

# **STATE OF ILLINOIS ACTION PLAN**

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

**ILLINOIS DEPARTMENT OF COMMERCE AND  
ECONOMIC OPPORTUNITY  
September 2009**

# Table of Contents

<b>INTRODUCTION</b> .....	
<b>IMPACT OF SEVERE STORMS AND FLOODING AND ILLINOIS RECOVERY NEEDS</b>	
<b>FEDERALLY DESIGNATED AREAS ELIGIBLE FOR ASSISTANCE</b> .....	
<b><u>ILLINOIS GOALS, OBJECTIVES AND PLAN FOR RECOVERY</u></b> .....	
Promotion of Short- and Long-Term Recovery Planning .....	
<u>Federal and State Responses to Date</u> .....	
Promotion of High Quality, Durable, Energy Efficient, and Mold Resistant Construction Methods .....	
Provision of Adequate, Flood-Resistant Housing for All Income Groups that Lived in the Disaster Impacted Areas .....	
.....	
Emergency Shelter and Transitional Housing Needs of Needs of Homeless Individuals and Families	
Actions the State will take to prevent Low-income Individuals and Families with Children (especially those with income below 30 of median income) from Becoming Homeless	
Actions the State Will Take To Help Homeless Persons Make the Transition to Permanent Housing and Independent Living	
Actions to Address the Special Needs of Persons Who Are Not Homeless	
Anti-Displacement and Relocation .....	
Monitoring Standards .....	
Mitigation of Fraud, Abuse and Mismanagement.....	
<b>METHOD OF DISTRIBUTION</b> .....	
Eligible Applicants .....	
Disaster Recovery Funds Categorical Distribution.....	
<b>CITIZEN PARTICIPATION</b> .....	
Consultation with Local Governments, Organizations, and <u>Agencies</u>	
Amendments to the Action Plan.....	
Summary of Public Comments on the Proposed 2008 CDBG Disaster Recovery Action Plan.....	
<u>Application for Federal Assistance (SF 424)</u> .....	
<u>Governor's Letter of Designation</u> .....	
<u>Revised Waiver Request for Midwest (2008-1) and Ike (2008-2) Grantees</u> .....	
<u>Certifications For State Governments, Waiver And Alternative Requirements</u> .....	
<b>FEMA-1800--DR Map</b> .....	
<b>FEMA-1747--DR Map</b> .....	
<b>FEMA-1771--DR Map</b> .....	

## **INTRODUCTION**

The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. Law 110-329), enacted on September 30, 2008, appropriated \$6.5 billion through the Community Development Block Grant (CDBG) program for “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008 for which the President declared a major disaster...”. The U. S. Department of Housing and Urban Development (HUD) was designated by Congress as the administering agency. In October 2008, HUD reduced the amount of funding to \$6.1 billion in response to a budget rescission requirement from Congress. On November 28, 2008, HUD made an initial one-third allocation to Illinois in the amount of \$41,984,121. HUD issued notice of a second allocation for grant funds for CDBG Disaster Recovery (CDBG-DR) of \$127,207,128 to Illinois, as published in the Federal Register on August 14, 2009 (FR-5336-N-01). This notice requires the State to submit an Amendment to the initial Action Plan for Disaster Recovery to provide further details for the distribution of funds and the eligible program activities for the second allocation. States were provided the opportunity to combine their CDBG-DR action plans under the initial allocation and second allocations into one plan, an option the State of Illinois elected to do. Since this is the first CDBG-DR (1800) Action plan, requests for funding under both the initial and second CDBG-DR 1800 allocations will be incorporated into this plan.

The legislation specifically prohibits the use of funds for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency or the Army Corps of Engineers” and that “none of the funds...may be used...as a matching requirement, share, or contribution for any other Federal program.” It also states that, “not less than \$650,000,000 from funds made available on a prorated basis according to the allocation made to each State” shall be used for affordable rental housing. Thus the state will set aside 10.6 percent of its entire allocation to this purpose in accordance with the legislation. Additionally, at least 50 percent of the funds must benefit low to moderate income individuals.

The Illinois Department of Commerce and Economic Opportunity (DCEO), working closely with the Illinois Emergency Management Agency (IEMA), the Illinois Housing Development Agency (IHDA) and inviting input by communities, individuals and other interested parties, has developed the following action plan to outline the eligible activities available to assist counties to meet unmet housing, business, public service, public infrastructure and other needs incurred by the 2008 disasters as well as addressing critical needs stemming from previous flooding in many of the same areas which impair long-term recovery, restoration of infrastructure and response to future disasters.

The state of Illinois is moving forward to develop its plan, announce this plan publicly and seek necessary approvals.

## **IMPACT OF SEVERE STORMS AND FLOODING AND ILLINOIS RECOVERY NEEDS**

The statewide average precipitation in 2008 was 50.7 inches, 11.4 inches above normal and the second wettest year since 1895. Based on preliminary data, the statewide average precipitation for September 2008 was 7.98 inches, making this the third wettest September on record (going back to 1895) for Illinois. Chicago (at O'Hare airport) reported 6.64 inches on September 13, 2008 setting a new record for the most rain in one calendar day in Chicago's history.

Major flooding in three regions of the state kept the State Emergency Operations Center (SEOC) activated for more than three weeks in June and early July. A large contingent of state resources, including more than 1,400 Illinois National Guard troops, was activated to help communities along the Mississippi River and other rivers in northern and

southeastern Illinois battle floodwaters. In total, 26 levees overtopped or breached along the Mississippi River between Rock Island, Illinois and St. Louis, Missouri. Six of the 26 overtopped or breached levee systems are located in Illinois. As a result of the June 2008 flooding, 25 Illinois counties were declared federal disaster areas per FEMA-1771-DR. Twenty-one of these 25 counties are located along the Mississippi, Embarras, and Wabash Rivers. The state's requests for federal disaster assistance for people and businesses in 18 counties and for local governments in 22 counties were approved by FEMA, bringing welcomed relief to many persons in these flood-battered areas. HUD previously allocated \$17,341,434 to assist these counties in their efforts to recover from the devastation caused by the severe flooding.

Flooding in September again ravaged homes, businesses and communities. Heavy rains, including precipitation from Hurricane Ike, caused extensive flooding in the northern and central regions of the state in September. The severe flooding caused tremendous damage, which, in turn, left most communities without electricity for days, and many for weeks. The state was successful in getting federal assistance for people and businesses in nine counties, as well as federal reimbursement for some flood-related expenses incurred by local governments in 13 counties. A total of 42 counties were included in FEMA 1800-DR, FEMA 1771-DR and FEMA 1747-DR.

**Following are counties in Illinois that were federally declared under one of three declarations in 2008:**

DRAFT

## Economic Impact

### Small Business Economic Impact

According to preliminary estimates from the US Small Business Administration (SBA), Illinois' small businesses experienced approximately \$43 million in economic losses from flooding and other disasters in 2008. To date, 1224 Illinois small businesses in areas affected by 2008 flood and storm disaster have been approved for SBA loans. Approximately 1224 businesses experienced at least some business interruption. The state must have resources to provide low-cost financing, grants and technical assistance to businesses in order to jumpstart its economic recovery. Funding for small businesses in impacted Illinois communities needing financial support will be prioritized under the economic development program, as part of this disaster plan.

<b>Federal Declarations in 2008</b>	<b># of SBA loans approved</b>	<b>\$ value of SBA loans approved</b>
<b>FEMA DR 1800</b> SBA II-00019	860	\$24,851,400
<b>FEMA DR 1747</b> SBA II-00013	240	\$13,592,800
<b>FEMA DR 1771</b> SBA II-00015	124	\$4,980,000
<b>TOTAL</b>	<b>1224</b>	<b>\$43,424,200</b>

### Large Business and Other Economic Impact

The 2008 disasters forced many families out of communities that were impacted by severe flood damage. Employers need their workforce back in their communities. Accelerated provision of temporary affordable housing and the development of permanent affordable housing are critical for the state's employers to get back into commerce and expedite recovery. Funding is needed to support impacted Illinois communities with large businesses needing financial support to remain or locate in these areas of the state. Resources will also be prioritized for support to these communities under the economic development stimulus program, as part of this disaster plan.

## **Housing Impact**

Over 5,500 homes were impacted by the storms and flooding. According to data provided by FEMA and SBA, it is estimated that there remains approximately \$172,069,178 in unmet housing needs in the affected counties for the 2008 floods. To date, **\$48,115,937** has been approved for disaster housing assistance to help with temporary housing and home repairs for FEMA 1800-DR alone. The Department will consider the damage rating level among other criteria in approving funding to assist residents in affected counties. Damage level is rated by FEMA from "affected"(insignificant), "minor" (low), "major" (significant) and "destroyed" (high).

The State will prioritize resources to assist homeowners repair and rebuild their homes. Resources will also be provided to build affordable rental housing for the workforce as well as those that were displaced due to flooding.

**The table on the next page illustrates the financial extent of damage to homes in Illinois counties due to 2008 disaster**

DRAFT

**Housing-Related Damages to  
Counties under FEMA 2008 Declarations**  
(By Level of Damage, Unmet Need)

<u>County</u>	<u>Level of Seriousness</u>	<u>Unmet Need</u>
Adams County	0.17	\$2,864,363.27
Calhoun County	0.03	\$495,400.62
Clark County	0.04	\$922,801.68
Coles County	0.08	\$2,280,033.96
Cook County	0.03	\$91,882,924.19
Crawford County	0.06	\$850,252.46
Cumberland County	0.06	\$58,316.85
DeKalb County	0.06	\$1,825,735.64
Douglas County	0.02	\$879,533.07
DuPage County	0.06	\$6,925,857.99
Edgar County	0.02	\$1,169,116.14
Grundy County	0.08	\$745,772.90
Hancock County	0.13	\$4,399,136.28
Henderson County	0.22	\$9,148,228.79
Iroquois County	0.10	\$10,022,896.43
Jasper County	0.09	\$1,494,216.89
Jersey County	0.09	\$408,065.34
Kane County	0.02	\$2,283,290.20
Kendall County	0.01	\$23,416.87
Lake County	0.01	\$121,894.39
La Salle County	0.09	\$3,188,682.00
Lawrence County	0.15	\$7,535,348.91
Livingston County	0.05	\$5,238,993.40
McLean County	0.01	\$33,643.99
Mercer County	0.10	\$2,097,631.23
Peoria County	0.02	\$2,669,471.38
Rock Island County	0.03	\$2,774,322.77
Whiteside County	0.01	\$58,316.85
Will County	0.02	\$2,790,377.81
Winnebago County	0.08	\$6,084,819.77
Woodford County	0.02	\$796,316.47
	<b>Total Unmet Need Identified to Date:</b>	<b>\$172,069,178.54</b>

## **Public Infrastructure Impact**

The state estimates more than \$94.6 million in public infrastructure damage requiring short term recovery assistance in counties declared under federal DR 1800 and DR 1771 in 2008. To address this damage, the state has or will receive approximately \$75 million in emergency response and immediate recovery activities through funds made available under FEMA. The difference remaining after FEMA funding is approximately \$31.6 million and represents the current unmet, short term financial need identified in affected counties to date. In addition to addressing short term need, the supplemental appropriation also will support communities in long term disaster mitigation strategies, to avoid the level of damage and severe impact resulting to communities. The tables below lists the affected counties and illustrate the estimated financial impact of the damage to public infrastructure/ facilities in counties declared under FEMA 1800-DR. and 1771 DR.

The extent of the impact to affected areas in Illinois in 2008 made the state one of several eligible for this disaster recovery assistance to address both short and long term recovery, restoration and mitigation needs in these counties.

**The tables below lists the affected counties and illustrate the estimated financial impact of the damage to public infrastructure/ facilities in counties declared under FEMA 1800-DR. and 1771 DR.** They also serve to highlight the extensive damage to public infrastructure in Illinois- FEMA-declared counties in 2008:

DRAFT

**Public Facilities/ Infrastructure Damage  
Counties under FEMA 1800-DR**

FEMA 1800-DR Counties	Total Damages	Total Approved	Federal Share (FEMA)	Unmet (Short Term) Public Infrastructure Need Under DR 1800
BUREAU	825,607.55	825,607.55	619,205.71	<b>206,401.84</b>
CASS	859,636.40	859,636.40	644,727.33	<b>214,909.07</b>
COOK	9,965,745.85	9,965,745.85	7,474,309.70	<b>2,491,436.15</b>
DEKALB				
DUPAGE	1,640,310.48	1,640,310.48	1,230,233.01	<b>410,077.47</b>
GREENE	424,534.71	424,534.71	318,401.07	<b>106,133.64</b>
GRUNDY	140,366.10	140,366.10	105,274.58	<b>35,091.52</b>
KANE				
KENDALL	295,425.49	295,425.49	221,569.13	<b>73,856.36</b>
LA SALLE	2,569,661.68	2,569,661.68	1,918,850.30	<b>650,811.38</b>
MACOUPIN	720,368.43	720,368.43	540,276.36	<b>180,092.07</b>
MONTGOMERY	64,780.56	64,780.56	48,585.43	<b>16,195.13</b>
PEORIA				
SCOTT	124,158.65	124,158.65	93,118.99	<b>31,039.66</b>
WILL	669,846.95	669,846.95	500,840.21	<b>169,006.74</b>
WOODFORD	133,329.89	133,329.89	99,997.44	<b>33,332.45</b>
<b>County Totals</b>	<b>18,433,772.74</b>	<b>18,433,772.74</b>	<b>13,815,389.26</b>	<b>4,618,383.48</b>
<b>Statewide Total</b>	<b>967,099.38</b>	<b>967,099.38</b>	<b>776,331.07</b>	<b>190,768.31</b>
<b>GRAND TOTAL</b>	<b>19,400,872.12</b>	<b>19,400,872.12</b>	<b>14,591,720.33</b>	<b>4,809,151.79</b>

**Public Facilities/ Infrastructure Damage  
Counties under FEMA 1771-DR**

<b>FEMA 1771 DR Counties</b>	<b>Total Damages</b>	<b>Total Approved</b>	<b>Federal Share (FEMA)</b>	<b>Unmet (<i>Short Term</i>) Public Infrastructure Need Under DR 1771</b>
ADAMS	7,879,427.68	7,879,427.68	6,248,314.47	<b>1,631,113.21</b>
CALHOUN	1,852,456.64	1,852,456.64	1,405,901.95	<b>446,554.69</b>
CLARK	14,332,507.74	14,332,507.74	10,995,604.90	<b>3,336,902.84</b>
COLES	971,318.14	971,318.14	731,501.36	<b>239,816.78</b>
CRAWFORD	433,304.14	433,304.14	329,670.18	<b>103,633.96</b>
CUMBERLAND	368,934.03	368,934.03	276,905.46	<b>92,028.57</b>
DOUGLAS	947,901.72	947,901.72	715,061.19	<b>232,840.53</b>
EDGAR	633,511.08	633,511.08	480,047.13	<b>153,463.95</b>
GREENE	450,903.07	450,903.07	375,113.09	<b>75,789.98</b>
HANCOCK	3,564,385.20	3,564,385.20	2,754,554.17	<b>809,831.03</b>
HENDERSON	7,542,949.91	7,542,949.91	6,230,143.81	<b>1,312,806.10</b>
JASPER	1,980,000.87	1,980,000.87	1,488,855.92	<b>491,144.95</b>
JERSEY	497,979.59	497,979.59	396,658.77	<b>101,320.82</b>
LAKE	3,439,131.85	3,439,131.85	2,611,346.19	<b>827,785.66</b>
LAWRENCE	407,710.64	407,710.64	333,776.49	<b>73,934.15</b>
MADISON	2,775,555.83	2,775,555.83	2,143,581.56	<b>631,974.27</b>
MERCER	4,240,593.73	4,240,593.73	3,246,451.32	<b>994,142.41</b>
MONROE	226,341.04	226,341.04	178,626.12	<b>47,714.92</b>
PIKE	2,279,040.27	2,279,040.27	1,733,220.06	<b>545,820.21</b>
RANDOLPH	738,541.76	738,541.76	580,524.76	<b>158,017.00</b>
ROCK ISLAND	2,440,239.31	2,440,239.31	1,884,989.15	<b>555,250.16</b>
ST. CLAIR	920,933.71	920,933.71	703,354.52	<b>217,579.19</b>
SCOTT	322,352.06	322,352.06	266,760.92	<b>55,591.14</b>
WINNEBAGO	1,018,888.00	1,018,888.00	824,162.66	<b>194,725.34</b>
<b>County Totals</b>	<b>60,264,908.01</b>	<b>60,264,908.01</b>	<b>46,935,126.15</b>	<b>13,329,781.86</b>
<b>Statewide Total</b>	<b>15,033,506.05</b>	<b>15,033,506.05</b>	<b>13,483,628.09</b>	<b>1,549,877.96</b>
<b>GRAND TOTAL</b>	<b>75,298,414.06</b>	<b>75,298,414.06</b>	<b>60,418,754.24</b>	<b>14,879,659.82</b>

### **Federally-Designated Areas Eligible for Assistance**

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

#### **Illinois Counties Declared Under FEMA-1800-DR**

(These Counties must be Supported by IL CDBG 1800 Disaster Recovery Funding)

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

#### **Illinois Counties Declared Under FEMA-1771-DR**

(These Counties may also be Supported by IL CDBG 1800 Disaster Recovery Funding)

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

#### **Illinois Counties Declared Under FEMA-1747-DR**

(These Counties may also be Supported by IL CDBG 1800 Disaster Recovery Funding)

1. Iroquois County
2. Livingston County

### **FEMA Maps**

The FEMA maps identifying the Illinois counties included under each of the three 2008 declarations are copied as attachments to this plan.

# **ILLINOIS' GOALS, OBJECTIVES AND PLAN FOR RECOVERY**

## **SHORT AND LONG TERM RECOVERY PLANNING AND SUPPORT**

From the listening sessions referenced earlier in this plan, held with local officials, stakeholders, emergency managers, non-profits, and community members, many of the following recommendations were made. Additional recommendations are based on this Department's and sister agencies' collective experience in responding to these disasters, including the Illinois Emergency Management Agency (IEMA), the Illinois Environmental Protection Agency (IEPA) and the Illinois Department of Natural Resources (IDNR). Finally, recommendations to assist with housing-related support for which resources will be made available under this program funding came from the Illinois Housing Development Authority (IHDA).

### **Immediate (Short-Term) Recommendations**

Provide outreach and support to individuals and businesses that were affected by the floods and are seeking assistance in making their way through the challenges of rebuilding their lives.

#### **Economic Development Support**

1. **Small Business Stimulus.** Provide incentives immediately for Illinois' struggling small businesses, microenterprises, and non-profits to assist with restoration and rebuilding of their businesses.
2. **Large Business Stimulus.** Provide incentives for large business to remain or locate in Illinois communities impacted by disaster in 2008. Provide resources to communities as part of a large business stimulus strategy to assist large employers in remaining or locating into Illinois communities that were impacted by flood, storm or other disaster in 2008. Support can be provided to upgrade infrastructure connected with a local business, working capital, to assist with construction and renovation costs, or machinery and other equipment costs.
3. **Commercial Buyouts.** Provide incentives to businesses located in 100 year flood plains to relocate in to other areas of the state or community.

#### **Housing Support**

1. Take steps to ensure immediate needs are met for housing for all who may need to be relocated, temporarily or permanently.
2. **Affordable Rental Housing - (USDA-Rural Development (RD) Section 515 – Acquisition/Rehabilitation Projects)** Target CDBG-DR funding to preserve and rehabilitate the aging rural rental housing stock currently in designated counties, financed in prior decades using USDA-RD Section 515 loans. In many cases investment in these developments will provide the needed physical improvements to preserve the units for continued occupancy, as well as assure the continuation of the accompanying federal Section 8 and Rural Rental Assistance tied to the properties. The Rural Development's state office has identified ten (10) such properties needing loan investment and rehabilitation which potentially could be leveraged with CDBG funds. More detailed information is forthcoming to the Illinois Housing Development Authority (IHDA) regarding the total # of units and estimated aggregate funding request here.
3. **Permanent Supportive Housing –** Target CDBG-DR funding to build new units (new construction or redevelopment) of permanent supportive housing in designated counties. IHDA has funded the CSH-Supportive Housing Institute to build local capacity and a pipeline of feasible developments around the state of non-profit homeless service and special needs housing agencies to develop permanent

supportive housing. As special needs populations are often more significantly impacted by such natural disasters, it is proposed to fast-track those feasible projects in the “SHI Pipeline” from the CSH-supportive Housing Institute, from the Supportive Housing Providers Association (SHPA) and other development organizations around the state targeted for special needs populations.

4. Public Housing Rehabilitation – The state should also consider funding specific public housing authorities (PHAs) for public housing repair/rehabilitation projects in these impacted counties. Such funding would be met very positively, and should be prioritized to smaller counties or local PHAs with capital improvement needs which received less than \$1 million in ARRA Capital Fund Grant (CFG) Program funding and/or have specific buildings with health/safety or accessibility needs, especially those under Section 504 Voluntary Compliance Agreements (VCAs) which would create accessible housing units. A targeted development pipeline can be prepared through outreach to smaller housing authorities in disaster counties.
5. First & Second Mortgage Financing for Rental New Construction and Rehabilitation – This would be an RFP for a variety of affordable rental housing projects needing financing to assist in meeting local housing needs. IHDA’s LIHTC Qualified Allocation Plan, Multi-Family Common Application, and similar documents should be used to guarantee that unified criteria are used to review and underwrite such proposed projects in an RFP process. Specific priority types would be:
  - LIHTC projects, with or without disaster credit designation but serving the designated area, which have a first/second mortgage financing need or gap and/or an equity shortfall after the Equity Replacement Program is exhausted.
  - Preservation of existing affordable assisted housing, especially those properties providing rental subsidies to tenants.
  - Projects addressing long-term economic recovery issues, such as linking housing with transportation and/or employment jobs.
  - Adaptive re-use of non-residential buildings
  - Consideration of top-ranked applications not funded under other/relevant State program funding competitions which may (significantly) address the recovery needs of their target areas.
6. Housing Buyouts. Provide incentives to homeowner located in 100 year flood plains to relocate in to other areas of the state or community.
7. Community Assistance (Private-owner-occupied housing) Community stabilization/ housing rehabilitation and repair. Provide funding support to communities, not-for-profits operating on behalf of communities, with private housing repair, rehabilitation and construction to stabilize communities impacted by disaster and economic conditions and to assist individual homeowners seeking assistance.
8. Individual Assistance (Private owner-occupied housing) Private housing rehabilitation and repair and construction. Provide funding support individuals for housing repair, rehabilitation and construction needs to encourage stability in disaster-impacted communities.

### **Public Infrastructure Support**

1. Community infrastructure protection. A great deal of public infrastructure resides in floodplains. Roads, bridges, well heads, sewer treatment facilities, levees, pumps, and municipal water filtration plants and facilities located in the floodplain should be adequately monitored, protected and/ or elevated to prevent future damage or disruption of services.
2. Soil and water conservation efforts. Provide greater investment in soil and water conservation efforts to create additional natural and artificial storage. Participants frequently commented on the importance of managing tributaries as a key preventative strategy. The creation of strategically placed reservoirs and stream bank stabilization were also noted as key investments in prevention. These investments in conservation practices were noted by both urban and rural participants.

3. Levee upgrades. Resources should be made available to increase levee reliability and safety. Concerns expressed regarding levee reliability and safety echo concerns at the state and national levels. Levees throughout the state were built in the 1950s and are not acceptable by today's standards. Levee concerns and the importance of levees in protecting people, infrastructure, and business were discussed in each of the small group discussions. Many issues are linked to levee reliability and safety.
4. Increase Investment in Enhanced Communication Systems: Adequate communication systems are necessary to ensure the highest levels of safety and protection, efficiency of operations, coordination of efforts, distribution of aid, and recovery. This goal requires significant investment in development of statewide broadband infrastructure.
5. Develop a comprehensive and systematic educational outreach program. Emergency management directors, floodplain managers, drainage districts, local officials, and VOADS (voluntary organizations active in disaster situations) would benefit from access to training opportunities. While the primary goal for the training would be to improve floodplain management practices and disaster recovery, training programs also present a great opportunity for enhanced communication among local, state and federal agencies. Investment in education is a critical investment in lessening the economic disruption of disasters. A key message that has significant economic implications for communities and individuals revolved around developing a greater understanding of the National Flood Insurance Program (NFIP).

### **Planning Support**

1. Focus on regional land use planning. Beginning by mapping out current business uses, critical infrastructure, natural and artificial storage, and public and private levees located within floodplains and watersheds. Utilize the information to develop plans which will give full consideration to all possible alternatives for vulnerability reduction. Planning assistance may be needed to increase access to geographic information and planning resources. The planning model created in southwest Illinois, presents a comprehensive view of floodplain management. They took a regional approach to address this problem. The Southwestern Illinois Flood Prevention Initiative report can be found at the following website: [www.swillinoislevees.com/html/technicalinfo.htm](http://www.swillinoislevees.com/html/technicalinfo.htm).

### **Long-Term Recovery Recommendations**

1. Hazard Mitigation Plans. Every county in Illinois should prepare and maintain a Hazard Mitigation Plan to ensure efficient and effective short-term response to, and long term recovery from, flooding and other natural disasters. Hazard Mitigation Plans should be prepared in consultation with all governmental and nongovernmental entities having jurisdiction over factors impacting the Plan, as well as the general public. Plans should utilize best practices outlined by the Federal Emergency Management Agency, which mandates community involvement, and all plans should be approved by the Federal Emergency Management Agency.
2. Office of Long Term Recovery. The State should create an Office of Long Term Recovery (OLTR) to serve as the lead entity in coordinating and implementing post disaster long term recovery efforts at the local and regional levels, with focuses on community and economic development and technical assistance with hazard mitigation planning. This authority would be supplementary and complimentary to existing local, regional, and state agency powers. The OLTR should convene a permanent, multi-agency advisory committee to develop and maintain implementation plans for flood and other disaster recovery efforts with an emphasis on coordination between various government agencies, long-term nonstructural mitigation, and wrap-around service provision designed to spur long-term community and economic recovery after a disaster. This would include Federal Block Grants and Public Assistance Grants, at a minimum, as well as other state funded initiatives, to ensure the proposed activity is consistent with the Governor's Executive Order 2006-05, National

Flood Insurance Program regulations, and good floodplain management. Recovery can be confusing and fast-paced, and requires coordination and rapid information flows at a level of urgency that differs from normal times.

3. Long Term Flood Mitigation. State and local leaders should work together to pursue available funding for projects consistent with long-term community recovery from floods identified in the federally funded Comprehensive Economic Development Strategy (CEDS) reports from the regions impacted by the June 2008 floods, as well as considering the recommendations of the USACE Interagency Levee Task Force.
4. The State should make investments to support the collection of stream gage data, high resolution topographic data, and land cover data, and designate a central point of contact to administer, process and distribute satellite imagery consistent with International Charter protocol (an agreement between numerous space agencies to provide a system for the collection of imagery data in disaster areas on an emergency basis (<http://www.disasterscharter.org/>)).
5. The State should support the Illinois State Water Survey and the Illinois Department of Natural Resources Office of Water Resources to review current methods for predicting future flood frequencies and magnitudes, determine the cost-effectiveness of nonstructural alternatives (NSAs) to flood risk reduction, and support the hiring of Certified Floodplain Managers for the National Flood Insurance Program (NFIP) State Coordinator's Office.

## **FEDERAL AND STATE RESPONSES TO DATE**

Recently FEMA has approved \$48,115,937 for disaster housing assistance to help with temporary housing and home repairs. Another \$14,663,000 has been approved by SBA in disaster loans to homeowners, renters and businesses, composed of 507 loans to homeowners and renters and 34 loans to businesses for DR-1800. For serious disaster-related needs, such as medical expenses, transportation or replacing lost personal property, \$6,233,889 has been approved. The Illinois Emergency Management agency estimated in June 2009 that the State has spend over \$7 million in state funds in response to the floods. This data is currently being updated due to the other declared disasters. All federal and state resources are listed by agency in the "Long Term Recovery Council Final Report" attached to this plan.

### **Promoting High Quality, Durable, Energy-Efficient and Mold Resistant Construction Methods**

All housing activities involving the construction or rehabilitation of multi-family and single-family dwellings must meet all building codes and standards adopted and enforced by the State of Illinois as well as any local ordinances that exceed State codes and standards. All housing activities shall be designed to achieve maximum energy efficiency to the extent that this can be accomplished on a cost-effective basis, considering construction and operating costs over the life cycle of the structure. Efficiency may be demonstrated through design based on LEED, Green Globes, Energy Star, and/or other comparable guidelines and rating systems. Historic aesthetic and local sourced materials shall be afforded value in this analysis.

### **Provision of Adequate, Flood Resistant Housing for All Income Groups that Lived in the Disaster-Impacted Areas**

The State of Illinois will provide up to 31 percent, totaling \$52,789,1610, of its CDBG supplemental (1800) appropriation for single family, multi-family housing activities, including rehabilitation, reconstruction, homebuyer assistance, and buyouts . The Department of Commerce and Economic Opportunity will continue to coordinate and collaborate with the Illinois Housing Development Authority to provide funding for multifamily affordable housing in the impacted areas. The State will set aside \$18,950,911 for affordable rental housing.

Homeless shelters and transitional housing units impacted by the flood will be eligible for assistance through the housing assistance component of this plan, if these facilities were located outside the 100 year flood plain. If they were within the 100 year flood plain the facilities will be eligible for assistance to rebuild outside the flood plain

### **Emergency Shelter and Transitional Housing Needs of Homeless Individuals and Families**

The State, through the Illinois Department of Human Services (IDHS) administers the State-funded Emergency Food and Shelter (EF&S) Program to meet the emergency and transitional housing needs of individuals and families Under the State-funded, State-administered program, grants are made directly to homeless shelter providers (emergency overnight shelters, transitional shelters, second-stage housing and voucher programs) on a statewide basis. The State Supportive Housing Program (funded through the Illinois Department of Human Services) serves low-income individuals and families who are formerly homeless or at risk of becoming homeless. Services are delivered by governmental units, community organizations and not-for-profit groups that operate housing programs. Supportive services include alcohol and substance abuse counseling, mental health programs, transportation and other services deemed needed by the residents (including persons with special needs) of single room occupancy facilities (SROs), other affordable rental properties and purchasable single-family dwellings. The supportive services help individuals and families gain and maintain permanent housing and prevent those

at risk from becoming homeless. The State continues to strengthen its continuum of services for homeless persons through assistance in housing location, placement and follow-up services

Regarding special needs of non-homeless persons, the State coordinates such activities through the State Agencies Housing Committee of the Illinois Housing Development Authority (IHDA) to ensure the maximizing of leveraging of resources and making State social services agencies aware of funding opportunities under existing programs. This policy will mean the continuation of participating in informational workshops (as needed) for local services providers. Section II: Housing and Homeless Needs Assessment of the State of Illinois 2005-2009 Consolidated Plan includes descriptions of other special needs categories such as persons with disabilities, frail elderly, migrant farm workers, persons with substance abuse problems, among others. Also, Section III: Housing Market Analysis of the five-year Plan discusses the current inventory of facilities in the State that serve these special needs population.

### **Actions the State Will Take to Prevent Low-Income Individuals and Families with Children (Especially those with Income Below 30% of Median Income) from Becoming Homeless**

The Homeless Prevention Program administered by the IDHS works to stabilize individuals and families in their existing homes, reduce the amount of time spent in shelters, as well as to secure affordable housing. The program provides rental security deposit assistance, utility assistance, management and supportive services directly related to the prevention of homelessness or repeated episodes of homelessness. Another program, the Rental Housing Support Program, signed into law in July 2005 and administered by IHDA, will fund rent subsidies to landlords throughout the state to make rental units affordable to households **who earn less than 30% of the area median income**. Half of the funding will be dedicated to households who are at **15% of the area median income and below**.

Homelessness prevention is also one of four eligible activities under the Illinois DCEO-administered Emergency Shelter Grants Program (ESGP). Up to 30% of the state's allocation can be awarded for this activity.

### **Actions the State Will Take to Help Homeless Persons Make the Transition to Permanent Housing and Independent Living**

Illinois Continuums of Care employ several strategies for ending chronic homelessness in each of their jurisdictions. Continuums across the state are working diligently to develop and implement a ten-year plan for ending chronic homelessness. Similarly, Illinois Continuums are at varying stages of implementing a Homeless Management Information System (HMIS). Besides implementing ten-year plans and HMIS, other strategies include the following: developing additional permanent supportive housing, improving outreach to chronically homeless, increasing capacity and enhancing organization, conducting public awareness activities to foster support, and improving transportation services (especially in rural areas).

### **Actions to Address the Special Needs of Persons Who Are Not Homeless**

The State has continued to coordinate the special needs of non-homeless persons through the State Agencies Housing Committee of the Illinois Housing Development Authority (IHDA) to ensure the maximizing of leveraging of resources and making State social services agencies aware of funding opportunities under existing programs. This policy has meant continued participation in informational workshops (as needed) for local services providers.

Section II: Housing and Homeless Needs Assessment of the State of Illinois 2005-2009 Consolidated Plan includes descriptions of other special needs categories such as persons with disabilities, frail elderly, migrant farm workers, persons with substance abuse problems, among others. Also, Section III: Housing Market Analysis of the five-year Plan discusses the current inventory of facilities in the State that serve these special needs population. In the Consolidated Plan is a chart which lists the State Advisory Groups that specialize in non-homeless special needs activities, as well as the results from each group.

The State of Illinois, through the Illinois Housing Development Authority (IHDA), Illinois Department of Human Services (IDHS), and other agencies, is keenly aware of the dual services and housing needs of special needs populations. This is particularly an issue to be addressed by coordination and joint funding opportunities, as detailed in the Illinois Comprehensive Housing Planning Act (P.A. 94-965). The Illinois Housing Task Force, through its Interagency Subcommittee, has begun to address many of these issues.

1. Training – Using the success of IDHS's Supportive Housing (Services) Program (which primarily assisted IHDA permanent homeless housing developments) as a model, there have been other successes. For instance, the homeownership assistance program for persons with developmental disabilities requires participant applicants to have State services as a prerequisite to program eligibility.
2. Data – Another major problem in assisting persons with disabilities who need accessible housing is linking those persons with available properties, especially rentals. In May 2007, Illinois was chosen by the federal Centers for Medicare and Medicaid Studies for a five-year Money Follows the Person (MFP) Demonstration geared toward helping approximately 3,500 persons living in institutional care to return to community settings. The MFP Demonstration involves an 'Enhanced Match' (increase in federal match for Medicaid spending) of \$55.7 million over the five-year grant period. Leading the effort is Department of Healthcare and Family Services, in collaboration with the Department on Aging, three divisions of the Department of Human Services, and the Illinois Housing Development Authority. In June 2008, Illinois' Operational Protocol, which describes MFP implementation processes, was approved by Centers for Medicare and Medicaid Studies. Over the term of the demonstration, the state will increase housing opportunities for MFP participants through many efforts, including but not limited to creating housing and services referral networks and establishing a comprehensive affordable and accessible housing database. IDHS will also work with IHDA to solicit cooperation and assistance from other agencies (HUD, USDA-Rural Development, PHAs, and trade organizations (i.e. the Illinois Association of Realtors), and has solicited the assistance of local Centers for Independent Living (CILs) and Area Agencies on Aging.
3. Accessibility Modifications – Both IHDA and DCEO fund a significant amount of accessibility/adaptability modification programs through existing local housing rehabilitation programs. DCEO (via CDAP) and IHDA (via HOME and Affordable Housing Trust Fund) also do not currently track such activities. The IHDA administered Home Modification program (funded with Affordable Housing Trust Fund) continued to receive funding in 2008. The Home modification program provides grants for home modification for seniors and persons with disabilities. It is a focus of the 2009 State comprehensive housing plan to extend the life of this program.
4. Olmstead – IHDA has continued working and meeting with IDHS and other State and local agencies, especially regarding the Olmstead decision and the State's subsequent plans to review programs and services for persons with disabilities. The IDHS-chaired Disabilities Services Advisory Council, of which IHDA is also a member, was created by State law to address these matters. IHDA continues to maintain an open forum at its OHCS Advisory Committee meetings for discussion of disabilities-related issues.

## **ANTI-DISPLACEMENT AND RELOCATION**

Recipients will be expected to minimize displacement of persons or entities and assist any persons or entities displaced as a result of the disasters. This is not intended to limit the ability of the recipients to conduct buyouts for destroyed and extensively damaged units or units in a flood plain.

Recipients implementing activities identified in this Action Plan are expected to ensure the assistance and protections afforded to any persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970 (URA), as amended and section 104(d) of the Housing and Community Development Act of 1974 (HCD), as amended. **The State of Illinois** plans to exercise the waivers set forth in Federal Register Vol. 73 No. 177 pertaining to URA and HCD given its priority to engage in voluntary acquisition and optional relocation activities to avert repeated flood damage and to improve floodplain management.

## **MONITORING STANDARDS AND PROCEDURES**

Each activity funded shall meet one of the three national objectives, with emphasis on meeting the primary national objective of benefit to low and moderate income persons, and shall be an eligible activity. Monitoring will be performed by the DCEO staff in accordance with the DCEO CDBG Monitoring Plan as being modified currently to include disaster recovery guidelines.

In determining appropriate monitoring of the grant, the Department will consider prior CDBG grant administration, audit findings, as well as factors such as complexity of the project. The Department will determine the areas to be monitored, the number of monitoring visits, and their frequency. Communities will be provided training and technical assistance if requested or if the Department determines through in-house or on-site monitoring it is needed. All grants will be monitored at least once on site during the life of the activity.

The State will continue to follow all guidelines it uses to monitor projects funded under the regular CDBG program. The monitoring will address program compliance with contract provisions, including but are not limited to environmental reviews, fair housing, compliance with the Davis-Bacon Act as well as other labor standard provisions, procurement regulations, fair housing and equal opportunity requirements, and compliance with A-87, program income, and other CDBG financial requirements. The State of Illinois plans to retain all program income. These policies and procedures are consistent with those used by HUD to monitor state-administered and entitlement programs. All necessary environmental reviews shall be performed on each project prior to funding.

### **Administration and Staffing**

Additional personnel and contractors will be hired to aid in the administration of, and to carry out, the Disaster Recovery Program. Not only will these personnel remain involved in ensuring that there are layers of financial control, they will also provide technical assistance to grantees, and undertake administrative and monitoring activities to ensure compliance with applicable requirements, including but not limited to, fair housing, nondiscrimination, labor standards, the environment, and procurement. Technical assistance will increase the capacity of grantees, and this assistance, in conjunction with monitoring, will help ensure compliance. The Department has established a new Office of Accountability where all programs will be monitored for compliance. Through this new office, internal auditors, under our Department of Central Management Services will review the program annually.

### **Reporting**

Each awarded applicant will report information necessary relative to the status of the activities and other information that will be necessary to report quarterly to HUD. Additional reporting requirements (i.e., annual audits, contractual obligations, and minority business enterprise reports, as applicable) will be specified in the grant agreement.

## **Prevention of Duplication of Benefits**

According to the Stafford Act Duplication of benefits is prohibited. The Department will continuously monitor for compliance. FEMA, NFIP, private insurers, Corps of Engineers, SBA and other agencies will be contacted and data sharing agreements put into place in order to ensure that there is no duplication of benefits occurring within the various programs.

## **Flood Plain Restrictions**

Another area that will be monitored is the flood plain restrictions. Funds may not be used for persons who may have received previous federal assistance (including loans) where purchase and maintenance of flood insurance was a requirement, and have since allowed that flood insurance to lapse. In addition, all grantees must inform participating property owners of the future requirements to purchase and maintain flood insurance.

No funds may be used for any activities in areas delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain.

## **Increasing Capacity at the Local Level**

Technical assistance or trainings will be held to provide assistance to subrecipients on regulations, reporting requirements, and payment procedures for funds awarded for Disaster Recovery. Applications for programs that will be contracted with local governments will be reviewed by DCEO using an application with guidelines and instructions. Other State or Federal agencies will be requested to review and comment on applications, as appropriate.

## **Steps the State will Take to Avoid or Mitigate Occurrences of Fraud, Abuse and Mismanagement**

The Department has established a new office of Accountability where all programs will be monitored for compliance. Through this new office, internal auditors, under the Department's Central Management Services, will review the Disaster Program. The State also has an established Office of Executive Inspector General (OEIG). The OEIG's powers and duties were expanded to include jurisdiction over all State agencies, including the State public universities and community college districts, except the Attorney General, Secretary of State, Comptroller, and Treasurer. The bill also gave the OEIG subpoena power. The OEIG acts as an independent agency whose function is to investigate fraud and abuse in State government. Specifically, the Office of Executive Inspector General receives and fairly investigates complaints of violations of any law, rule or regulation or abuse of authority or other forms of misconduct by officers, employees and appointees of State agencies under its jurisdiction and vendors and others doing business with the State. The Executive Inspector General may report any findings of misconduct to the Governor, and may recommend measures to prevent the future occurrence of investigated instances of fraud, abuse or misconduct. The Executive Inspector General refers findings establishing criminal conduct to the appropriate prosecuting authority.

In addition, the Department will assess all DCEO policies and procedures from an anti-fraud, waste, and abuse perspective and embed anti-fraud procedures into policies and procedures and DCEO processes through the following processes:

1. Use data mining and data analysis tools and techniques to identify anomalies for follow up, e.g. multiple applicants at a single address, invalid social security numbers (inappropriate range for

estimated age of applicant or belonging to a deceased person), and property damage estimates following an inappropriate pattern for the housing programs.

2. Analyze paper application files for anomalies, through data analytics supplemented by judgmental sampling.
3. Liaison with Federal, State and local law enforcement authorities.
4. Conduct enterprise risk assessment.
5. Assess and test selected internal controls, including IT controls.
6. Develop and deliver anti-fraud awareness training to DCEO personnel.
7. Develop of content for anti-fraud brochures and posters, including hotline information.
8. Develop and implement DCEO compliance program including investigative protocols, whistleblower and hotline procedures, and a process to refer matters to local, state and federal authorities.
9. Develop anti-fraud, waste, and abuse program focused on the evaluation process with goals of (a) mitigating the risk of fraudulent or other inappropriate activity and (b) reinforcing fraud prevention and control efforts established by the DCEO.

## **METHOD OF DISTRIBUTION**

The Disaster Recovery Program will be available through the Illinois Department of Commerce and Economic Opportunity. The State of Illinois' Disaster Recovery allocation method of distribution is based upon the following: eligible applicants, amount of funds set-aside for each category, categories of eligible activities, selection priorities, thresholds, and application timeline.

All Disaster Recovery Funds made available are to be used only for activities related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by the Federal Emergency Management Agency (FEMA) declaration of major disaster 1771-DR, 1747-DR, and 1800-DR.

Disaster Recovery Funds are not to be used for activities reimbursable by, or for which funds are made available by, FEMA, the Army Corps of Engineers., private insurers, SBA or other funding agencies. The Disaster Recovery Funds are intended for activities related to long-term disaster recovery and they may not otherwise replace other federal, state, or local financial assistance available for any project. Any funds used to assist homeowners, renters, or businesses directly must consider and deduct any duplication of benefits. The DCEO coordinate with FEMA, the Illinois Emergency Management Agency (IEMA), and the Army Corps of Engineers to identify and assist local governments in determining such duplications.

Disaster Recovery Funds may not be used for persons who have received previous federal assistance (including loans) where purchase and maintenance of flood insurance was a requirement, and since have allowed that flood insurance to lapse. No Disaster Recovery Funds may be used for any activities in areas delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain.

### **Eligible Applicants**

Those eligible to submit an application are villages, cities, counties, and federally-recognized Indian tribes which suffered damages from the Midwest floods and severe storms of 2008. The DCEO may accept applications from entitlement communities within those declared counties. Eligible applicants must be located in a county in the federally declared disaster areas. Refer to included FEMA maps.

### **Disaster Recovery Funds Categorical Distribution**

The aggregate use of Disaster Recovery Funds shall principally benefit low- and moderate- income families in a manner that ensures that at least fifty (50) percent of the amount is expended for activities that benefit such persons during the designated period.

Under the Illinois CDBG Disaster Recovery (1800) plan, the state is waiving the requirement to distribute all funds to local governments. This option was made available under the CDBG Disaster Recovery program (under federal DR 1800). The state will administer directly those aspects of the CDBG disaster housing program sub-component that do not involve the required affordable rental housing set aside. The State has opted to utilize HUD's waiver included in the Notice to carry out the housing activities directly. The Notice states "Activities eligible under this Notice may be undertaken, subject to state law, by the recipient through its employees, or through procurement contracts, or through loans or grants under agreements with subrecipients, or by one or more entities that are designated by the chief executive officer of the state."

## STATE ADMINISTERED PROGRAMS (Individual Assistance)

### Economic Development Activities

The CDBG Disaster Program economic development program will include: (1) a large and small business stimulus program, (2) a business rental assistance program and a (3) commercial property buyouts program.

Allocation for all Economic Development program activities: **\$33,838,249.80**

#### **I. Business Stimulus Program**

Small business owners suffering physical damage or economic loss will be eligible for forgivable loans up to \$50,000. The purpose of these loans is to provide funds to help ensure business survival, and, to the extent possible, to remain in- or move back to the area of their original pre-flood location. Additionally, local communities that were impacted by 2008 disasters, seeking to support large business job creation or retention in their communities are eligible for apply for CDBG-DR program grants on behalf of these businesses.

Allocation for both the Small and Large Business Stimulus programs: \$15,000,000.00

##### **A. Small Business Stimulus**

1. Allocation for Activity: \$6,500,000.00
2. Eligible Applicants: Businesses impacted by the floods and storms.
3. Small Business Threshold Criteria:
  - (i) Capability and experience with business assistance programs, especially disaster relief
  - (ii) Commitment to use the following criteria for assistance to individual businesses:
    - (a.) Business suffered physical damage or economic loss due to the 2008 disasters.
    - (b.) Receipt of a disaster loan from the U.S. Small Business Administration (SBA), a financial institution, or an economic development corporation or other equivalent types of loans.
    - (c.) Assistance to be provided as a forgivable loan equal to 25% of the loan received under (b), up to a maximum of \$50,000.
    - (d.) Commitment to re-open business within 12 month of receipt of assistance. All applicants meeting the threshold criteria will be selected until funds are exhausted.
4. Individual Grant Threshold:
  - i. Grants to local program operators will be based on the total approved SBA disaster loan amounts within the operator's jurisdiction as a percent of the total SBA disaster loan amount awarded in the state.

##### **B. Large Business Stimulus**

Grant funds of up to \$750,000 may be available for loan by a local government to businesses locating or expanding in the community. Funds may be used for machinery and equipment, working capital, building construction and renovation. Grants may also be available for improvements to public infrastructure in direct support of a business that would create and/or retain jobs in the community. Applications may be submitted at any time during the life of the CDBG-DR (Ike) program.

1. Allocation for Activity: Allocation for Activity: \$8,500,000.00
2. Eligible Applicants: 2008 disaster-affected local communities with large businesses needing economic development funding support to remain or locate in a 2008 disaster- affected community.
3. Large Business Threshold Criteria:
  - i. Business suffered physical damage or economic loss due to the 2008 disasters, or

- ii. Businesses were located or are considering location in a community affected by 2008 disaster and are relying in part or whole on CDBG-DR economic development program funding to remain or relocate into the disaster-affected community.
- 4. Selection criteria:
  - i. Private business commitment of job retention or creation in the impacted community for the duration of the project.
  - ii. \$15,000 cap per job created or retained, with exceptions made on a case-by-case basis.
- 5. Individual Grant Threshold:
  - i. \$750,000 max per grant award (Grants to communities to support large business job retention or creation will not be factored against the total SBA disaster loan amount awarded to the state, unlike the small business stimulus program.)

## II. Business Assistance Program

Allocation for all Business Assistance Program activities: \$5,000,000

The purpose of the disaster recovery business assistance program is to provide financial assistance to employers whose existence is threatened due to unmet needs in one or more of the following areas: To provide financial assistance to businesses located in or planning to locate in a business rental space that was physically damaged by the 2008 natural disaster(s).

*Business Rental Assistance:* This program element of the overall Business Assistance activity is for businesses remaining in or locating in rental space that was physically damaged by the 2008 natural disaster(s). Assistance is in the form of rental assistance to help offset building rental lease payments for a maximum of six months, plus associated business expenses such as machinery and equipment, office furniture or computer hardware to replace damaged equipment, or for startup businesses. Awards are not to exceed a total amount of \$50,000 per business. In-home businesses are not eligible for assistance.

*Loan Interest Expense:* This program element provides funds to pay for interest costs of businesses who obtained SBA or private lender loans for disaster recovery. The continued existence of many businesses is threatened by the expense of new debt acquired as a result of the disaster. This problem is made more acute by the recession. Funds will be provided to individual businesses, for a maximum of three (3) years, not to exceed \$50,000 per business.

*Commercial Rental Income Gap:* This program element is designed to assist with cash flow for commercial building owners to offset loss of revenue from vacant rental space that was physically damaged by the disaster. Up to 12 months lost rent are available to commercial landlords, up to a maximum of \$25,000 per unit.

*Residential Landlord Business Support:* This program element is designed to compensate for lost rental income for residential landlords providing affordable housing, whose rental units were physically damaged by the disaster. Landlords may receive up to \$15,000 per business.

1. Allocation for Activity: \$5,000,000
2. Eligible Applicants: Small businesses impacted by the floods and storms. Selected administrators will administer the business assistance program within a respective geographic area.
3. Individual Grant Threshold and Selection Criteria: All administrators showing capability and experience with business assistance programs, as evidenced by successful administration of the "Small Business" programs will be considered through a RFQ process.

4. Program Grants: Funds will be awarded to selected administrators on a first-come, first-served basis, based on amounts needed for business applications approved and forwarded to DCEO. This activity will fit under the CDBG eligible activity category of economic development assistance to for-profit business (Section 105(a)(17), meeting the CDBG national objective of urgent need, 51% LMI, or slum blight.

### **III. Commercial Property Buyouts – Non-FEMA**

For proposed property buyout programs in flood-prone areas for which FEMA funds are not available, CDBG funds will be available to cover all or a large portion of the cost.

1. Allocation for Commercial Property Buyouts Program: \$13,838,249.
2. Eligible Applicants: City and county governments
- 3a Threshold criteria:
  - (i) Businesses that are within the declared disaster areas and have documented proof of an impact that occurred as a result of the Presidential declared disaster declarations.
- 3b. Criteria for Selection:
  - (i) Overall level of damage in the proposed buyout area, as determined by condemnation, flood levels and/or status as beyond reasonable repair for each property.
  - (ii) Extent to which proposed buyout program supports overall flood mitigation plans for the area and community.
4. Grant Size limits: No set limit, weighing local conditions and factors.

## **Housing Activities**

### **I. Affordable Rental Housing Programs (State administered- Individual Assistance)**

The Affordable Rental Housing program will support repairs, rehabilitation, and reconstruction of the affordable rental housing stock in eligible communities. To administer the affordable rental housing set-aside most effectively and efficiently, especially when leveraging with other federal and State assistance programs, the State (via Illinois Housing Development Authority) will opt for direct state administration, work directly with non-profit and for-profit property owners as applicants and subsequent subgrantees or borrowers.

One major criteria and priority under all programs described here is to first assist otherwise qualifying projects that have sustained damages due to the storms and flooding, or that could positively benefit from rehabilitation work involving flood-proofing and related mitigation efforts that would serve to reduce or eliminate the impact of future such incidents.

Finally, all proposal applications for affordable rental housing construction or rehabilitation, whether grants or loans, will go through at least a Request for Proposals (RFP) or similar competition to openly solicit applications from the impacted areas. These will include the following: the use of IHDA's Multi-Family Common Application; (IHDA) specific mandatory project threshold requirements (e.g., site control); IHDA's Underwriting Criteria; and Site & Market Study information. All of these documents are available on IHDA's Website @ [www.ihda.org](http://www.ihda.org).

Allocation for **all** Affordable Rental Housing Program activities: **\$18,950,911**

#### **A. USDA-Rural Development Section 515-Acquisition/Rehabilitation Projects**

Target CDBG-DR funding to preserve and rehabilitate this aging rural rental housing stock in designated counties, originally financed in prior decades using USDA-RD or FmHA Section 515 loans. In many cases, investment in these developments will provide the needed physical improvements to preserve the units for continued occupancy, as well as assure the continuation of the accompanying federal Section 8 or Rural Rental Assistance tied to the properties, thereby guaranteeing housing for very low-income households.

1. Allocation for Activity: \$5,000,000 (est.)
2. Eligible Applicants: Non-profit and For-profit Entities experienced in owning and operating RD or HUD-assisted properties
- 3a. Threshold Criteria: Must be an existing Section 56 project in USDA-RD's loan portfolio located in the one of the designated disaster counties; must involve USDA commitment to renegotiate its existing loan balance; and must include significant rehabilitation (\$5,000/unit minimum).
- 3b. Criteria for Selection:
  - Rehabilitation work to be justified by a Physical Needs Assessment
  - Priority will be given to properties which are able to continue providing Section 8 or Rental Assistance to tenants
  - Handicapped accessibility improvements also strongly encouraged where feasible.
4. Grant Size Limits: Minimum \$500,000; Maximum \$1,500,000

#### **B. Permanent Supportive Housing**

Target CDBG-DR funding to build new units (new construction or redevelopment) of permanent supportive housing in designated counties. As one example, IHDA has funded the Corporation for Supportive Housing (CSH)-Supportive Housing Institute to build local capacity and a pipeline of feasible developments around the state of non-profit homeless service and special needs housing agencies to develop permanent supportive housing. As special needs populations are often more significantly impacted by such natural disasters, it is proposed to fast-track those feasible projects in the "SHI Pipeline" from the CSH-Supportive Housing Institute, as well as those identified from the Supportive Housing Providers Association (SHPA) and other development organizations around the state which are targeted for special needs populations. It

will also include projects working with local Continuum of Care organizations to encourage coordination with other HUD homeless assistance resources.

1. Allocation for Activity: \$5,000,000 (est.)
2. Eligible Applicants: Non-Profit and joint-venture developers of permanent supportive housing (Open RFP)
- 3a. Threshold Criteria: Readiness to Proceed-those projects most prepared to move forward with project financing and development.
- 3b. Criteria for Selection:
  - Coordination with local Continuum of Care organization, especially related to HUD funding of services and rental assistance
  - Firm commitment letters from other financing sources, for capital development and services, as well as operating assistance
4. Grant Size Limits: \$500,000 – Minimum; \$1,500,000 - Maximum

### **C. Public Housing Rehabilitation**

The State will also target funding to specific PHAs for public housing repair/rehabilitation projects in these impacted counties to smaller county or local PHAs with capital improvement needs will be prioritized. A targeted development pipeline can be prepared through outreach and an RFP to smaller housing authorities in disaster counties.

1. Allocation for Activity: \$4,000,000 (est.)
2. Eligible Applicants: Qualifying/city or county housing authorities
- 3a. Threshold Criteria: PHAs which received less than \$1 million in ARRA Capital Fund Grant formula allocations (2009).
- 3b. Criteria for Selection:
  - Prioritized to smaller PHAs with capital improvement needs
  - Prioritizing correction of health/safety problems, or making living units accessible to assist those PHAs with Section 504 Voluntary Compliance Agreements with HUD
4. Grant Size Limits: \$500,000 minimum; \$1,500,000 maximum

### **D. First/Second Mortgage Financing-Rental Housing New Construction and Rehabilitation**

This funding category would serve to capture multiple State priorities via an open RFP process.

1. Allocation for Activity: \$4,000,000 (est.)
2. Eligible Applicants: Non Profit and For-Profit Property Owners
- 3a. Threshold Criteria: Specific priority types of projects are:
  - LIHTC projects, with or without disaster credit designation but serving the designated area, which have a first/second mortgage financing need or gap and/or an equity shortfall after the Equity Replacement Program is exhausted.
  - Preservation of existing affordable assisted housing, especially those properties providing continuing rental subsidies to tenants.
  - Projects addressing long-term economic recovery issues, such as linking housing with transportation and/or employment/jobs.
  - Adaptive re-use of non-residential buildings

Consideration of top-ranked applications not funded under other/relevant State program funding competitions which may (significantly) address the recovery needs of their target areas.

- 3b. Criteria for Selection: IHDA will utilize its multi-family loan process to determine qualifying projects, and further use Readiness to Proceed to select funded applicants here.
4. Grant Size Limits: \$500,000 Minimum; \$1,500,000 Maximum

#### **E. Small Rental Properties Program**

Proposed to be modeled after IHDA's successful ongoing effort in its HOME Program, this would primarily be a rental rehabilitation program, but for buildings with 7 or less units. Specific program criteria on the affordability period, income eligibility requirements, minimum-maximum levels of per-unit assistance, and property owner contributions will be established, but generally can be made more flexible than the HOME Program under extenuating circumstances.

1. Allocation for Activity: \$1,000,000
2. Eligible Applicants; Units of General Local Government; Non-Profit Organizations; CHDOs
- 3a. Threshold Criteria: Prior organizational experience in operating a housing rehabilitation program
- 3b. Criteria for Selection: See HOME/SF
4. Grant Size Units: \$75,000 minimum; \$250,000 maximum

*\*\* Redistribution of Affordable Rental Housing Funds/Grant.* Within the five specific sub-categories of funding for Affordable Rental Housing program, the amounts allocated under each serve as estimates only, and will be adjusted as competitions/RFPs conclude and funding decisions are finalized to more realistically reflect the actual dollar amounts utilized per category. There may be a larger demand or larger field of ready-to-proceed projects in one area over another, so it would be practical to account for this without having to process an Action Plan amendment at each juncture.

## **II. Housing Activities (State-Administered) Other than the Affordable Rental Housing Programs**

Allocation for state-administered housing activities: **\$21,338,250.00** (*Not including the Affordable Housing Rental Program*):

### **A. Housing Repair/Rehabilitation and Reconstruction (State administered- Individual Assistance)**

1. Allocation for Activity: \$7,112,750.00
2. Eligible Applicants: The Illinois Homeowner Disaster Recovery Program (IDRP) is a voluntary program to assist homeowners who reside in the eligible counties listed in the three declarations whose homes were affected by the flooding that occurred during the time of these declarations by providing financial assistance to repair damages caused by the flooding and storms and when necessary reconstruct homes. Households whose homes were destroyed or damaged beyond reasonable repair that are in the 100 year flood plain will be offered homebuyer assistance for replacement housing
- 3a. Threshold Criteria:
  - i. Home must have been owner occupied at the time of the floods or other disaster.
  - ii. Home must have been in a federally-declared disaster area in 2008.
  - iii. Home must have been damaged by the flood or other disaster.
- 3b. Criteria for Selection: Applicants will be placed into categories according to priority. Applicants with low and moderate income, disabled, or elderly categorizations will receive higher priority. Using this priority in conjunction with the amount of damage to their homes, applicants may be eligible for funding. All U.S. Department of Housing and Urban

Development (HUD) regulations regarding lead based paint, asbestos removal, environmental, housing quality standards, procurement, labor standards, etc., apply to this program.

4. Individual Grant Threshold: . The maximum amount allowed for rehabilitation is \$60,000. The maximum amount allowable for reconstruction is \$100,000, excluding elevation. The maximum amount allowable for elevation is \$40,000. Based on the extent of damage, applicants may be eligible for rehabilitation or reconstruction of their homes. Determination of the type of work to be undertaken will be based on the "75% Rule". The 75% rule states that a housing unit is suitable for rehabilitation if the estimated cost of improvements will be less than 75 % of the County pre-storm appraisal value as determined by the County Appraisal District. Housing units with an estimated cost of improvement 75% or greater may be eligible for reconstruction. A housing inspector will inspect the damaged unit to determine the cost to repair

#### **B. Housing Property Buyouts – Non-FEMA (State administered- Individual Assistance)**

For proposed property buyout programs in flood-prone areas for which FEMA funds are not available, CDBG funds will be available to cover all- or a large portion of the cost. This program will be coordinated with the Hazard Mitigation Program administered by IEMA.

1. Allocation for Activity: \$14,225,500.00
2. Eligible Applicants: City and county governments. For proposed property buyout programs in flood-prone areas for which FEMA funds are not available, CDBG funds will be available to cover all- or a large portion of the cost
- 3a Threshold Criteria:
  - (i) Homes that are within the declared disaster areas and have documented proof of an impact that occurred as a result of the Presidential declared disaster declarations and are located in a 100 year flood plain.
- 3b. Criteria for Selection:
  - (i) Overall level of damage in the proposed buyout area, as determined by condemnation, flood levels and/or status as beyond reasonable repair for each property.
  - (ii) Extent to which proposed buyout program supports overall flood mitigation plans for the area and community.
  - (iii) Priority will be given to those that have been on the waiting list for HMGP funding through IEMA, but not funded because of insufficient funds.
4. Individual Grant Threshold: No set limit, weighing local conditions and factors.

#### **B-(1) Homebuyer Assistance (Down payment assistance) (State administered- Individual Assistance)**

1. Allocation for Activity: \$14,225,500.00 for all housing buyout- related activities
2. Eligible Applicants: For those homeowners under 120% of HUD's Area Median Income who volunteer to move from repetitive flood areas, down payment assistance will be provided for homes purchased outside these areas.
- 3a. Threshold Criteria:
  - (i) Must be approved as a buy-out

- (ii) Income under 120% of AMI
- 3b. Criteria for Selection: First come, first served under the buyout program
- 4. Individual Grant Threshold: Standard amount required for the down payment of a new home

**B (2) Interim Mortgage Assistance (need waiver) (State administered- Individual Assistance)**

- 1. . Allocation for Activity: \$14,225,500.00 for all housing buyout related activities,.
- 2. Eligible Applicants: An eligible resident whose disaster-affected home is proposed by a municipality or county, or is located in an area proposed by a municipality or county, to IEMA for property acquisition under the hazard mitigation grant program or any other comparable program implemented in whole or in part to assist in recovery from the natural disasters of 2008, may receive financial assistance equivalent to an amount of up to \$1,000 per month for the purpose of paying mortgage payments and other eligible property carrying costs for the disaster-affected home for a period not to exceed \_\_ months.
- 3a. Threshold Criteria:
  - (i) Must be an approved buyout
- 3b. Criteria for Selection: Must be an approved buyout and a documented need for the assistance.
- 4. Individual Grant Threshold Size Limits: \$1,000 not to exceed 6 months

**B (3) Incentive through Optional Relocation for Buyouts (State administered- Individual Assistance)**

An incentive will be provided to homeowners that volunteer to relocate outside a 100 year floodplain.

- 1. Allocation for Activity: \$14,225,500.00 for all housing buyout related activities,.
- 2. Eligible Applicants: Homeowners that volunteer to relocate outside a 100 year floodplain.
- 3a. Threshold Criteria:
  - (i) Must be an approved buyout
- 3b. Criteria for Selection: First come, first serve in the buyout program
- 4. Individual Grant Threshold:

## LOCAL ADMINISTERED PROGRAMS (Community-Based Assistance)

### III. Housing Activities (Local Community-Administered)

#### A. Homeownership (Community Stabilization) Program

The CDBG Disaster Recovery 1800 ("Ike") program will target funding for comprehensive community solutions in federal disaster-declared counties to address a range of housing needs resulting from conditions or circumstances posing severe hardship to communities, including by example, local flood and storm disaster-related housing impacts, local foreclosure impacts and significant declines in local economic conditions, Program activities can include: acquisition, rehabilitation, demolition, redevelopment, new construction and homebuyer assistance for residential property resale. In communities eligible for CDBG-DR (1800) funding; i.e., those that also have been physically damaged by storms, flooding, or other natural disaster in 2008, the ongoing financial problems being experienced by homeowners makes this impact doubly devastating.

1. Allocation for Activity: **\$20,000,000.00**
2. Eligible Applicants:
  - i. Local Governments in 2008 disaster-affected communities
  - ii. Non Profits on behalf of one or more eligible local communities
- 3a. Threshold Criteria:
  - i. Project falls in a 51% LMI population community, or
  - ii. Urgent need is demonstrated, , or
  - iii. Project is targeted in slum blight area
- 3b. Criteria for Selection:
  - i. Demonstrated capability and experience of the applicant
  - ii. Level of program subsidy cost per unit
  - iii. Proportion of units targeted for low- and moderate income/ very low to moderate income households, disabled households, and/ or elderly individual household
  - iv. Time frame for completion of housing units
  - v. Can only use 120% AMI for Homebuyer Assistance
4. Grant Size Limits: \$5,000,000 - \$15,000,000 per grant award; \$100,000/unit subsidy cap for new construction units; \$60,000/ unit subsidy cap for rehabilitation of existing housing units.

## **Public Infrastructure**

This assistance is for projects that FEMA or other sources cannot fund, but which are nevertheless critical to recovery.

- 1 Allocation for Activity: **\$47,993,238.00**
- 2 Eligible Applicants: City and county governments
- 3a Threshold Criteria
  - (i) Eligible projects will address short or long term public infrastructure needs arising from the 2008 disasters in Illinois
  - (ii) Project is the best alternative to resolve the need
- 3b Criteria for Selection:
  - (i) Demonstrated urgency of the need for the infrastructure activity, or'
  - (ii) Supports an eligible community with a 51% low-to-moderate income population, or addresses slum/ blight in the affected community, and
  - (iii) A demonstrated threat to health, safety, or welfare
  - (iv) Insufficient other local, state, or federal funds either are available or cannot be obtained in the time frame required.
  - (v) Use of additional local taxes or user fees in place of the requested assistance would place undue burden on residents, especially low- and moderate income households. All criteria will be weighted equally.
4. Individual Grant Threshold: \$500,000/ application. (The Department reserves the right to increase maximum award based on the unique aspects or circumstances surrounding a project application submitted.)

### **Short and Long Term Public Infrastructure Recovery**

Examples include water/ sewer systems, storm drainage systems, levee systems damaged by storm, flood in 2008 damaged by storm, flood in 2008, generators for public utility and roads and bridges needing immediate, short term repair/ restoration or which can support long term flood/ storm mitigation efforts.

## STATE AND LOCAL ADMINISTERED PROGRAMS

### Planning Activities

This activity is for comprehensive planning on local or regional basis in order to guide long term recovery and redevelopment.

1. Allocation for Activity: **\$16,919,125.00 (both state and local planning activities)**
2. Eligible Applicants: City and County Governments
- 3a. Threshold Criteria
  - (i) Projects will address a variety of short or long term needs arising from the 2008 disasters in affected communities.
- 3b. Criteria for Selection:
  - (i) Planning activities are well-researched and feasible, and the methods for achieving goals and objectives are clear and viable
  - (ii) First come- first served
4. Grant Size Limits: \$25,000 per individual application

## **PROGRAM ADMINISTRATION AND TECHNICAL ASSISTANCE**

### **Technical Assistance/Capacity Building**

Counties affected by 2008 disaster will require technical assistance and planning capacity in order to successfully execute the programs above. Counties may need additional capacity in the following areas:

Allocation for Activity: **\$1,691,913.00**

- Project and construction management services
- Additional planning capacity including resource mapping, environmental engineering assessments,
- Relocation planning, professional development, GIS resources and/or zoning planning and expertise
- Case management assistance to individuals and families
- Additional building code and compliance inspectors
- Other capacity needs as approved by the DCEO

### **Program Administration**

Total administration for this Supplemental CDBG-DR funding (both state and local administration) is capped at 5% of the total allocation.

Allocation for Activity: **\$8,459,562.45**

**Illinois CDBG Disaster Recovery (1800) Program  
METHOD OF DISTRIBUTION - TABLE SUMMARY**

<u>Program Category</u>	<u>Budget (%)</u>	<u>Budget (\$)</u>	<u>Grant Ceiling</u>	<u>Application Process</u>
<i>State Administered Programs (Individual Assistance):</i>				
<b>Economic Development Activities</b>				
Small Business Stimulus	4%	\$6,500,000.00	\$50,000/ loan max	Ongoing
Large Business Stimulus	5%	\$8,500,000.00	\$750,000	Ongoing
Business Rental Assistance	3%	\$5,000,000.00	\$15,000-\$50,000 varied by subcomponent	Ongoing
Commercial Buy-Outs	8%	\$13,838,249.80	No set limit	Ongoing
<b>Housing Activities (State Administered)</b>				
Affordable Rental Housing Program (Individual assistance)	11%	\$18,950,911.00	Varied, per sub-component	Ongoing
Housing Rehabilitation & Repair (Indiv Assistance)	4%	\$7,112,750.00	\$60,000- rehabilitation \$100,000- reconstruction \$40,000- elevation	Ongoing
Housing Buyout and Related programs (Individual assistance)	8%	\$14,225,500.00	No set limit	Ongoing
<i>Local Administered Programs (Community Assistance)</i>				
<b>Housing Activities (Local Administered)</b>				
Homeownership-Community Stabilization Program (Community Assistance)	12%	\$20,000,000.00	\$5,000,000-\$15,000,000 per app \$60,000/ per unit rehab \$100,000/ per unit new const	Ongoing
<b>Public Infrastructure-</b> Short Term and Long Term Recovery	28%	\$47,993,237.75	\$500,000	Ongoing
<i>State and Local Administered Programs</i>				
<b>Planning Activities</b> (State and local community-administered )	10%	\$16,919,124.90	\$50,000 per app by local community	Ongoing
<i>Administration and Technical Assistance:</i>				
<b>Technical Assistance/</b> Increasing Capacity at Local Level (Can include case management, public services)	1%	\$1,691,913.00	N/A	N/A
<b>Administration</b> (State and Local)	5%	\$8,459,562.45	N/A	N/A
<b>TOTAL Program Budget</b>	<b>100%</b>	<b>\$169,191,249.00</b>		

## **CITIZEN PARTICIPATION PLAN**

The State has a citizen participation plan in place for its regular CDBG (“CDAP”) program. This plan has been modified for the CDBG Disaster Recovery program to take advantage of the waivers provided by HUD to the State using the alternatives outlined in the waiver notice. Local governments and counties are also required to have a citizen participation plan that meets the CDBG regulations taking into consideration the waivers and alternatives made available under this program funding.

### **Consultation with Local Governments**

A Long Term Recovery Council was established after the June 2008 flooding to help develop a framework for future state disaster recovery efforts. A study was commissioned to further these efforts. Attached to this plan is the document entitled, “Long Term Recovery Council Final Report” (LTRC). The entire LTRC report will be available for public review once finalized and officially approved by DCEO and the Governor’s Office. To support the LTRC, there were four regional listening meetings held, involving the cities of Quincy, Collinsville, Casey and Rock Island, each of which hosted meetings for local officials, stakeholders, emergency managers, non-profits, and community members to discuss the impact of the 2008 floods on the affected local governments. Over 500 persons were invited to attend with approximately 150 participants in these meetings. Participants provided the recommendations for “critical investments” outlined to reduce the level of economic disruption and flood and other disaster-related damages while building economic resiliency.

## **CITIZEN COMPLAINTS**

The State and all sub-grantees and recipients will establish procedures for responding to citizens’ complaints regarding activities carried out utilizing these funds. Citizens should be provided with an appropriate address, phone number, and times during which they may submit such complaints. The State and sub-grantees will provide a written response to every citizen complaint within 15 working days of the complaint.

## **ACTION PLAN AMENDMENTS**

The following events would require a substantial amendment to the Action Plan:

- Addition or deletion of any allowable activity described in the Plan
- Change in the planned beneficiaries

The Department reserves the right to shift funding from one or more program categories or from one or more program sub-components into another existing category or sub-component *without* formally amending the CDBG Disaster Recovery plan. Budget shifts will take into consideration relative demand for funding across categories or sub-components, the quality of applications submitted under various components (based on selection criteria set forth), or shifts in priorities for the CDBG-DR program.

Substantial amendments to the CDBG Disaster Recovery action plan, if any, will be published on the Department’s website, and emailed to affected units of general local government and will provide for a public comment period. All comments will be considered in response to proposed amendments to the CDBG Disaster Recovery action plan.

## **CITIZEN PARTICIPATION AND RESPONSE TO PUBLIC COMMENT**

The draft CDBG-DR (1800) Action Plan was made available to citizens, affected local governments, entitlement and non-entitlement communities, and other interested parties via posting on the Department’s website at [www.illinoisbiz.biz/dceo/Bureaus/Community\\_Development/Grants/CDAP.htm](http://www.illinoisbiz.biz/dceo/Bureaus/Community_Development/Grants/CDAP.htm) and through direct email notification to potential sub-grantees. The public comment period for the draft

CDBG-DR plan began September 18, 2009, close of business, and ended no sooner than September 25, 2009, close of business. Notification of the public comment period was published in the legal sections of the Daily Herald and the Chicago Tribune on September 18, 2009.

DRAFT

## **SUMMARY OF PUBLIC COMMENTS TO ILLINOIS' CDBG-DISASTER PLAN**

The following are comments received from the public, in response to the CDBG Disaster Recovery Action Plan.

**(Any written public comments received during the public review period will be enclosed with the final CDBG-DR action plan when submitting to HUD.)**

DRAFT

**APPLICATION FOR  
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		<b>2. DATE SUBMITTED</b>	Applicant Identifier DUNS #806811931
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
<b>5. APPLICANT INFORMATION</b>		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b> Federal Identifier	
Legal Name: State of Illinois		Organizational Unit: Department: Community Development	
Organizational DUNS: 806811931		Division: Community Development Block Grant - CDAP	
<b>Address:</b> Street: Department of Commerce and Economic Opportunity 620 East Adams		<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b>	
City: Springfield		Prefix: Mr.	First Name: Patrick
County: Sangamon		Middle Name	
State: Illinois	Zip Code 62701	Last Name Davis	
Country: USA		Suffix:	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> 37-1380174		Phone Number (give area code) 217-785-6142	Fax Number (give area code) 217-782-1206
<b>8. TYPE OF APPLICATION:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) A Other (specify)	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): Comm Dev Block Grants/State's program and Non-Entitlement Grants in Hawaii		<b>9. NAME OF FEDERAL AGENCY:</b> Housing and Urban Development	
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> 43 IL Counties affected by FEMA disaster declaration 1771, 1747 & 1800		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. L. 110-329, approved September 30, 2008) (hereinafter, "Second 2008 Act" to differentiate it from the earlier 2008 Supplemental Appropriations Act, Pub. L. 110-252, approved June 30, 2008)	
<b>13. PROPOSED PROJECT</b> Start Date: 9/1/09		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant Statewide	
Ending Date:		b. Project Statewide	
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>	
a. Federal	\$ 169,191,249.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:	
b. Applicant	\$ .00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$ .00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$ .00	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>	
e. Other	\$ .00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$ .00	<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>	
g. TOTAL	\$ 169,191,249.00	a. Authorized Representative	
Prefix Mr.		First Name Warren	Middle Name
Last Name Ribley		Suffix	
b. Title Director		c. Telephone Number (give area code) 217-782-3233	
d. Signature of Authorized Representative		e. Date Signed	

Previous Edition Usable  
Authorized for Local Reproduction

Standard Form 424 (Rev.9-2003)  
Prescribed by OMB Circular A-102

Reset Form

EXHIBIT \_\_\_\_\_



OFFICE OF THE GOVERNOR  
JRTC, 100 W. RANDOLPH, SUITE 16  
CHICAGO, ILLINOIS, 60601

Pat Quinn  
GOVERNOR

March 16, 2009

Mr. Jessie Handforth Kome, Director  
Disaster Recovery and Special Issues Division  
US Department of Housing and Urban Development (HUD)  
451 7th Street, SW, Room 7286  
Washington, DC 20410

**Re: Designee for Illinois' CDBG Supplemental Appropriation (1800) Disaster Recovery**

Dear Director Handforth-Kome:

This is in response to the US Department of Housing and Urban Development (HUD) Notice regarding the Midwestern Flood Relief supplemental funding, totaling **\$41,984,121** for Illinois under supplemental CDBG appropriation, effective February 18, 2009. In this notice, HUD stipulates that each state must designate an agency to administer this special allocation funding:

*...That funds provided under this heading shall be administered through an entity or entities designated by the Governor of each state.....*

The State of Illinois, headed by Governor Patrick Quinn, has designated the Illinois Department of Commerce and Economic Opportunity (DCEO) as the agency that will administer this disaster recovery funding on behalf of Illinois. Director Warren Ribley of DCEO is aware of this special allocation and is in full support of the Governor's decision to designate DCEO to oversee this funding.

DCEO manages Illinois' Community Development Block Grant (CDBG) program and funding, known as the Community Development Assistance Program (CDAP). DCEO has also administered previous CDBG flood disaster funding allocations on behalf of the State of Illinois.

DCEO will complete a supplemental CDBG action plan shortly, in connection with this appropriation, for public review and comment. Following the period for public comment, and any subsequent revisions, Illinois will forward the official draft of our plan to HUD for formal approval.

Please direct correspondence about this funding to:

Illinois Department of Commerce and Economic Opportunity (DCEO)  
Community Development Bureau  
Attn: Patrick Davis, CDAP Program Manager  
620 East Adams Street, CIPS 3  
Springfield, Illinois 62701

Sincerely,

A handwritten signature in blue ink that reads "Pat Quinn". The signature is written in a cursive, flowing style.

Pat Quinn  
Governor

cc: Warren Ribley, Director, DCEO

EXHIBIT \_\_\_\_\_

**Revised Waiver Request for Midwest (2008-1) and Ike (2008-2) Grantees**

*(Note: This request does not preclude a State from requesting additional waivers.)*

Most states have already requested waivers numbered 1–17. Waivers numbered 18-20 were contained in the allocation notices, but were inadvertently left off the original waiver request form sent to grantees.

1. Waive overall benefit from 70 percent to allow 50 percent low/mod overall.
2. Waive requirement to distribute all funds to local governments. Replace with permission for the State to carry out activities directly. Do conforming changes below.
  - Waive recordkeeping requirement. Replace with a conforming change to waiver 2.
  - Waive change of use of real property requirement. Replace with a conforming change to waiver 2.
  - Waive State review and handling of noncompliance. Replace with a conforming change to waiver 2.
3. Waive the Consolidated Plan and consistency with it until grantee updates the plan priorities.
4. Waive Annual Action Plan and use of IDIS. Replace with Action Plan for Disaster Recovery using Disaster Recovery Grant Reporting (DRGR) system.
5. Waive hearings if they are not feasible and streamline citizen participation to allow “reasonable” notice.
6. Waive consultation with non-entitlement local governments. Replace with consultation with all disaster-affected governments including entitlements.
7. Waive pre-agreement costs, to the extent it applies. Replace with HUD permission for the State to reimburse eligible costs incurred back to the incident date.
8. Waive prohibition on funding entitlement communities and Indian tribes. Replace with permission to do so.
9. Waive annual performance report (CAPER) in IDIS. Replace with quarterly reports (per appropriations Act) in DRGR.
10. Waive standard certifications. Replace with a disaster recovery set.
11. Replace the State CDBG planning related requirements of 570.483(b)(5) and (c)(3) with the entitlement CDBG presumption at 24 CFR 570.208(d)(4) .
12. Waive provisions necessary to allow the State to determine disposition of program income, whether to State or local use and whether for regular CDBG or retaining disaster recovery waivers. Current law and rule requires local government retention and regular CDBG program.

13. Waive provisions necessary to allow new construction of housing.
14. Waive provisions necessary to allow homeownership assistance to persons whose incomes are up to 120 percent of median income (supports mixed income housing).
15. Limited waiver of anti-pirating to allow a business to return to any labor market within the same State that the business was located in before the disaster.
16. Waive the one-for-one replacement of housing requirement.
17. Waive provisions necessary to allow the state to implement voluntary flood buyouts to help communities affected by flooding to move in whole or in part out of a floodplain.

**Additional Available Waivers (contained in the allocation notices)**

18. Waive provisions necessary to allow for 100% down-payment assistance.
19. Waive provisions of the URA (concerning acquisition and implementing regulations of an arm's length voluntary purchase, financial assistance to a displaced tenant, TBRA housing program subsidy, and a moving expense and "dislocation" allowance).
20. Waive 24 CFR 570.494 requiring timely distribution of funds.

State and Agency: ILLINOIS / IL Department of Commerce and Economic Opportunity (DCEO)

Name and title of authorized requestor: Warren Ribley, Director, DCEO

Signature of authorized requestor: Warren Ribley by Abby Stewart

Date: 14 SEPT 2009

(Scan the signed and dated document into a PDF file and email it to [Disaster\\_Recovery@hud.gov](mailto:Disaster_Recovery@hud.gov). Also, mail the signed and dated original to the cognizant HUD office.)

EXHIBIT \_\_\_\_

**CERTIFICATIONS FOR STATE GOVERNMENTS, WAIVER AND ALTERNATIVE REQUIREMENT**

Section 91.325 of title 24 of the Code of Federal Regulations is waived.

**In accordance with the applicable statutes and the regulations governing the consolidated plan and the Supplemental Appropriations Act, 2008, the State of Illinois certifies that:**

A) The state certifies that it will affirmatively further fair housing, which means that it has or will conduct an analysis to identify impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See 24 CFR 570.487(b)(2).)

B) The state certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

C) The state certifies its compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that Part.

D) The state certifies that the Action Plan for Disaster Recovery is authorized under state law and that the state, and any entity or entities designated by the state, possesses the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

E) The state certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR Part 24, except where waivers or alternative requirements are provided for this grant.

F) The state certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR Part 135.

G) The state certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 (except as provided for in notices providing waivers and alternative requirements for this grant), and that each unit of general local government that is receiving assistance from the state is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

H) The state certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the non-entitlement, entitlement and tribal areas of the state in determining the method of distribution of funding.

I) The state certifies that it is complying with each of the following criteria:

1) Funds will be used solely for necessary expenses related to disaster relief, long term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of recent natural disasters that occurred and were declared in 2008.



**EXHIBIT \_\_**

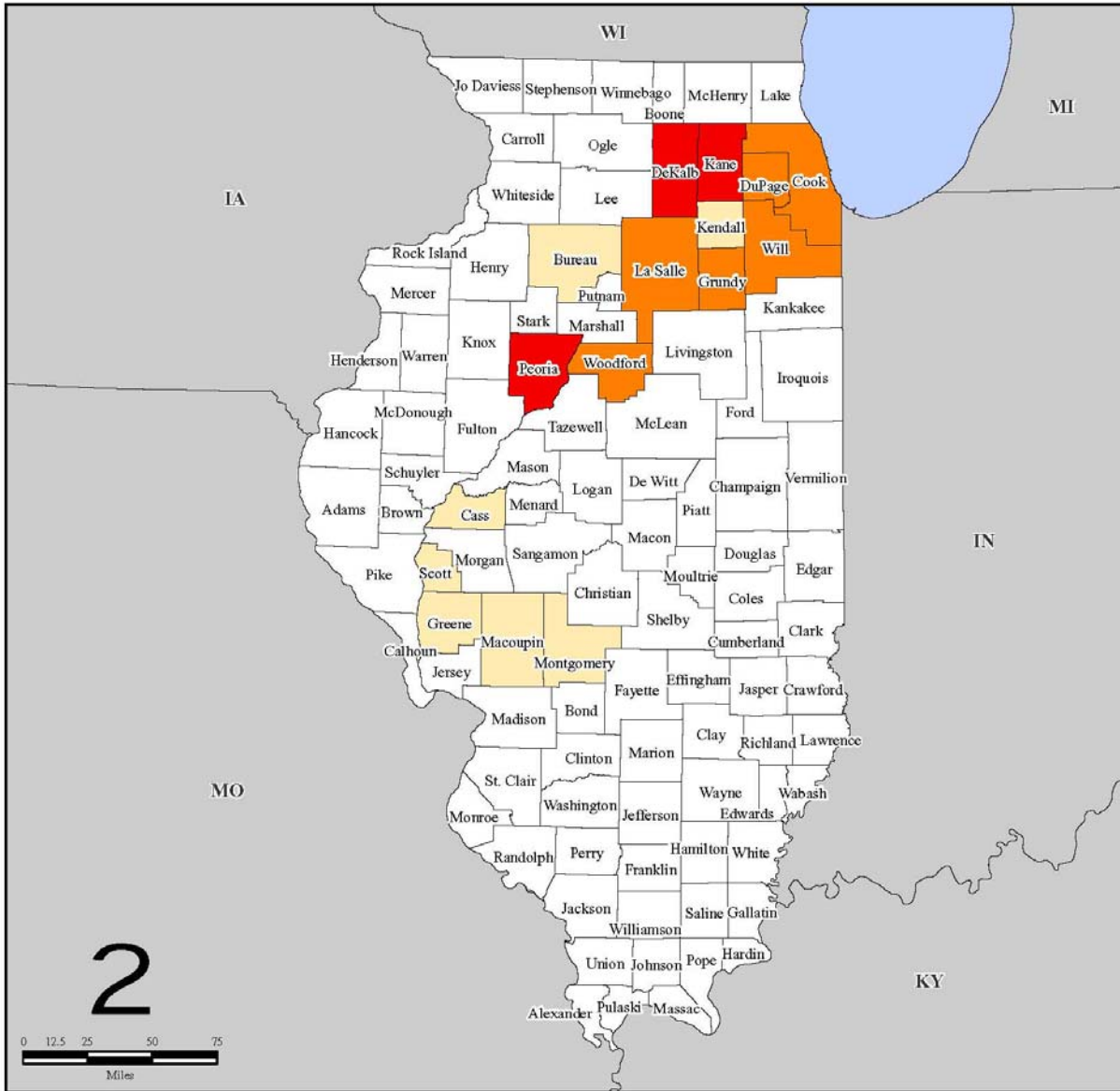
**LONG TERM RECOVERY COUNCIL REPORT ON BEHALF OF THE STATE OF ILLINOIS AND  
PRESENTED TO GOVERNOR QUINN**

The Long Term Recovery Council Report was prepared by the University of Illinois at Urbana-Champaign, Illinois on behalf of the State of Illinois will be made available upon official approval and finalization.

DRAFT

EXHIBIT \_\_\_\_\_

# FEMA-1800-DR, Illinois Disaster Declaration as of 11/18/2008



**Location Map**

**Legend**

Designated Counties	
White	No Designation
Yellow	Public Assistance
Red	Individual Assistance
Orange	Individual Assistance and Public Assistance

*All counties are eligible for Hazard Mitigation*

**FEMA**  
ITS Mapping & Analysis Center  
Washington, DC  
11/18/08 - 03:48 PM EST  
Source: Disaster Federal Registry Notice  
Amendment No. 5 - 11/18/2008

MapID 4cdc8a555d41118081542hqprod

EXHIBIT \_\_\_\_\_

# FEMA-1747-DR, Illinois Disaster Declaration as of 03/07/2008



**Location Map**

**Legend**

	No Designation
	Individual Assistance

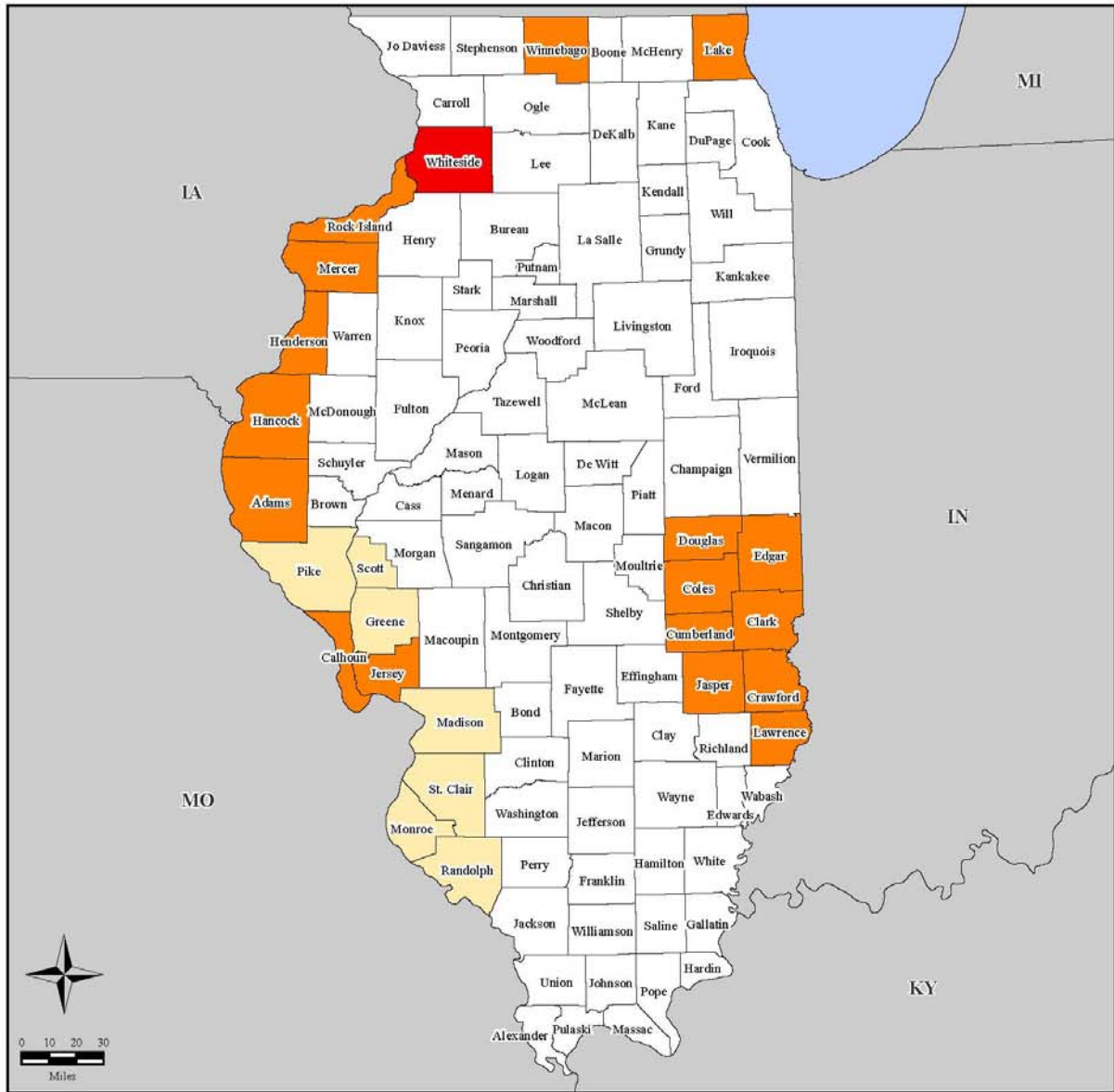
*All counties are eligible for Hazard Mitigation*

**FEMA**  
ITS Mapping & Analysis Center  
Washington, DC  
03/07/08 -- 03:25 PM EST  
Source: Disaster Federal Registry Notice  
03/07/2008

MapID 0cd5e8fc7c1

EXHIBIT \_\_\_\_\_

# FEMA-1771-DR, Illinois Disaster Declaration as of 09/02/2008



**Location Map**

**Legend**

Designated Counties	
White	No Designation
Yellow	Public Assistance
Red	Individual Assistance
Orange	Individual Assistance and Public Assistance

*All counties are eligible for Hazard Mitigation*

**FEMA**  
ITS Mapping & Analysis Center  
Washington, DC  
09/02/08 – 02:37 PM EDT  
Source: Disaster Federal Registry Notice  
Amendment No. 5 - 09/02/2008

MapID 73832c903660902081256hqprod