month.

(\*\*\*) This column must agree with project income statement.

Company's Current Indebtedness								Instructions
To Whom Payable	Original Amount	Original Date	Present Balance	Rate Int.	Maturity Date	Monthly Payment	Security	
								Provide information on all installment debts, contracts, notes, and mortgages payable. (Present balance should agree with latest balance sheet submitted.)

**Please indicate if note is to be paid in one installment instead of monthly payments.**

**Description of Collateral**

First, describe the collateral position for the CDAP loan and then describe the collateral position for all other entities involved (bank loan, IDOT, IEPA, etc.) in the project. Collateral may consist of land\* and building, inventory and/or accounts receivable. If accompanied by an itemized list (for all articles that had an original value greater than \$500) the following items may also be used as collateral: machinery and equipment, furniture and fixtures, and/or other items described.

\*A legal term description of real estate offered as collateral will be required.

<b>Collateral for CDAP loan</b>	<b>Present Market Value of this Collateral</b>	<b>Other Liens on this Collateral</b>
_____	_____	_____
<b>Collateral for _____</b>	<b>Present Market Value of this Collateral</b>	<b>Other Liens on this Collateral</b>
_____	_____	_____
<b>Collateral for _____</b>	<b>Present Market Value of this Collateral</b>	<b>Other Liens on this Collateral</b>
_____	_____	_____
<b>Collateral for _____</b>	<b>Present Market Value of this Collateral</b>	<b>Other Liens on this Collateral</b>
_____	_____	_____

## DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

## DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

## PERSONAL FINANCIAL STATEMENT

As of \_\_\_\_\_ (Month) \_\_\_\_\_ (year)

Complete this form if 1) a sole proprietorship by the proprietor; 2) a partnership by each partner; 3) a corporation by each officer and each stockholder with 20% or more ownership; 4) any other person or entity providing a guaranty of the loan.

Name	Residence Phone	
Residence Address		
City	State	Zip
Business Name of Applicant/Borrower		

ASSETS	(omit cents)	LIABILITIES	(omit cents)
Cash on Hand and in Banks.....	\$ _____	Accounts Payable.....	\$ _____
Savings Accounts.....	_____	Notes Payable (to Bank/Other) (Describe in Section 2).....	_____
IRA.....	_____	Installment Account (Auto) Monthly Payments \$_____	_____
Accounts & Notes Receivable (Describe in Section 6).....	_____	Installment Account (Other Monthly Payments) \$_____	_____
Life Insurance - Cash Surrender Value Only.....	_____	Loans on Life Insurance.....	_____
Stocks and Bonds (Describe in Section 3).....	_____	Mortgages on Real Estate (Describe in Section 4).....	_____
Real Estate (Describe in Section 4).....	_____	Unpaid Taxes (Describe in Section 7).....	_____
Automobile-Present Value.....	_____	Other Liabilities (Describe in Section 8).....	_____
Other Personal Property (Describe in Section 5).....	_____	Total Liabilities.....	_____
Other Assets (Describe in Section 6).....	_____	Net Worth.....	_____
TOTAL.....	\$ _____	TOTAL.....	\$ _____

Section 1. Source of Income		Contingent Liabilities
Salary.....	\$ _____	As Endorser or Co-Maker..... \$ _____
Net Investment Income.....	_____	Legal Claims & Judgments.....
Real Estate Income.....	_____	Provision for Fed Income Tax.....
Other Income (Describe)*.....	_____	Other Special Debt.....

## Description of Items Listed in Section 1

(\*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.)

## Section 2. Notes Payable to Banks and Others

Name & Address of Noteholder	Original Balance	Current Balance	Payment Amount	Terms (Monthly-etc.)	How Secured or Endorsed - Type of Collateral

IL 420-0720 - Revised 01/96

**Section 3. Stocks and Bonds:** (Use separate sheet if necessary)

Page 2

No. of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date Amount

**Section 4. Real Estate Owned.** (List each parcel separately. Use supplemental sheets if necessary. Each sheet must be identified as a supplement to this statement and signed.)

Address- Type of property	Title is in name of	Date Purchased	Original Cost	Present Value	Mortgage Balance	Amount of Payment	Status of Mortgage

**Section 5. Other Personal Property.** (Describe, and if any is mortgaged, state name and address of mortgage holder and amount of mortgage, terms of payment, and if delinquent, describe delinquency.)**Section 6. Other Assets, Notes & Accounts Receivable** (Describe)**Section 7. Unpaid Taxes.** (Describe in detail, as to type, to whom payable, when due, amount and what, if any property the tax lien attaches)**Section 8. Other Liabilities.** (Describe in detail)**Section 9. Life Insurance Held.** (Give face amount of policies-name of company and beneficiaries)

I/we authorize the Department of Commerce and Economic Opportunity to make all inquiries deemed necessary to verify the accuracy of the statements made herein and to determine my/our credit worthiness.

(I)(We) certify the above and the statements contained in the schedules herein are a true and accurate statement of (my)(our) financial condition as of the date stated herein.

Signature \_\_\_\_\_  
 Date \_\_\_\_\_  
 Social Security No. \_\_\_\_\_

Signature \_\_\_\_\_  
 Date \_\_\_\_\_  
 Social Security No. \_\_\_\_\_

**SECTION V**  
**ATTACHMENTS**

**DIRECT HUD ENTITLEMENTS****Metropolitan Cities**

Arlington Heights  
Aurora  
Belleville  
Berwyn  
Bloomington  
Bolingbrook  
Champaign  
Chicago  
Chicago Heights  
Cicero  
Danville  
Decatur  
DeKalb  
Des Plaines  
Downers Grove  
East St. Louis  
Elgin  
Evanston  
Joliet  
Kankakee  
Moline  
Mount Prospect  
Naperville  
Normal  
North Chicago  
Oak Lawn  
Oak Park  
Palatine  
Pekin  
Peoria  
Rantoul  
Rockford  
Rock Island  
Schaumburg  
Skokie  
Springfield  
Urbana  
Waukegan  
Wheaton

**Urban Counties**

Cook County  
DuPage County  
Kane County  
Lake County  
Madison County  
McHenry County  
St. Clair County  
Will County



# Federal Register

**Friday,**  
**December 23, 2005**

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## **Part III**

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### **Department of Housing and Urban Development**

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**24 CFR Part 570  
Prohibition on Use of Community  
Development Block Grant Assistance for  
Job-Pirating Activities; Interim Rule**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****24 CFR Part 570**

[Docket No. FR-4556-I-02; HUD-2005-0076]

RIN 2506-AC04

**Prohibition on Use of Community Development Block Grant Assistance for Job-Pirating Activities****AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.**ACTION:** Interim rule.

**SUMMARY:** The interim rule implements certain statutory changes by revising HUD's regulations for the Community Development Block Grant (CDBG) program. Specifically, this interim rule prohibits state and local governments from using CDBG funds for "job pirating" activities that are likely to result in significant job loss. The rule also applies to section 108 loan guarantees, and the use of Brownfields Economic Development Initiative and Economic Development Initiative funds with section 108 loan guarantees and CDBG funding. This rule follows publication of an October 24, 2000, proposed rule and takes into consideration the public comments received on the proposed rule. The interim rule also provides the public with an additional opportunity to comment on the regulatory job pirating provisions.

**DATES: Effective Date:** February 21, 2006.**Comment Due Date:** February 21, 2006.

**ADDRESSES:** Interested persons are invited to submit comments regarding this rule to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500. Interested persons may also submit comments electronically through either:

- The Federal eRulemaking Portal at <http://www.regulations.gov>; or
- The HUD electronic Web site at <http://www.epa.gov/fedocket>. Follow the link entitled "View Open HUD Dockets." Commenters should follow the instructions provided on that site to submit comments electronically.

Facsimile (FAX) comments are not acceptable. In all cases, communications must refer to the docket number and title. All comments and communications submitted will be available, without change, for public inspection and copying between 8 a.m.

and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the public comments by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Copies are also available for inspection and downloading at <http://www.epa.gov/fedocket>.

**FOR FURTHER INFORMATION CONTACT:**

Richard Kennedy, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 7286, Washington, DC 20410-7000, telephone (202) 708-3587 (this is not a toll-free number).

In addition, program participants may contact their respective program offices by calling the applicable telephone number listed below (these telephone numbers are not toll-free).

*For State CDBG, HUD-administered Small Cities, and Insular recipients:* Michael Sowell, Community Planning and Development Specialist, State and Small Cities Division, (202) 708-1322.

*For Entitlement Communities:* Stan Gimont, Director, Entitlement Communities Division, (202) 708-1577.

*For Section 108 program participants:* Paul Webster, Director, Financial Management Division, (202) 708-1871.

*For Economic Development Initiative (EDI) and Brownfields Economic Development Initiative (BEDI) program participants:* William Seedyke, EDI and BEDI Program Coordinator, Grants Management Division, (202) 708-3484.

Hearing- or speech-impaired individuals may access any of the telephone numbers listed in this section by calling the Federal Information Relay Service toll-free at (800) 877-8339.

**SUPPLEMENTARY INFORMATION:****I. Statutory Background**

Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301-5320) (1974 HCD Act) establishes the statutory framework for the Community Development Block Grant (CDBG) Program. HUD's regulations implementing the CDBG program are located at 24 CFR part 570 (entitled "Community Development Block Grants"). As used in this rule, the term "CDBG funding" or reference to CDBG programs means, in addition to the Entitlement and State CDBG programs, those programs covered by the part 570 regulations (e.g., section 108 loan guarantees, Economic Development Initiative, Brownfields Economic Development Initiative, HUD-administered Small Cities, and Insular CDBG program). This rule does not apply to the Indian CDBG program.

Section 105 of the 1974 HCD Act (42 U.S.C. 5305) was amended by section 588 of the Quality Housing and Work Responsibility Act of 1998 (QHWR) (Title V of the Fiscal Year 1999 HUD Appropriations Act, Public Law 105-276, approved October 21, 1998). Specifically, section 105 was amended to add a subsection (h) entitled "Prohibition on Use of Assistance for Employment Relocation Activities." This subsection prohibits the use of CDBG funds to facilitate the relocation of for-profit businesses from one labor market area to another if the relocation is likely to result in a significant job loss.

Subsection 105(h) provides as follows:

(h) **Prohibition on Use of Assistance for Employment Relocation Activities.**—Notwithstanding any other provision of law, no amount from a grant under section 106 made in fiscal year 1999 or any succeeding fiscal year may be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from [one] area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.

**II. The October 24, 2000, Proposed Rule**

On October 24, 2000 (65 FR 63756), HUD published a proposed rule to implement section 588 of QHWR. The October 24, 2000, proposed rule proposed to prohibit state and local governments from using CDBG funds for job pirating activities. Job pirating was defined as the act of one community luring a business, and the jobs that would accompany it, from another community that could have significant impact on the economic viability of the latter community.

The statute sought to ensure that CDBG funds would not be used to the detriment of one community for the prosperity of another. However, the statute did not define clearly what was meant by significant job loss, or what was considered a labor market area for entitlement and non-entitlement areas.

HUD received 32 public comments on the October 24, 2000, proposed rule. Several commenters expressed a concern with respect to the issue of how the statute would be implemented particularly in non-entitlement areas. The objections raised regarding the non-entitlement portion of the proposed rule have been addressed in this interim rule without fundamentally changing the conceptual approach of the October 24, 2000, proposed rule. There were no substantial objections raised by commenters regarding HUD's implementation of the non-entitlement provision in the Entitlement CDBG

program. The changes made in this rule for the Entitlement program are principally to ensure consistency of application between the Entitlement and State CDBG programs. HUD believes this rule implements the statutory prohibition while maintaining the local flexibility of the CDBG program.

### III. Significant Differences Between this Interim Rule and HUD's October 24, 2000, Proposed Rule

This interim rule follows publication of the October 24, 2000, proposed rule and takes into consideration the public comments received on the proposed rule. In response to the public comments, HUD has made the following changes to the proposed rule. The rationale for these revisions is more fully explained in section IV of this preamble.

1. *"De minimis" job loss.* This interim rule provides that a loss of 25 or fewer jobs as a result of a single activity does not constitute a significant job loss for purpose of the anti-pirating provisions.

2. *State designation of applicable Labor Market Area (LMA).* The interim rule permits each state to combine LMAs in non-metropolitan areas to determine its LMAs for purposes of the anti-pirating requirements. States will be required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. States can obtain LMA designations at the following Bureau of Labor Standards Web site: <http://www.bls.gov/lau/lmadir.pdf>.

3. *Time limit on anti-piracy requirements.* This interim rule establishes a time limit on the applicability of the anti-piracy requirements. In general, a job will be considered to be relocated if positions are eliminated at an existing operation within three years after the provision of CDBG assistance for the new operation.

4. *Streamlined reporting requirements.* In place of the detailed information required under the proposed rule, this interim rule requires that the assisted business submit a certification that neither it nor any of its subsidiaries has plans to relocate jobs that will result in a significant job loss for a specific area. This certification will be part of the agreement committing CDBG assistance to the business.

5. *Definition of "directly assist."* This interim rule further defines "directly assist." The provision of CDBG funds for activities pursuant to public facilities and indirect assistance that will provide benefit to multiple

businesses does not fall under the definition of "directly assist," unless it includes the provision of infrastructure to aid a specific business.

### IV. Discussion of Public Comments on the October 24, 2000, Proposed Rule

Twenty-one of the 32 comments came from states, with many of the remaining comments coming from organizations that represent non-entitlement areas. The states and organizations that represent non-entitlement areas wrote that the proposed rule was flawed as labor market areas did not relate to the true commuting patterns in rural areas, and that there needed to be a *de minimis* number of jobs that would not trigger the operation of this rule. As a result of the comments from states and organizations representing non-entitlement areas, this rule makes the following changes to the proposed rule.

A. *Significant Loss of Jobs.* Many commenters raised questions or concerns regarding the definition of "significant job loss" contained in the October 24, 2000, proposed rule. Under the proposed rule, a loss of jobs would be considered significant if the number of jobs lost is equal to or greater than one-tenth of one percent (0.1%) of the total number of jobs in the labor force. However, in all cases a loss of 500 or more jobs is considered significant.

Several commenters wrote that the percentage used to calculate significant job loss would adversely affect smaller, rural areas. For example, under the proposed rule, a loss of 10 jobs in a labor market area containing 10,000 jobs would have triggered the application of the rule. The commenters recommended several alternatives to address this concern. Several commenters, for example, suggested that HUD not use a percentage to calculate significant job loss and instead simply rely on the second component of the definition (i.e., a loss of 500 or more jobs). Other commenters suggested raising the percentage used to determine whether job loss is significant. Several commenters suggested that HUD establish a *de minimis* number of lost jobs that would not trigger the operation of the anti-pirating provisions.

HUD continues to believe that a percentage-based calculation is useful for determining significant job loss, since such a calculation may be uniformly applied to varying sized labor forces. However, HUD also recognizes that a percentage-based test may be difficult to apply to small communities where the loss of a handful of jobs may be sufficient to trigger the anti-pirating provisions. After considering the public comments on this issue, HUD has

modified the proposed rule to provide that a loss of 25 or fewer jobs as a result of a single activity will not constitute a significant job loss.

According to the Office of Advocacy of the U.S. Small Business Administration, there are approximately 4.4 million firms in the U.S. that employ 25 employees or fewer out of a total of nearly 5.5 million firms nationwide. There are only 470,356 firms that employ between 25 and 500 employees. Approximately 80 percent of firms in the U.S. employ fewer than 25 workers. HUD believes the potential impact of any single business relocating from one labor market to another would be minimal on the employment rate in that given labor market area. Furthermore, while HUD has taken every measure to minimize the burden of compliance with this rule on businesses in general, HUD believes that it would be overly burdensome to impose such requirements on businesses that employ 25 or fewer employees.

B. *Problems with the Definition of LMAs in Rural Areas.* Several commenters objected to the use of LMAs defined by the U.S. Department of Labor for purposes of determining significant job loss. The commenters wrote that the size and composition of LMAs vary throughout the country, thus limiting their usefulness in consistently and uniformly measuring job loss. The majority of the commenters on this issue wrote that the LMAs do not accurately reflect commuter patterns in rural areas. These commenters wrote that the U.S. Department of Labor LMA definition did not work for rural areas, as the LMA definition was for a single county, when the real commuting area is a multicounty area.

The commenters suggested various ways to remedy the perceived difficulties with use of LMAs. Some commenters suggested that HUD replace the use of LMAs with use of the relevant jurisdiction, such as the city or county. Other commenters recommended that HUD permit jurisdictions to voluntarily combine and designate themselves as an LMA for purposes of the anti-pirating provisions.

Since publication of the October 24, 2000, proposed rule, the Office of Management and Budget has issued a revised definition of LMA that HUD believes lessens the prevalence of the concerns raised by the commenters. Specifically, under the revised definition of LMA, all non-metropolitan areas in each state are grouped into small LMAs usually consisting of one or more counties. To further address the concerns raised by the commenters, the interim rule permits each state to

combine LMAs in non-metropolitan areas to determine its LMAs for purposes of the anti-pirating requirements.

States are required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. Under this interim rule, metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. The area defined by the state must also be coterminous. HUD will revisit this issue in the future if there is evidence of abuse by states in configuring LMAs.

In those situations where a particular state decides not to define its LMAs in non-metropolitan areas, then the area(s) defined by the U.S. Department of Labor for that particular non-metropolitan area shall be used. It should be noted that the state losing one or more net jobs is the state with the responsibility for defining the LMAs.

#### *C. Time Limit on Anti-Piracy Requirements.*

Many commenters from non-entitlement areas suggested that a limit should be set on the length of time during which changes in employment may be considered to be as a result of CDBG assistance. HUD agrees and has established a time limit on the applicability of the anti-piracy requirements. A job will be considered to be relocated if positions are eliminated at an existing operation within three years after the provision of CDBG assistance for the new operation. HUD has determined that three years is an appropriate time period to define relocating existing operations. Most states allow no more than three years for a project to be completed and expect the majority, if not all, of the jobs to be created in this time frame. However, if the contractual agreement between the recipient (entitlement grantee, state, or state grant recipient) and the assisted business allows a time period longer than three years for the business to create jobs, then the provisions of this rule will apply for the duration of that agreement.

#### *D. Provision of Infrastructure*

*Assistance Should Not be Subject to the Rule.* The majority of commenters wrote that infrastructure assistance should not be covered by the rule as it is not a deciding factor on whether a business will relocate to an area. Several of these commenters wrote that assistance for infrastructure development is indirect assistance and, therefore, outside the scope of the statutory anti-pirating prohibition, which applies solely to direct assistance. A minority of

commenters, however, thought infrastructure assistance should be covered by the rule. HUD continues to believe that the rule should cover infrastructure assistance when a grantee, participating unit of general local government, subrecipient, Community-Based Development Organization (CBDO), or a nonprofit organization serving the development needs of communities in non-entitlement areas, directly assists in the relocation of a business. The Department does not consider infrastructure assistance to be indirect assistance in such cases, since there is no difference between providing infrastructure assistance and making a loan to a business when there is a written agreement in which a business commits to create jobs. However, if CDBG funds are provided to assist infrastructure to aid a specific business that is the subject of an agreement with the specific assisted business, those funds would fall under the definition of "directly assist." The interim rule clarifies the definition of "directly assist" to include this distinction.

*E. Recordkeeping Requirements.* Many commenters stated that the recordkeeping requirements of the proposed rule were onerous and would discourage economic development projects. HUD agrees that the proposed information collection requirements would have imposed an undue burden on certain businesses. For example, requiring information on all of a business' facilities with the number of jobs at each facility would prevent the provision of assistance to national retail operations, as provision of this information would be onerous for corporations such as Target or McDonald's, for example, to complete. As a result, HUD has streamlined the proposed reporting requirements. In place of the detailed information required under the proposed rule, this interim rule requires that the assisted business submit a certification that neither it nor any of its subsidiaries has plans to relocate jobs that will result in a significant job loss. This certification will be part of the agreement committing CDBG assistance to the business.

*F. Applicability to nonprofits.* Several commenters wrote in support of the exemption of non-profit organizations from the anti-pirating requirements. Other commenters, however, questioned the non-profit exemption. Most of these commenters agreed that there is little likelihood of nonprofit group use of CDBG assistance for job relocation purposes. However, the commenters wrote that the relocation of some large nonprofit organizations could

potentially result in a significant job loss. These commenters also wrote that the statutory anti-pirating requirements do not specifically single out for-profit businesses.

HUD has not revised the rule in response to these comments. As the commenters acknowledge, the potential that CDBG assistance will result in a nonprofit group relocating is limited. However, as some commenters questioned the non-profit exemption, HUD is inviting specific comments on examples of situations where relocations of nonprofit organizations have resulted in significant job losses.

#### *V. This Interim Rule*

This interim rule follows publication of and takes into consideration the public comments received on HUD's October 24, 2000, proposed rule. As noted above, this interim rule makes several changes to the proposed rule in response to the public comments. HUD has decided to issue this rule as an interim rule to afford the public with another opportunity to comment, and specifically to the changes made to the rule based on earlier comments. All comments received in response to this interim rule will be considered during development of the final rule.

This interim rule would implement section 105(h) of the 1974 HCD Act by revising HUD's CDBG program regulations at 24 CFR part 570. For the Entitlement CDBG program, the interim rule would establish a new § 570.210 (entitled "Prohibition of use of assistance for employment relocation activities"), which would describe the CDBG job pirating prohibitions. Other related sections of the Entitlement regulations would be revised. For the State CDBG program, the interim rule would revise § 570.482 (entitled "Eligible activities") to describe the job pirating provisions for the state-administered CDBG program.

In situations where a natural disaster has occurred and the President has declared the area a disaster under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, grantees can request suspension of certain statutory provisions.

#### *A. Significant Features of the Interim Rule*

*1. Direct assistance to for-profit businesses.* Section 105 of the 1974 HCD Act authorizes the provision of direct CDBG assistance to for-profit businesses. Specifically, section 105(a)(17) authorizes CDBG recipients to provide direct assistance to for-profit businesses for economic development activities. Additionally, section

105(a)(15) authorizes recipients to provide CDBG funds to Community-Based Development Organizations (CBDOs) and other nonprofit entities for economic development activities that increase economic opportunities, or that stimulate or retain businesses or permanent jobs. CBDOs and other nonprofit entities may implement economic development activities directly or they may assist for-profit businesses similar to the way CDBG recipients assist for-profit businesses.

Section 105(h) targets CDBG assistance to for-profit businesses. Pursuant to section 105(h), this interim rule would prohibit the provision of CDBG assistance to for-profit businesses (including business expansions) under sections 105(a)(15) and 105(a)(17) of the 1974 HCD Act, if:

- (i) The funding will assist in the relocation of a plant, facility, or operation; and
- (ii) The relocation is likely to result in a significant loss of jobs in the area from which the relocation occurs.

As noted, HUD will apply the job pirating prohibition rule to those business expansions that result in the relocation of all or a portion of an operation to the expansion site, if the relocation would result in a significant loss in the number of jobs at the current facility. This rule is not intended to apply to situations in which a business starts a new operation in a new location, which is unrelated to existing operations, and later decides to reduce or eliminate the existing operation. For example, a business presently manufactures lawnmowers in city A, and decides to diversify its operations by opening a plant (with CDBG assistance) to assemble computer circuit boards in city B, which is in a different LMA. Two years later, because of changes in the industry, the business decides to get out of the lawnmower business and to focus exclusively on computer circuit boards; it closes the lawnmower factory or sells the factory to a competitor. This scenario would not constitute job pirating, because the circuit board plant constitutes a completely different operation with very different job positions from the lawnmower factory. The firm's decision to exit the lawnmower business was unrelated to the decision to enter the computer circuit board business. However, a company that plans to open a new plant outside its current LMA, with the express intent to consolidate its production of "goods" at that location, and then shuts down an older facility elsewhere up to three years later, would trigger the anti-pirating provision if there was a significant loss of jobs.

HUD also decided that the rule should not cover the business activities of nonprofit entities. HUD will revisit this issue in the future if there is evidence of abuse from job pirating involving nonprofit entities.

2. *Infrastructure improvements.* The October 24, 2000, proposed rule considered how section 105(h) applies to CDBG recipients that provide assistance *indirectly* to for-profit businesses. The proposed rule stated that indirect assistance may take the form of buildable sites, rail spurs, and other amenities in industrial parks. CDBG recipients may carry out these activities under section 105(a)(14) of the 1974 HCD Act, as well as sections 105(a)(1), (2), (4), or (7), which govern the use of CDBG funds for acquisition of real property, public facilities improvements, clearance, demolition, and disposition of real property. After reviewing the comments on the October 24, 2000, proposed rule, the Department believes that using CDBG funding for these activities assists directly in the relocation of a business when a CDBG recipient, participating unit of general local government, subrecipient, or CBDO enters into a written agreement to provide the assistance as a condition of the business relocating to the recipient's jurisdiction. Under such circumstances, the Department discerns no difference between providing infrastructure assistance and making a loan to a business. The Department does not consider infrastructure assistance to be indirect assistance in such cases, since there is no difference between providing infrastructure assistance and making a loan to a business when there is a written agreement in which a business commits to create jobs.

3. *Definition of "Operation."* Section 105(h) prohibits the use of CDBG assistance with respect to the relocation of any industrial or commercial plant, facility, or "operation" from one area to another. This interim rule defines the term "operation" to include, but not be limited to, any equipment, position, employment opportunity, production capacity, or product line.

4. *Definition of "Area."* Section 105(h) prohibits the relocation of any industrial or commercial plant, facility, or operation, from "one area to another," if the relocation is likely to result in significant job loss. For metropolitan areas, HUD defines the term "area" as synonymous with the term "Labor Market Area (LMA)," as defined by the U.S. Bureau of Labor Statistics (BLS) (<http://www.bls.gov/lau/laugeo.htm>). The BLS defines an LMA as:

[a]n economically integrated area within which individuals can reside and find employment within a reasonable distance or can readily change jobs without changing their place of residence. In addition, LMAs are nonoverlapping and geographically exhaustive.

LMAs include metropolitan statistical areas (MSAs) and Metropolitan Divisions, defined by the Office of Management and Budget (OMB), and small LMAs. Metropolitan Division is a new OMB term that has replaced Primary Metropolitan Statistical Areas (PMSAs). A Metropolitan Division consists of a county or a group of counties within a Core Based Statistical Area that has a core population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties. A Micropolitan Statistical Area is viewed as an area with urban clusters of at least 10,000 population, but less than a population of 50,000. The Micropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

HUD received multiple comments in response to the October 24, 2000, proposed rule that indicated the BLS definition of LMA does not work in rural areas for the purposes of this rule. Some commenters stated that in many states rural LMAs tended to be single-county entities while the true commuting area is a multicounty area. Using the BLS definitions could give a distorted view of the distances an employee could commute in order to maintain employment in a job that has moved to a new location. In response to these comments, HUD has determined that in non-metropolitan areas, a state may choose to use the BLS definition of LMA, or it may combine LMAs if that gives a more accurate definition of the true commuting area for a portion of a state. States would be required to define their LMAs and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. It should be noted that metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. Combined LMAs will still be referred to as LMAs. Also, a state can be more restrictive in its definitions (e.g., a state can forbid units of general local government from using State CDBG

funds to fund *any* business relocation if the state so chooses).

HUD believes that the BLS definition of a LMA is the most logical one to use for metropolitan jurisdictions, for two reasons:

- (i) It ensures consistency of definitions and data across the country; and
- (ii) It enhances consistency of approach among federal programs.

The interim rule would be applicable to business relocations from one LMA to another, regardless of the type of area (e.g., from a MSA to a Metropolitan Division, or from a MSA to a small LMA, etc.) or the type of CDBG grantee providing assistance (e.g., entitlement city or state grant recipient). As a result, the rule defines LMAs for both entitlement and non-entitlement areas in both the entitlement and State CDBG

regulations. The only exception is that the rule will not be applicable to moves to Indian reservations; however, the statute is applicable to moves to reservations.

For instance, moving a business from the City of Denver (located in the Denver-Aurora, CO, MSA) to Adams County, CO (also located in the Denver-Aurora, CO, MSA) would not be subject to the anti-pirating provisions of this interim rule since both Denver and Adams County are located in the same LMA.

**5. Determining "significant job loss."** As noted above, section 105(h) prohibits CDBG assistance for business relocation activities that "will result in a significant loss of employment" in the LMA from which the relocation occurs. This interim rule requires that a CDBG entitlement, small city, insular grantee,

or a unit of general local government receiving funding from a state, in determining whether a significant job loss would occur, collect labor force statistics for the LMA where the business is located *before* the relocation occurs. As stated in this rule, the CDBG grantee also would be required to document the number of jobs that the business plans to relocate to the new LMA.

The example in the chart below illustrates the factors that a CDBG grantee would be required to consider in determining whether the relocation of a business would result in a significant job loss. In the example, a city has proposed funding a business that plans to relocate from any of the following areas. The business plans on relocating on July 1, and the move would result in the relocation of 50 jobs.

#### EXAMPLE OF CALCULATING SIGNIFICANT JOB LOSS

(A) CDBG grantee/name of LMA Area where business is currently located	(B) Number of persons in labor force in area where business is currently located (April 2003 for Chattanooga and Jefferson County, 2002 average for Logan)	(C) One-tenth percent of labor force Multiply column (B) by .001	(D) Number of jobs leaving the area Must be fewer than number in column (C) to be eligible for assistance
Chattanooga, TN .....	234,900	$234,900 \times .001 = 234$	50 NOT PROHIBITED
Chattanooga, TN-GA MSA .....	18,250	$18,250 \times .001 = 18.250$	50 PROHIBITED
Logan, NE .....	1,238,600	$1,238,600 \times .001 = 1,238.6$	50 NOT PROHIBITED
Lincoln-Logan-McPherson SLMA .....			
Jefferson County, CO .....			
Denver, CO, Metropolitan Division .....			

(MSA)  
(SLMA: Small LMA)

Labor force statistics are provided monthly and annually for each LMA. Labor force data may be obtained from the BLS Web site at <http://www.bls.gov/lau/home.htm>. CDBG grantees also may write to their state employment statistics contact person to receive local employment data. A list of state employment statistics contact names is provided on the Internet at <http://www.bls.gov/bls/foalist.htm>. To obtain a list of LMAs or for questions regarding local area unemployment statistics, contact the BLS Local Area Unemployment Statistics Division by calling (202) 691-6392 (this is not a toll-free number) or e-mail the Division at [lausinfo@bls.gov](mailto:lausinfo@bls.gov).

In large LMAs, one-tenth of a percent job loss of the total labor market may constitute a large number of employees.

Therefore, this interim rule provides that in all cases a loss of 500 or more jobs will be considered to constitute a significant job loss. To prevent the rule from having an effect in situations where the relocation of a business causes an insignificant loss of jobs, the interim rule provides that a loss of 25 or fewer jobs from an area, as a result of a CDBG-funded economic development project, does not constitute a significant loss of jobs. In summary:

- (1) A loss of 25 or fewer jobs as a result of a single activity will not constitute a significant job loss;
- (2) Any loss greater than 500 will continue to be counted as significant;
- (3) Job losses between 25-500 must be less than 0.1 percent of the areas labor

force to avoid being counted as significant.

#### B. Activities and Businesses Exempt From the Job Piracy Prohibition

**1. General.** This interim rule will not apply to any of the following:

(a) Relocation assistance required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601-4655) (implemented at 24 CFR part 42) (URA) and with respect to the CDBG regulations, at 24 CFR 570.488 and 570.606;

(b) Microenterprises; and

(c) Assistance to businesses that buy equipment and/or inventory in arms-length transactions and move the equipment and/or inventory to another area.

2. *Relocation assistance.* HUD will exclude relocation assistance required to be provided to a business under the URA. Businesses that receive such assistance and are required to relocate generally are not voluntarily relocating. In addition, optional relocation assistance under section 105(a)(11), as implemented at 570.201(i) and 570.606(d), should be excluded for the same reasons. HUD does not believe that the anti-pirating provisions were intended to prevent businesses that are forced to relocate as a result of a government action covered by the URA from relocating to another area.

3. *Microenterprises.* HUD considered whether microenterprises should be subject to the job pirating restrictions, but has determined that this type of business was not the intended target of the statutory prohibition.

Microenterprises generally have five or fewer employees and typically do not seek resources to relocate jobs to other areas.

4. *CDBG-assisted arms-length transactions.* The exemption for businesses that buy equipment, inventory, or other physical assets in arms-length transactions is meant to protect assisted businesses that simply purchase equipment and inventory that are located in one area and move them to a new location. The job piracy prohibition targets businesses that move existing operations from one labor market area to another.

This interim rule applies to CDBG assistance to a business that: (1) Shuts down or downsizes a facility and sells the equipment in a non-arms-length transaction (an example of a non-arms-length transaction is a firm selling equipment to a subsidiary); or (2) sells, in an arms-length transaction, an interest in an existing business, product line, customer base, or the entire stock-in-trade and goodwill of an existing business.

This interim rule does not apply to assistance to a business that only purchases used equipment in an arms-length transaction. HUD believes that the sale and purchase of equipment, inventories, or other business assets on the open market were not intended to be included under the business relocation provisions of section 105(h).

The examples below illustrate the applicability of this interim rule to the sale of business equipment and inventory.

*Example 1:* A city provides CDBG assistance to a business for the purchase of equipment. The business will purchase the equipment through a used equipment broker. The equipment is currently owned by a firm

that is downsizing. Upon purchase of the equipment, the new owner will move the equipment to another state from where the equipment is currently located.

*Example 2:* A city provides CDBG assistance to a firm that intends to buy the product line of a business and to relocate the operations of the entire product line to another area.

In both cases, HUD would examine:

- (1) Will the CDBG assistance directly assist in the relocation of the business?; and
- (2) Will the relocation result in significant job loss?

In Example 1, the CDBG assistance did not trigger the relocation of the equipment, nor was the relocation of the equipment related to any loss of jobs. The current equipment owner's decision to downsize, regardless of another business' subsequent purchase of equipment and inventory, was the reason for the job loss in this example. The use of CDBG funds to purchase equipment in an arms-length transaction such as this is not prohibited under this interim rule.

In Example 2, the CDBG assistance would directly assist the move of an operation from one LMA to another. The interim rule prohibits this assistance if the relocation of the product line is likely to result in significant job loss in the LMA from which the proposed relocation would occur.

#### *C. Documentation Requirements for CDBG Recipients and Businesses*

This interim rule would require that, for each CDBG assisted business covered by this interim rule, the recipient's (entitlement, small city, insular grantee, state, or the state grant recipient) CDBG project file must document: Whether the business has a plant, facility, or operation in an area outside of the recipient's area; and, if the business has one or more plants, facilities, or operations located in other LMAs, whether the business plans to relocate jobs from other locations to the site being assisted with CDBG funds. Prior to a decision to provide CDBG assistance to a business that has a plant, location, or facility in other LMAs, the recipient shall document whether the number of jobs relocated by the business at each of the locations that are losing jobs to the new facility would constitute a significant job loss as defined in this rule. If the recipient decides to commit CDBG assistance to a business, then it must require and obtain, as a condition for assistance, a certification from the assisted business that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule. The business must provide this certification to the recipient as a part of the agreement committing CDBG assistance to the business. Further, the agreement must provide that, in the event the CDBG

assistance results in a business relocation subject to this interim rule, the business will reimburse the CDBG recipient for any assistance provided to, or expended on behalf of, the business.

The purpose of this certification is to prohibit businesses, especially those with similar facilities/operations in other LMAs, from using CDBG assistance to establish a new facility with the intent of subsequently relocating existing operations to the new facility within a three-year period (or the length of time for creating jobs in the agreement between the business and the recipient if it is longer than three years) from the date of the certification. If the business plans to relocate jobs, then it would be required to certify as to the number of jobs at the current facility that would be lost, and the number of those positions that would be relocated once the CDBG-assisted facility was fully operational. If the number of jobs to be relocated exceeds the threshold for significant job loss, CDBG assistance cannot be provided.

States are required to define and certify their LMAs and retain records to substantiate such areas prior to any business relocation that is impacted by this rule. It should be noted that metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. In those situations where a particular state decides not to define its LMAs in non-metropolitan areas, then the area(s) defined by the U.S. Department of Labor for that particular non-metropolitan area shall be used.

#### **VI. Findings and Certifications**

##### *Paperwork Reduction Act*

The information collection requirements contained in this interim rule have been submitted to the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The current OMB control number for the CDBG Entitlement program is 2506–0077. The current OMB control number for the State CDBG program is 2506–0085. These information collection numbers will be revised to include the information collection requirements contained in this interim rule.

The burden of the information collections in this interim rule is estimated below:

## REPORTING AND RECORDKEEPING BURDEN

Section reference	Number of parties	Number of responses per respondent	Estimated average time for requirement (in hours)	Estimated annual burden (in hours)
§ 570.200(e) and § 570.506(c) (Maintenance of Required Documentation): Local .....	337	1	.333	112
§ 570.210(c) (Statement): Local .....	337	1	2	674
§ 570.482(h)(3) (Statement): Local .....	50	1	2	100

*Total Local Reporting and Recordkeeping Burden (Hours): 886.*

In accordance with 5 CFR 1320.8(d)(1), HUD is soliciting comments from members of the public and affected agencies concerning this collection of information to:

(1) Evaluate whether the required collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the required collection of information;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated collection techniques or other forms of information technology (e.g., permitting electronic submission of responses).

Interested persons are invited to submit comments regarding the information collection requirements in this rule. Comments must be received within 60 days from the date of this interim rule. Comments must refer to the interim rule by name and docket number (FR-4556) and must be sent to:

HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503. Fax number: (202) 395-6974 (this is not a toll-free number.)

and

Shelia Jones, Reports Liaison Officer, Office of the Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, 451 7th Street, SW., Room 7232, Washington, DC 20410-7000.

*Environmental Impact*

A Finding of No Significant Impact with respect to the environment was made at the proposed rule stage and is applicable to this interim rule in accordance with HUD regulations at 24

CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500.

*Regulatory Flexibility Act*

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. There are no anticompetitive discriminatory aspects of the rule with regard to small entities and there are not any unusual procedures that would need to be complied with by small entities. Nevertheless, HUD is sensitive to the fact that the uniform application of requirements on entities of differing sizes often places a disproportionate burden on small businesses. HUD did not receive any comments on this issue in its October 24, 2000, proposed rule. HUD is again soliciting alternatives for compliance from small entities as to how these small entities might comply in a way that is less burdensome to them. The *de minimis* threshold (25 jobs) for applicability of this rule will, by itself, minimize any burden on small businesses. Therefore, the undersigned certifies that this interim rule will not have a significant economic impact on a substantial number of small entities.

Notwithstanding HUD's determination that this rule will not have a significant economic impact on a substantial number of small entities, HUD specifically invites comments regarding any less burdensome alternatives to this rule that will meet HUD's objectives as described by this preamble.

*Executive Order 13132, Federalism*

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Order. This interim rule would not have federalism implications and would not impose substantial direct compliance costs on state and local governments nor preempt state law within the meaning of the Order.

*Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) (UMRA) establishes requirements for federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and the private sector. This interim rule does not impose any federal mandates on any state, local, or tribal governments or the private sector within the meaning of the UMRA.

*Executive Order 12866, Regulatory Planning and Review*

OMB reviewed this rule under Executive Order 12866 (entitled, "Regulatory Planning and Review"). OMB determined that this rule is a "significant regulatory action" as defined in section 3(f) of the Order (although not an economically significant regulatory action under the Order). The docket file is available for public inspection between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of the General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the docket by calling the Regulations Division at (202)

708-3055 (this is not a toll-free number).

#### Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance (CFDA) program numbers for the programs covered by this interim rule are as follows:

- Community Development Block Grant entitlement program—14.218;
- State CDBG program—14.228;
- HUD Small Cities CDBG program—14.219;
- Economic Development Initiative and Brownfields Economic Development Initiative programs—14.246;
- Section 108 Loan Guarantee program—14.248; and
- Insular Areas—14.225.

#### List of Subjects in 24 CFR Part 570

Administrative practice and procedure, American Samoa, Community development block grants, Grant programs—education, Grant programs—housing and community development, Guam, Indians, Loan programs—housing and community development, Low and moderate income housing, Northern Mariana Islands, Pacific Islands Trust Territory, Puerto Rico, Reporting and recordkeeping requirements, Student aid, Virgin Islands.

■ Accordingly, for the reasons discussed in the preamble, HUD amends 24 CFR part 570 to read as follows:

### PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS

■ 1. The authority citation for part 570 continues to read as follows:

Authority: 42 U.S.C. 3535(d) and 5301–5320.

■ 2. Revise § 570.200(e) to read as follows:

#### § 570.200 General policies.

\* \* \* \* \*

(e) *Recipient determinations required as a condition of eligibility.* In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

\* \* \* \* \*

■ 3. Add § 570.210 to read as follows:

#### § 570.210 Prohibition on use of assistance for employment relocation activities.

(a) *Prohibition.* CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one LMA to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs.

(b) *Definitions.* The following definitions apply to this section:

(1) *Directly assist.* Directly assist means the provision of CDBG funds for activities pursuant to:

- (i) § 570.203(b); or
- (ii) §§ 570.201(a)–(d), 570.201(l), 570.203(a), or § 570.204 when the grantee, subrecipient, or, in the case of an activity carried out pursuant to § 570.204, a Community Based Development Organization (CDBO) enters into an agreement with a business to undertake one or more of these activities as a condition of the business relocating a facility, plant, or operation to the grantee's LMA. Provision of public facilities and indirect assistance that will provide benefit to multiple businesses does not fall under the definition of "directly assist," unless it includes the provision of infrastructure to aid a specific business that is the subject of an agreement with the specific assisted business.

(2) *Labor market area (LMA).* For metropolitan areas, an LMA is an area defined as such by the BLS. An LMA is an economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence. In addition, LMAs are nonoverlapping and geographically exhaustive. For metropolitan areas, grantees must use employment data, as defined by the BLS, for the LMA in which the affected business is currently located and from which current jobs may be lost. For non-metropolitan areas, an LMA is either an area defined by the BLS as an LMA, or a state may choose to combine non-metropolitan LMAs. States are required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule.

Metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. For the HUD-administered Small Cities Program, each of the three participating counties in Hawaii will be considered to be its own LMA.

Recipients of Fiscal Year 1999 Small Cities Program funding in New York

will follow the requirements for State CDBG recipients.

(3) *Operation.* A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity or product line of the business.

(4) *Significant loss of jobs.* (i) A loss of jobs is significant if: The number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; or in all cases, a loss of 500 or more jobs. Notwithstanding the aforementioned, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

(ii) A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within three years of the provision of assistance to the business; or the time period within which jobs are to be created as specified by the agreement between the business and the recipient if it is longer than three years.

(c) *Written agreement.* Before directly assisting a business with CDBG funds, the recipient, subrecipient, or a CDBO (in the case of an activity carried out pursuant to § 570.204) shall sign a written agreement with the assisted business. The written agreement shall include:

(1) *Statement.* A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and, if so, the number of jobs that will be relocated from each LMA;

(2) *Required information.* If the assistance will not result in a relocation covered by this section, a certification from the assisted business that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and

(3) *Reimbursement of assistance.* The agreement shall provide for reimbursement of any assistance provided to, or expended on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

(d) *Assistance not covered by this section.* This section does not apply to:

(1) *Relocation assistance.* Relocation assistance required by the Uniform Assistance and Real Property Acquisition Policies Act of 1970, (URA) (42 U.S.C. 4601–4655);

(2) *Microenterprises.* Assistance to microenterprises as defined by Section 102(a)(22) of the Housing and

Community Development Act of 1974; and

**(3) Arms-length transactions.**

Assistance to a business that purchases business equipment, inventory, or other physical assets in an arms-length transaction, including the assets of an existing business, provided that the purchase does not result in the relocation of the sellers' business operation (including customer base or list, goodwill, product lines, or trade names) from one LMA to another LMA and does not produce a significant loss of jobs in the LMA from which the relocation occurs.

■ 4. Add § 570.482(h) to read as follows:

**§ 570.482 Eligible activities.**

\* \* \* \* \*

**(h) Prohibition on use of assistance for employment relocation activities.** (1) **Prohibition.** CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one labor market area (LMA) to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs.

(2) **Definitions.** The following definitions apply to the section:

(i) **Directly assist.** Directly assist means the provision of CDBG funds to a business pursuant to section 105(a)(15) or (17) of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*). Direct assistance also includes assistance under section 105(a)(1), (2), (4), (7), and (14) of the Housing and Community Development Act of 1974, when the state's grantee, subrecipient, or nonprofit entity eligible under section 105(a)(15) enters into an agreement with a business to undertake one or more of these activities as a condition of the business relocating a facility, plant, or operation to the LMA. Provision of public facilities and indirect assistance that will provide benefit to multiple businesses does not fall under the definition of "directly assist," unless it includes the provision of infrastructure to aid a specific business that is the subject of an agreement with the specific assisted business.

(ii) **Labor market area (LMA).** For metropolitan areas, an LMA is an area defined as such by the U.S. Bureau of Labor Statistics (BLS). An LMA is an economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence. In addition, LMAs are nonoverlapping and geographically

exhaustive. For metropolitan areas, grantees must use employment data, as defined by the BLS, for the LMA in which the affected business is currently located and from which current jobs may be lost. For non-metropolitan areas, grantees must use employment data, as defined by the BLS, for the LMA in which the assisted business is currently located and from which current jobs may be lost. For non-metropolitan areas, a LMA is either an area defined by the BLS as an LMA, or a state may choose to combine non-metropolitan LMAs. States are required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. Metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. For the Insular Areas, each jurisdiction will be considered to be an LMA. For the HUD-administered Small Cities Program, each of the three participating counties in Hawaii will be considered to be its own LMA. Recipients of Fiscal Year 1999 Small Cities Program funding in New York will follow the requirements for State CDBG recipients.

(iii) **Operation.** A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity, or product line of the business.

(iv) **Significant loss of jobs.** (A) A loss of jobs is significant if: The number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; or in all cases, a loss of 500 or more jobs. Notwithstanding the aforementioned, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

(B) A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within three years from the date the assistance is provided to the business or the time period within which jobs are to be created as specified by the agreement among the business, the recipient, and the state (as applicable) if it is longer than three years.

(3) **Written agreement.** Before directly assisting a business with CDBG funds, the recipient, subrecipient, or (in the case of any activity carried out pursuant to 105(a)(15)) nonprofit entity shall sign a written agreement with the assisted business. The written agreement shall include:

(i) **Statement.** A statement from the assisted business as to whether the assisted activity will result in the

relocation of any industrial or commercial plant, facility, or operation from one LMA to another and, if so, the number of jobs that will be relocated from each LMA;

(ii) **Required certification.** If the assistance will not result in a relocation covered by this section, a certification from the assisted business that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and

(iii) **Reimbursement of assistance.** The agreement shall provide for reimbursement to the recipient of any assistance provided to, or expended on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

(4) **Assistance not covered by this paragraph.** This paragraph does not apply to:

(i) **Relocation assistance.** Relocation assistance required by the Uniform Assistance and Real Property Acquisition Policies Act of 1970 (URA), (42 U.S.C. 4601–4655); optional relocation assistance under section 105(a)(11), as implemented at 570.606(d);

(ii) **Microenterprises.** Assistance to microenterprises as defined by section 102(a)(22) of the Housing and Community Development Act of 1974; and

(iii) **Arms-length transactions.** Assistance to a business that purchases business equipment, inventory, or other physical assets in an arms-length transaction, including the assets of an existing business, provided that the purchase does not result in the relocation of the sellers' business operation (including customer base or list, goodwill, product lines, or trade names) from one LMA to another LMA and does not produce a significant loss of jobs in the LMA from which the relocation occurs.

■ 5. Revise § 570.506(c) to read as follows:

**§ 570.506 Records to be maintained.**

\* \* \* \* \*

(c) Records that demonstrate that the recipient has made the determinations required as a condition of eligibility of certain activities, as prescribed in §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

\* \* \* \* \*

Dated: November 30, 2005.

Pamela H. Patenaude,

*Assistant Secretary for Community Planning  
and Development.*

[FR Doc. 05-24428 Filed 12-22-05; 8:45 am]

BILLING CODE 4210-29-P

## ATTACHMENT C – INCOME GUIDELINES

STATE: ILLINOIS	INCOME LIMITS							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Bloomington-Normal, IL								
<u>McLean County, IL</u>	\$41,150	\$47,050	\$52,900	\$58,800	\$63,500	\$68,200	\$72,900	\$77,600
Champaign-Urbana, IL								
<u>Champaign, Ford &amp; Piatt Counties, IL</u>	\$35,050	\$40,100	\$45,100	\$50,100	\$54,100	\$58,100	\$62,100	\$66,150
Chicago								
<u>Chicago-Naperville-Joliet, IL</u>								
<u>Cook, DuPage, Kane, Kendall, Lake, McHenry &amp; Will Counties, IL</u>	\$41,700	\$47,700	\$53,650	\$59,600	\$64,350	\$69,150	\$73,900	\$78,650
<u>DeKalb County, IL</u>	\$38,850	\$44,400	\$49,950	\$55,500	\$59,950	\$64,400	\$68,800	\$73,250
<u>Grundy County, IL</u>	\$40,800	\$46,600	\$52,450	\$58,250	\$62,900	\$67,550	\$72,250	\$76,900
Danville, IL								
<u>Vermilion County, IL</u>	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Davenport-Moline-Rock Island, IA-IL								
<u>Henry, Mercer, &amp; Rock Island Counties, IL</u>	\$33,650	\$38,500	\$43,300	\$48,100	\$51,950	\$55,800	\$59,650	\$63,500
Decatur, IL								
<u>Macon County, IL</u>	\$31,650	\$36,150	\$40,700	\$45,200	\$48,800	\$52,450	\$56,050	\$59,650
Kankakee-Bradley, IL								
<u>Kankakee County, IL</u>	\$33,300	\$38,100	\$42,850	\$47,600	\$51,400	\$55,200	\$59,000	\$62,850
Peoria, IL								
<u>Marshall, Peoria, Stark, Tazewell &amp; Woodford Counties, IL</u>	\$34,950	\$39,900	\$44,900	\$49,900	\$53,900	\$57,900	\$61,900	\$65,850
Rockford, IL								
<u>Boone &amp; Winnebago Counties, IL</u>	\$35,650	\$40,700	\$45,800	\$50,900	\$54,950	\$59,050	\$63,100	\$67,200
Springfield, IL								
<u>Menard &amp; Sangamon Counties, IL</u>	\$36,350	\$41,550	\$46,750	\$51,900	\$56,050	\$60,250	\$64,400	\$68,550
St. Louis								
<u>St. Louis, MO-IL</u>								
<u>Calhoun, Clinton, Jersey, Madison, Monroe &amp; St. Clair Counties, IL</u>	\$36,900	\$42,200	\$47,450	\$52,700	\$56,950	\$61,150	\$65,350	\$69,600
<u>Bond County, IL</u>	\$31,150	\$35,600	\$40,050	\$44,500	\$48,050	\$51,600	\$55,200	\$58,750
<u>Macoupin County, IL</u>	\$28,900	\$33,050	\$37,150	\$41,300	\$44,600	\$47,900	\$51,200	\$54,500

## ATTACHMENT C – INCOME GUIDELINES

STATE: ILLINOIS

	I N C O M E   L I M I T S							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Adams County, IL	\$31,000	\$35,400	\$39,850	\$44,250	\$47,800	\$51,350	\$54,850	\$58,400
Alexander County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Brown County, IL	\$29,450	\$33,700	\$37,900	\$42,100	\$45,450	\$48,850	\$52,200	\$55,550
Bureau County, IL	\$32,850	\$37,500	\$42,200	\$46,900	\$50,650	\$54,400	\$58,150	\$61,900
Carroll County, IL	\$31,450	\$35,900	\$40,400	\$44,900	\$48,500	\$52,100	\$55,700	\$59,250
Cass County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Christian County, IL	\$29,400	\$33,600	\$37,800	\$42,000	\$45,350	\$48,700	\$52,100	\$55,450
Clark County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Clay County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Coles County, IL	\$30,500	\$34,900	\$39,250	\$43,600	\$47,100	\$50,600	\$54,050	\$57,550
Crawford County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Cumberland County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
DeWitt County, IL	\$36,250	\$41,400	\$46,600	\$51,750	\$55,900	\$60,050	\$64,200	\$68,300
Douglas County, IL	\$31,300	\$35,750	\$40,250	\$44,700	\$48,300	\$51,850	\$55,450	\$59,000
Edgar County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Edwards County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Effingham County, IL	\$31,750	\$36,300	\$40,800	\$45,350	\$49,000	\$52,600	\$56,250	\$59,850
Fayette County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Franklin County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Fulton County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Gallatin County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Green County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Hamilton County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Hancock County, IL	\$29,900	\$34,150	\$38,450	\$42,700	\$46,100	\$49,550	\$52,950	\$56,350
Hardin County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$51,100
Henderson County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Iroquois County, IL	\$30,600	\$34,950	\$39,350	\$43,700	\$47,200	\$50,700	\$54,200	\$57,700
Jackson County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Jasper County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Jefferson County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100

## ATTACHMENT C – INCOME GUIDELINES

STATE: ILLINOIS

STATE: ILLINOIS

	INCOME LIMITS							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Jo Daviess County, IL	\$32,500	\$37,100	\$41,750	\$46,400	\$50,100	\$53,800	\$57,550	\$61,250
Johnson County, IL	\$34,900	\$39,900	\$44,850	\$49,850	\$53,850	\$57,850	\$61,800	\$65,800
Knox County, IL	\$29,600	\$33,800	\$38,050	\$42,250	\$45,650	\$49,000	\$52,400	\$55,750
La Salle County, IL	\$33,100	\$37,850	\$42,550	\$47,300	\$51,100	\$54,850	\$58,650	\$62,450
Lawrence County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Lee County, IL	\$32,850	\$37,500	\$42,200	\$46,900	\$50,650	\$54,400	\$58,150	\$61,900
Livingston County, IL	\$32,300	\$36,900	\$41,550	\$46,150	\$49,850	\$53,550	\$57,250	\$60,900
Logan County, IL	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,200	\$63,050
Marion County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Mason County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Massac County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
McDonough County, IL	\$29,350	\$33,500	\$37,700	\$41,900	\$45,250	\$48,600	\$51,950	\$55,300
Montgomery County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Morgan County, IL	\$31,100	\$35,500	\$39,950	\$44,400	\$47,950	\$51,500	\$55,050	\$58,600
Moultrie County, IL	\$31,550	\$36,050	\$40,550	\$45,050	\$48,650	\$52,250	\$55,850	\$59,450
Ogle County, IL	\$35,650	\$40,700	\$45,800	\$50,900	\$54,950	\$59,050	\$63,100	\$67,200
Perry County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Pike County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Pope County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Pulaski County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Putnam County, IL	\$33,050	\$37,750	\$42,500	\$47,200	\$51,000	\$54,750	\$58,550	\$62,300
Randolph County, IL	\$30,300	\$34,650	\$38,950	\$43,300	\$46,750	\$50,250	\$53,700	\$57,150
Richland County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Saline County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Schuylerville, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Scott County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Shelby County, IL	\$29,500	\$33,700	\$37,950	\$42,150	\$45,500	\$48,900	\$52,250	\$55,650
Stephenson County, IL	\$32,400	\$37,000	\$41,650	\$46,250	\$49,950	\$53,650	\$57,350	\$61,050
Union County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100

ATTACHMENT B

## ATTACHMENT C – INCOME GUIDELINES

STATE: ILLINOIS

	I N C O M E   L I M I T S							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Wabash County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Warren County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Washington County, IL	\$34,550	\$39,500	\$44,400	\$49,350	\$53,300	\$57,250	\$61,200	\$65,150
Wayne County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
White County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100
Whiteside County, IL	\$30,850	\$35,300	\$39,700	\$44,100	\$47,650	\$51,150	\$54,700	\$58,200
Williamson County, IL	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,750	\$55,100

**AGRICULTURAL REVIEW INFORMATION**

Requested for the

Illinois Department of Commerce and Economic Opportunity Grants  
Including **CDAP**, **AFPI**, **BDPI**, and **LBDP** Projects

Return this information to:

Illinois Department of Agriculture (**Terry Savko**)  
 Bureau of Land and Water Resources  
 State Fairgrounds, P.O. Box 19281  
 Springfield, Illinois 62794-9281  
 Telephone 217-785-4458 FAX 217-557-0993

Attach this Agricultural Site Review Information sheet and the DCEO Project Summary to the project's cover letter and send it to the address listed above. The **Project Summary sheet**, which is part of the DCEO Application Packet, **must accompany** the initial review request to the Illinois Department of Agriculture (IDA) because it provides an overview of the project as well as relevant background information. Be sure to **include** a location map delineating the site in relation to the city/village's corporate boundaries.

**TYPE OF DCEO or CDAP FUNDS REQUESTED****Date of Submittal** \_\_\_\_\_**Check one:**

**CDAP**  Economic Development Financial Assistance  Public Facilities/Infrastructure  
 Emergency Public Facilities  Flood Related  In Support of Economic Development

Affordable Financing Public Infrastructure (**AFPI**)  
 DCEO Business Development Public Infrastructure (**BDPI**)  
 DCEO Large Business Development Program (**LBDP**)

**PROJECT INFORMATION REQUESTED****Name of****APPLICANT** \_\_\_\_\_ County

Local Official \_\_\_\_\_ Telephone \_\_\_\_\_

List the project's contact person should additional information be required. It is preferable to list the project's consultant and/or engineer rather than the mayor since they usually possess the more detailed information we need in order to complete our review. Remember, the IDA has a **30-day review period** in which to provide comments to the applicant once all pertinent information has been received.

Consultant /Engineer \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

Telephone \_\_\_\_\_ FAX \_\_\_\_\_

1. Number of acres in the site \_\_\_\_\_ acres 1a. Actual size of entire project site \_\_\_\_\_ acres
2. Will the site be converted from an agricultural to a non-agricultural use?  Yes  No
3. Is the site located within municipality's corporate boundaries?  Yes  No
4. If no, how far is the site from the nearest incorporated municipal boundaries? \_\_\_\_\_ miles  
(to nearest tenth-mile increment)

**LAND USE**5. Current land use on site is  Row Crop  Pasture  Forest  Other (*check all that apply*)*If Other*, specify land use and land cover \_\_\_\_\_

6. List the current land use for the parcel's four adjacent sides.

North \_\_\_\_\_

East \_\_\_\_\_

South \_\_\_\_\_

West \_\_\_\_\_

**ZONING** ***Check if site is not zoned***7. Site is zoned by the  city or  \_\_\_\_\_ County for \_\_\_\_\_ use.  
(name)

8. List the designated zoning for each of the site's four sides.

Zoning north of site \_\_\_\_\_ by  city or  countyZoning east of site \_\_\_\_\_ by  city or  countyZoning south of site \_\_\_\_\_ by  city or  countyZoning west of site \_\_\_\_\_ by  city or  county**COMPREHENSIVE LAND USE PLAN**

9. Does the city or county comprehensive land use plan designate land use at the project site?

 Yes *If Yes*, city, county or both? \_\_\_\_\_*Include the name of city, county or both entities* No

10. The comprehensive land use plan was officially adopted in (year) \_\_\_\_\_

 by city or village  the county  both11. The designated land use for the site is \_\_\_\_\_ by the  city  county

12. List the comprehensive land use plan's designated land uses for each of the site's four sides.

North \_\_\_\_\_

East \_\_\_\_\_

South \_\_\_\_\_

West \_\_\_\_\_

13. Will other state or federal funds be used for this project?  Yes  No*If YES*, list the name(s) of participating agencies:

	<i>state \$</i>	<i>federal \$</i>
1) _____	<input type="checkbox"/>	<input type="checkbox"/>
2) _____	<input type="checkbox"/>	<input type="checkbox"/>
3) _____	<input type="checkbox"/>	

**ILLINOIS HISTORIC PRESERVATION AGENCY PROJECT REVIEW  
FOR  
COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM-PUBLIC FACILITIES GRANTS**

Project Title: \_\_\_\_\_ Project Number: \_\_\_\_\_

Project Address or Municipality: \_\_\_\_\_

County: \_\_\_\_\_ USGS 7.5' Quadrangle: \_\_\_\_\_

Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_

Scope of Project and Narrative (include entire project area and all aspects of the project): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Acreage and/or linear feet: \_\_\_\_\_

Extant of ground disturbance from proposed project: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Previous disturbance to project area: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will any structures be impacted by this project?   no   yes (please include photographs and original construction dates.)

From which Federal/State agencies will permits, licenses, approvals or funds be obtained or required?

IDNR-Division of Water Resources  IEPA Water Pollution Control  
 IEPA Public Water Supplies  Corps  USDA-RD (FmHA)  
 Other: \_\_\_\_\_

**Mandatory Enclosures**

- USGS 7.5' topographical map or city map clearly indicating project area and street address (if available).
- Current photographs (no photocopies) of all standing structures impacted by the project (if applicable).
- Original construction dates of all structures impacted (if applicable).
- If this project has been previously reviewed by IHPA, include all pertinent correspondence.

Name and Address of Contact Person/Applicant (if additional information is required)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Illinois Historic Preservation Agency reserves the right to request further information, such as project plan, if the project description or other data given on this review sheet is insufficient.

If you have any questions on the completion of this review sheet, please do not hesitate to contact our Agency at 217/785-4512 and ask for Ms. Tracey A. Sculle.

**INSTRUCTIONS FOR FILLING IN THE REVIEW SHEET:**

This review sheet was developed to expedite review and to insure adequate information is provided. Every blank requires completion or a "not applicable" comment. Attach additional sheets as necessary.

**PROJECT NUMBER:** Agency project number

**PROJECT ADDRESS OR MUNICIPALITY:** Street address with city or township and range designation.

**SCOPE OF PROJECT AND NARRATIVE:** Descriptive narrative of project activities, e.g., 20 foot of new or replacement sewer line, construction of new water treatment plant, replacement of existing water tower.

**ACREAGE AND/OR LINEAR FEET:** Number of acres within project area, linear feet of new/replacement sewer or water line.

**EXTENT OF PROJECT GROUND DISTANCE:** How the ground surface will be distributed by project activities, e.g., placement of 6" line within 10" of right-of-way.

**PREVIOUS DISTURBANCE TO PROJECT AREA:** Include any prior ground surface disturbance, e.g., massive grading during previous development, old buildings which have been previously demolished.

**IMPACT TO STRUCTURES:** If structures will be impacted, photographs (not photocopies) and original dates of construction should be provided for all structures, e.g., modifications or replacement of existing water treatment plant or water tower.

ILLINOIS

DEPARTMENT OF

## NATURAL RESOURCES

One Natural Resources Way, Springfield 62701-1787

**Request for Combined Review**  
**Endangered Species Consultation Process & Interagency Wetlands Policy Act**

Please complete the following information and send to IDNR/Division of Resource Review and Coordination at the above address with a map delineating the project boundaries (USGS 7.5"topographic map preferred).

**(IDNR USE Only)****(IDCEO USE Only)**

Date Submitted: \_\_\_\_\_

IDNR Projcode: \_\_\_\_\_  
Due Date: \_\_\_\_\_IDCEO  
CDAP #: \_\_\_\_\_

Applicant Project #: \_\_\_\_\_ Proposed Start Date: \_\_\_\_\_

Is this a resubmittal?  Yes  No (If yes, IDNR Projcode \_\_\_\_\_ and Date Submitted \_\_\_\_\_)

Applicant Name: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone Number: \_\_\_\_\_  
\_\_\_\_\_ Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

State Agency Requiring Review: \_\_\_\_\_ Agency Contact Person: \_\_\_\_\_

Is State or State pass-through funding involved?  Yes  NoLocation Information

Project Title: \_\_\_\_\_ County(ies): \_\_\_\_\_

City/Town: \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ Section(s) \_\_\_\_\_

Is a USCOE 404 Permit Required?  Yes  No  UnknownHas a wetland delineation been performed?  Yes  No  Unknown (If yes, please enclose w/ submittal)Brief Project Description \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_**(For IDNR Use Only)**

9 Consultation Process (threatened or endangered species and natural areas) is terminated.

**9 Consultation Process is not terminated. Additional information required, or  
protective restrictions and/or agreements exist for this project (See attached).**

9 Project is in compliance with the Interagency Wetlands Policy Act (IWPA).

**9 Project is not in compliance with the IWPA. Additional information, a  
Compensation Plan and/or monitoring provisions are required (See attached).**

IDNR Comment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Program Manager

Date

Please note:

1. The endangered species review is valid for two years and the wetland review for three years from the above signed date.
2. The applicant must secure any other permits or approvals required by Federal, State or local laws.
3. The presence or absence of wetlands documented through field verification takes precedence over information contained in the NWI maps; if a wetland is identified, additional coordination is required for compliance with the IWPA.

IDNR Projcode: \_\_\_\_\_

(For IDNR Use only)

**REVIEWS PERFORMED****Endangered and Threatened Species/ INAI Sites/ Nature Preserves**

Are threatened and endangered species, INAI sites or Nature Preserves known to occur within the vicinity of the project boundaries?

\_\_\_\_ Yes \_\_\_\_ No

If yes, list the site(s) and/or species present or attach a list from the database.

---

EO Codes: \_\_\_\_\_

\_\_\_\_ No adverse impacts are deemed likely

Comments: \_\_\_\_\_

\_\_\_\_ No final determination can be made regarding impacts until a more specific location can be provided; if the project is funded and proceeds, further information will be required.

\_\_\_\_ Adverse impacts are deemed likely; additional information is required &amp; consultation is not terminated.

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Program Manager

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Date**Wetlands**

\_\_\_\_ Wetlands are not present on the NWI maps within 250 feet of the project boundaries.

\_\_\_\_ Wetlands are present within 250 feet of the project boundaries and will require further review.

Program Review:

- \_\_\_\_ The activity is exempt or no adverse impacts will occur; no further information is required.
- \_\_\_\_ The activity is covered by a defined programmatic action; the applicant agrees to follow all programmatic action requirements defined in the appropriate Agency Action Plan.
- \_\_\_\_ No final determination can be made regarding impacts until a more specific location can be provided; if the project is funded and proceeds, further information will be required.
- \_\_\_\_ The project may not proceed without a field assessment, wetland delineation, and/or a compensation plan is prepared.

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Wetland Review Conducted by

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Date

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Initial Review by

---

Date

**State Agency**  
**Endangered Species & Interagency Wetlands Policy Act Review Report**

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Before completing this form, check the criteria provided by DCEO to determine if your project qualifies as an exemption. If your project does qualify as an exemption, you do not need to submit the project for review. If your project does require a review by the Department of Natural Resources (DNR), the following information should be completed before submitting this form for review. The form is double sided but the front side is the only side you will be required to fill out.

**Date Submitted:** date filling out form for submittal, it may be better to complete the form and enter the date it will go into the mail.

**Applicant Project #:** If the applicant refers to this project under a number code, please indicate what that number would be. This is to provide consistent record keeping of projects which come for review. If you do not have a number currently assigned to this project, leave it blank.

**Proposed Start Date:** Enter the date this project is scheduled to begin.

**Is this a resubmittal?** If the project was previously reviewed by DNR, answer Yes and enter the **DNR Projcode** that was assigned to the project by DNR. This number is found in the upper right hand corner of Agency Actions Reports, or should be included in any sign-off letter you received from our Department. Enter the date of that review as well. If you cannot find a number, leave it blank. If not previously reviewed, enter No.

**Applicant Name:** enter grant applicant name, (town, agency, organization, individual).

**Contact Person:** Provide the full name of the individual who could best answer questions on the proposed project.

**Address:** Provide the complete mailing address for us to send response. This is not DCEO's address.

**Telephone Number:** Provide the telephone number, with area code, of the contact person.

**Fax Number and E-mail:** If applicable, complete the information for project contact person.

**State Agency Requiring Review:** If this is for a DCEO grant, enter DCEO

**Agency Contact Person:** Enter the person from DCEO you are contacting for the grant.

**Location Information**

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**Project Title:** Give complete name of project.

**County(ies):** List the County the project actions are to take place.

**City/Town:** Name the city or town the project actions are to take place.

**Township, Range, Section:** Provide this location information in the format T22N, R2W, Sec 18. This information can be found on USGS topographic maps. If you are not familiar with how to identify the specific legal location for the project site, contact your town/city assessor's office for clarification.

**USGS Quad or NWI Map Names:** Provide the name of the quadrangle map, used to gather the **T, R, S** from above. A town planning office, assessors office, or county courthouse may have USGS topographical maps or National Wetland Inventory (NWI) maps to access for this information.

**Is a USCOE 404 Permit Required?** If you know, answer appropriately. Yes, No, Unknown.

**Has a wetland delineation been performed?** Yes or No, If yes please enclose with this review submittal.

**Brief Project Description:** In the space provided, describe what activity is being proposed. If there is no land disturbing activity you may want to see if your project qualifies as an exemption. See DCEO application package for more information regarding the exemptions.

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The remaining sections of the form will be completed by the Department of Natural Resources, Division of Natural Resource Review and Coordination.

CDAP COMPONENT	Illinois Department of Natural Resources Mike Branham	Illinois Department of Agriculture Terry Savko	Illinois Environmental Protection Agency	Illinois Historic Preservation Agency Cody Wright
Planning	Exempt	Exempt	Exempt	Exempt
Removal of Architectural Barriers	Exempt	Exempt	If asbestos materials are involved in the rehabilitation work, it will be necessary to contact the Field Operations Section of the Bureau of Air 217/785-1743 to assure compliance with Asbestos NESHPA, otherwise exempt.	Notification required See attachment D
Public Facilities & Emergency Public Facilities	Notification required if construction or improvement to infrastructure changes the character, scope, or size of the original design. See attachment A.	Notification required See attachment B	Notification required See attachment C	Notification required See attachment D
Design	Notification Required See attachment A	Exempt	Notification required See attachment C	Exempt
Economic Development	Notification required if construction or improvement to infrastructure changes the character, scope or size of the original design. See attachment A.	Notification required See attachment B	Notification required See attachment C	Notification required See attachment D
Housing Rehabilitation	Exempt	Exempt	If asbestos materials are involved in the rehabilitation work, it will be necessary to contact the Field Operations Section of the Bureau of Air 217/785-1743 to assure compliance with Asbestos NESHPA, otherwise exempt.	Blanket clearance sent for publication of Release of Funds. Notification of specific sites required as determined.

	IDNR	IDOA	IEPA	IHPA
Flood Projects	Notification required if construction or improvement to infrastructure changes the character, scope or size of the original design. See Attachment A.	Notification Required if construction to infrastructure is located outside corporate limits. See Attachment B	Notification Required See Attachment C  * Inert materials - concrete, bricks, etc. can be buried on-site.  *Non-inert materials - wood, plaster, shingles, etc. must be taken to a permitted landfill or with a special permit, may be burned on-site, with residue going to a permitted landfill.  Contact Bureau of Land 217/524-1280 to assure compliance.	Notification Required See Attachment D

### Illinois Department of Natural Resources Review

The Illinois Department of Natural Resources reviews CDAP projects for potential affects to endangered species, natural areas and wetlands under the authority of the Illinois Endangered Species Protection Act, the Illinois Natural Areas Preservation Act and the Interagency Wetland Policy Act. For a better understanding of these guidelines, the grantee and their administrator should review the Acts for details that could potentially affect projects funded by CDAP grant funds.

Projects requiring review by IDNR include any construction, land management, or other activity authorized, funded or performed by a State agency or local unit of government that will result in a change to the existing environmental conditions and/or may have a direct or indirect adverse impact on a listed species or its essential habitat or that otherwise jeopardizes the survival of that species. IDNR has indicated that within thirty (30) days the Department will provide a response to the information sent for review.

Several types of CDAP projects can be considered "exempt" from IDNR review based on the type of activity to be performed. Please be aware that even if a project is considered "exempt" from IDNR review, that does not make the whole project "exempt" based on the 24 CFR Part 58 regulations used by the U.S. Department of Housing and Urban Development employed for the CDAP program. This agency review is a part of the whole CDAP environmental process and the grantee/administrator should consult the Grants Management Handbook for further NEPA guidelines and publication requirements.

For the purposes of CDAP, the following components are considered "exempt" from IDNR review: planning, removal of architectural barriers and housing rehabilitation. Some public facilities and economic development and flood projects may also be "exempt" if they meet one of the following criteria:

- construction activities required for the maintenance or repair of existing structures; (Maintenance does not include any modification that changes the character, scope or size of the original fill design.)
- actions within highway rights-of-way, unless specifically notified by IDNR, that adjoin land used for agricultural or urban purposes, except those portions of the rights-of-way adjacent to borrow pits, railroads, streams, wetlands, lakes or other natural areas and open space;
- purchase of existing businesses or buildings;
- purchase of equipment or working capital;
- maintenance or repair of existing facilities;
- installation of structures within (or on) existing buildings;
- emergency reconstruction of recently damaged portions of currently serviceable structures including dikes, dams, levees, groins, riprap, breakwaters, bridge abutments, piers, appurtenances or approaches, culverts, storm sewers, field tiles, retaining walls and appurtenant structures, water control structures and transportation structures provided that such activities do not adversely impact or cause the conversion of a wetland
- debris removal, clearance and demolition projects, rehabilitation or reconstruction of residential and non-residential structures, acquisition, construction, reconstruction or installation of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings and acquisition of real property for buy-out unless it involves new construction or improvement to infrastructure that changes character, scope or size of original design.
- relocation payments

If you have questions concerning potential project impacts, please contact Mike Branham, Division of Natural Resource Review and Coordination at 217/785-5500, TDD 217/782-9175.

## Illinois Department of Agriculture Review

The Illinois Department of Agriculture (IDOA) reviews CDAP projects for potential effects to prime farmland in Illinois. The Preservation of Illinois Farmland Act is the authority under which IDOA reviews CDAP projects for potential effects. For a better understanding of these guidelines, the chief elected official and the administrator of the grantee should review 8 Illinois Administrative Code 700 for details that could potentially effect projects funded by CDAP grant funds.

As outlined in the Illinois Administrative Code for this Act, projects requiring review by IDOA include any construction, land management, or other activity authorized, funded or performed by a State agency or local unit of government that will result in a change to the existing farmland conditions and/or may convert prime agricultural land. IDOA has indicated that the agricultural impact statement will be completed in not less than 15 days and not longer than 45 days.

Several types of CDAP projects can be considered "exempt" from IDOA review based on the type of activity to be performed. Please be aware that even if a project is considered "exempt" from IDOA review, that does not make the whole project "exempt" based on the 24 CFR Part 58 regulations used by the U.S. Department of Housing and Urban Development employed for the CDAP program. This agency review is a part of the whole CDAP environmental process and the grantee/administrator should consult the Grants Management Handbook for further NEPA guidelines and publication requirements.

For the purposes of CDAP, the following components are considered "exempt" from IDOA review: planning, removal of architectural barriers, design and housing rehabilitation. Some public facilities and economic development projects may also be "exempt" if they meet one of the following criteria:

- construction activities required for the maintenance or repair of existing structures; (Maintenance does not include any modification that changes the character, scope or size of the original fill design.)
- purchase of existing businesses or buildings;
- purchase of equipment or working capital for existing structures or facilities;
- maintenance or repair of existing facilities;
- installation of structures within (or on) existing buildings; relocation payments and assistance for displaced persons, businesses, organizations and farm operations;
- debris removal, clearance and demolition;
- rehabilitation or reconstruction of residential and non-residential structures;
- acquisition, construction or reconstruction of buildings for the general conduct of government damaged or destroyed as a direct result of a presidentially-declared disaster;
- acquisition of real property (including the buying out of properties in a floodplain and the acquisition of relocation property) within the corporate limits; and
- acquisition, construction or reconstruction of buildings for the general conduct of government damaged or destroyed as a direct result of a presidentially-declared disaster within the corporate limits.

IDOA will evaluate the project and may contact the grantee and administrator regarding further information concerning the proposed action. After the 15 to 45 day review of this pertinent information, IDOA will determine if the project will have any adverse impacts. If no adverse impacts are expected, the IDOA consultation process is completed. If an adverse impact is anticipated, the IDOA staff will make recommendations as to avoid or minimize these impacts.

If you have questions concerning potential project impacts, please contact Terry Savko, Soil Conservation Planner, Bureau of Land and Water Resources/Farmland Protection at 217/782-6297, TDD 217/524-6858.

### Illinois Environmental Protection Agency Review

The Illinois Environmental Protection Agency (IEPA) reviews CDAP projects for potential impacts to air, water and other environmental resources under the authority of the Environmental Protection Act. For a better understanding of these guidelines, the chief elected official and their administrator should review this Act and its regulations for details that could potentially effect projects funded by grant funds.

Several types of CDAP projects can be considered "exempt" from IEPA review based on the type of activity to be performed. Please be aware that even if a project is considered "exempt" from IEPA review, that does not make the whole project "exempt" based on the 24 CFR Part 58 regulations used by the U.S. Department of Housing and Urban Development employed for the CDAP program. This agency review is a part of the whole CDAP environmental process and the grantee/administrator should consult the Grants Management Handbook for further NEPA guidelines and publication requirements.

For the purposes of CDAP, the following components are considered "exempt" from IEPA review: planning, \*removal of architectural barriers and \*housing rehabilitation. Some public facilities, economic development and flood projects may also be "exempt" if they meet one of the following criteria:

- construction of storm sewers; (**PWS permits are not required for storm sewer projects, but the project must maintain the separation distances enumerated in IEPA rule 35 Ill. Adm. Code 653.118.**);
- projects that deal strictly with private septic tanks or private wells;
- actions within highway rights-of-way except for water and sewer main construction;
- purchase of existing businesses or buildings unless an industry will modify its production whereby additional wastewater is produced;
- purchase of equipment or working capital;
- maintenance or repair of existing facilities except sanitary sewers, sewage treatment plants, water mains and water treatment plants (**Combined or sanitary sewers which are replacement projects with the same sewer size, alignment and slope remaining unchanged from the original facilities are exempt with the engineer supplying certification to DCEO.**);
- installation of structures within (or on) existing buildings (**If the building in question houses public water supply treatment or distribution equipment, IEPA needs to review the scope of work to determine whether or not a permit is required.**);
- emergency reconstruction of recently damaged portions of currently serviceable structures (**If the structure is a public water supply, waterworks structure or sewage treatment plant structure, IEPA needs an opportunity to review the scope of work to determine whether or not appropriate construction codes are being followed or if a permit is required. If a permit is required, IEPA has provisions in their rules for issuing emergency permits.**)
- relocation payments and assistance for displaced persons, businesses, organization and farm operations.

\* If asbestos materials are involved in the rehabilitation work, it will be necessary to contact the Field Operations Section of the Bureau of Air at 217/785-1743, TDD 217/782-9143 to assure compliance with Asbestos NESHPA.

If you have questions concerning potential project impacts, please contact the Office of the Deputy Director, Illinois Environmental Protection Agency at 217/782-0547, TDD 217/782-9143.

## Illinois Historic Preservation Agency Review

The Illinois Historic Preservation Agency (IHPA) reviews CDAP projects for potential impacts to historic properties (prehistoric and historic archaeological resources and standing structures). Section 106 of the National Historic Preservation Act and its implementing regulations 36 CFR Part 800 establish the process for this review. For a better understanding of these guidelines, the grantee and their administrator should review this Act and its regulations.

The IHPA has a thirty day time period to respond to a submittal. If insufficient information is provided then additional information will be requested thereby extending the length of time for review. Once IHPA has received sufficient information then a determination will be made as to whether any historic properties are impacted by a project. If there are no historic properties then the project will be "signed off" and allowed to proceed. If a historic property is present then the impact that the project will have on a property will need to be assessed. Please refer to 36 CFR Part 800.5 and 800.9 for more specific information about this process.

Several types of CDAP projects can be considered "exempt" from IHPA review based on the type of activity to be performed. Please be aware that even if a project is considered "exempt" from IHPA review, that does not make the whole project "exempt" based on the 24 CFR Part 58 regulations used by the U.S. Department of Housing and Urban Development employed for the CDAP program. This agency review is a part of the whole CDAP environmental process and the grantee/administrator should consult the Grants Management Handbook for further NEPA guidelines and publication requirements.

For the purposes of CDAP, the following components are considered "exempt" from IHPA review: planning and design. The housing rehabilitation projects will continue to receive the generic clearance letters for all the grants, but the chief elected official of the grantee and their administrator must continue to send information for each individual rehabilitation site as they are confirmed for individual clearance. Some public facilities and economic development projects may also be "exempt" if they meet one of the following criteria:

- construction activities required for the maintenance or repair of existing infrastructure;
- actions within highway rights-of-way outside historic districts and not adjacent to landmarks;
- purchase of existing businesses or buildings;
- purchase of equipment or working capital;
- installation of structures within existing buildings;
- emergency reconstruction of infrastructure without modification to size or intent.

If you have questions concerning potential impacts to historic properties, please contact Cody Wright, Cultural Resources Manager, Illinois Historic Preservation Agency at 217/785-3977, TDD 217/524-7128.

**Obtaining a DUNS Number**

The DUNS number does not replace existing identifiers, such as the Employer Identification Number (EIN), that is required by statute. Obtaining a DUNS number is free for all companies. An applicant should identify its organization as a Federal grant applicant when it contacts Dun and Bradstreet (D&B) for a DUNS number. The DUNS number is site-specific; therefore, each distinct physical location of the business may be assigned a DUNS number. If a company already has a DUNS number, it may use that number for its application process. When possible, a business should avoid establishing new DUNS numbers. For purposes of avoiding unnecessary and duplicating DUNS numbers, the company may request D&B to supply a family tree report of the DUNS numbers associated with the company. If a company wishes to determine if it has an existing DUNS number or wishes to request a family tree report, it may contact D&B toll-free at (866) 705-5711. Businesses may receive a DUNS number by calling the same dedicated number between 8 a.m. and 6 p.m. (local time of the caller when calling from within the United States). Speech-or-hearing-impaired individuals may access the toll-free DUNS number request line through TTY by calling (866) 814-7818. Businesses alternatively may apply for DUNS numbers online at <http://www.dunandbradstreet.com>. For faster service, HUD recommends using the telephone request line. The telephone call to obtain a DUNS number takes approximately five to ten minutes, and a DUNS number will be assigned at the conclusion of the call. Applicants should expect that the following information will be requested: legal name; name and address for the organization's headquarters; "doing business as" (DBA) or other name by which the organization is commonly known or recognized; physical address; telephone number; contact name and title; and number of employees.