

**State of Illinois Uniform Notice of Funding Opportunity (NOFO)
Summary Information**

Awarding Agency Name	Commerce And Econ Opp
Agency Contact	Wendy Bell (ceo.oed@illinois.gov)
Announcement Type	Initial
Type of Assistance Instrument	Grant
Funding Opportunity Number	FY25-1
Funding Opportunity Title	Community Development Block Grant Economic Development Program
CSFA Number	420-75-1631
CSFA Popular Name	CDBG Economic Development Program
Anticipated Number of Awards	2
Estimated Total Program Funding	\$1,900,000
Award Range	\$300000 - \$1000000
Source of Funding	Federal
Cost Sharing or Matching Requirements	Yes
Indirect Costs Allowed	No
Restrictions on Indirect Costs	Yes : The CFDA Number for these awards is 14.228, which exempts the grants from the indirect cost requirements of 2 C.F.R. Part 200, pursuant to 2 C.F.R. § 200.101(d)(1). Alternatively, we allow our grantees to charge Activity Delivery up to a set amount. Activity Delivery Costs are eligible as part of the cost of carrying out CDBG activities authorized under 24 CFR 570.201-570.204. HUD Notice CPD-16- 04 also covers Indirect Costs and Activity Delivery, and notes that “activity delivery costs are those included in the costs of carrying out an activity. This term typically refers to costs that may include both direct and indirect components and, thus, apply more broadly than indirect costs. Deviation has been approved.
Posted Date	10/23/2024
Application Date Range	General announcement open for a period of time with no specific due dates for applications.
Grant Application Link	Please select the entire address below and paste it into the browser... https://dceo.illinois.gov/aboutdceo/grantopportunities/1631-2890.html
Technical Assistance Session	No

Agency-specific Content for the Notice of Funding Opportunity

Community Development Block Grant Economic Development

NOFO ID: 1631-2890

For information about grants please visit <https://dceo.illinois.gov/aboutdceo/grantopportunities/granteeresources.html>.

A. Program Description

Notice of Funding Opportunity Intent

The Illinois Department of Commerce and Economic Opportunity (the “Department” or “DCEO”) is issuing this Notice of Funding Opportunity (“NOFO”) to solicit applications for the 2025 Economic Development Grant opportunity funded by the Community Development Block Grant (“CDBG”) through the U.S. Department of Housing and Urban Development.

Program Description

The purpose of Community Development Block Grants for Economic Development is to assist communities attract or expand private businesses. The program provides financial assistance in the form of a grant to the local government for the benefit of private businesses that create or retain jobs primarily for low-to-moderate income workers. Grants may also be used to support public infrastructure improvements to support economic development as an indirect benefit to a private business. The Economic Development component funds are available on an as-needed basis throughout the year to all eligible applicants meeting program component requirements until all funds allocated to this component have been distributed. Additional funds may be available. All awards in this category are predicated upon project feasibility and a demonstrated need for funds. This will include a review of all sources and uses of funds, an analysis of the recipient’s ability to comply with the terms of the program, and a determination that CDBG participation is appropriate.

Grants are awarded on an as-needed basis throughout the year to units of general local government meeting eligibility and program component requirements until all funds allocated to this program have been distributed. All awards in this category are predicated upon project feasibility and a demonstrated need for funds. This will include a review of all sources and uses of funds, an analysis of the recipient’s ability to comply with the terms of the program, and a determination that CDBG participation is appropriate. The grant ceiling has been established at \$1,000,000 per award. The grant funds awarded shall not exceed \$10,000 per job for any job that is retained and \$25,000 per job for any job that is created.

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

Businesses must enter into financial assistance agreement, referred to as the “Participation Agreement,” with the local government at agreed upon terms. The Department will negotiate the conditions for financial assistance.

The businesses may use funds in the form of a grant for “direct benefit” of the business:

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- Acquisition of land or building;
- Purchase or installation of fixtures and equipment;
- Construction, reconstruction, installation or rehabilitation of commercial or industrial buildings, structures and other real property);
- Leasehold improvements; and
- Working capital expenses (inventory, employee salaries, general operating expenses and advertising/marketing expenses.

Units of local government may use CDBG funds in the form of a grant for public infrastructure improvements in support of economic development as an “indirect benefit” of the business.

The following activities are specifically identified as ineligible.

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

The following activities are **generally ineligible** under the CDBG Economic Development program components and (without special waiver or explicit approval) from the US Department of HUD:

1. Assistance to professional sports teams;
2. Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele where the benefit to such clientele clearly outweighs employment or other benefits to low-to-moderate income persons;
3. Acquisition of land, for speculative purposes, for which no specific proposed use has been identified;
4. Additional assistance to a for-profit business while that business is the subject of unresolved findings of noncompliance relating to previous CDBG assistance;
5. Projects that provide direct support for gambling or construction of facilities that have gambling as their principal purpose; and
6. Projects that involve the use of marijuana for medical and/or recreational purposes.
7. **Prohibition Against the use of CDBG Program Resources and Assistance for Job-Pirating Activities**

The grant ceiling has been established at \$1,00,000 per award. The Department has established a minimum grant level of \$300,000. Applications for less than the minimum grant will not be accepted.

Community Development Block Grants are federally funded and must comply with extensive federal regulations including procurement, environmental, Davis-Bacon labor standards and others. Failure to comply could result in grant funds being repaid by the Grantee/Community. It is important that Grantees seek out an experienced Grant Administrator to manage all the details of the grant, provide oversight and coordination of the project. This management process is called “Activity Delivery”.

All grant administrators must attend the next available CDBG Administration Workshop.

All Grantees must use an experienced Environmental specialist, who has completed at least one Illinois CDBG Environmental Record Review since January 1, 2018 OR has successfully completed DCEO Environmental Training conducted on July 18, 2018.

Activity Delivery: Includes such costs as (but are not limited to) salaries, travel costs, services performed under third party contracts, including legal and audit services, environmental record review preparation, additional fidelity bonding costs or other services required for the delivery of grant activities.

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Activity delivery costs may include the estimated cost of an audit to be conducted in accordance with the Comptroller General's Governmental Auditing Standards, and 2 CFR 200.501, if applicable. However, be advised that CDBG funds can only be used to pay for its portion of the costs of an audit when a "single audit" is required. If a grantee expends less than \$750,000 of federal funds in one fiscal year, a single audit is not required. The grantee may still have to conduct an annual audit as required by State statute, but CDBG funds may not be used to pay for any portion of the audit costs. For more information on audit standards, please see: <https://www.ilga.gov/commission/jcar/admincode/044/044070000A00900R.html>

The maximum amount of CDBG funds that may be allowed for reasonable activity delivery costs is \$35,000. Activity delivery costs above that amount must be contracted separately and not included in the application. If paid with CDBG funds, activity delivery costs must be included in the total grant award. All Activity Delivery costs must be substantiated with complete invoices utilizing the template provided by the Department. Invoices without sufficient detail will not be paid.

A public hearing must be held prior to submission of an application and prior to passage of a local council resolution of support by the local governing body.

Public Participation

- ◆ All applicants must provide for public participation. All citizens must be given reasonable access to the community's application and reasonable time to review the application prior to the public hearing.

Public Notice

- A Notice of Public Hearing must be published at least once in a newspaper of general circulation at least seven calendar days (excluding the date of publication *and* excluding the date of the hearing) prior to the public hearing.
- The Notice of Public Hearing must include the address of where project information is available for viewing.
- All project information must be available for viewing on the first business day (not Saturday, Sunday, or a holiday) after date of publication at an easily accessible location within the community applying for the grant.
- The Public Comment Period must coincide with the time period between Notice and Hearing; concluding after the Hearing has been completed. The address for submission of written comments must be included in the Public Notice.

Conducting the Public Hearing

- Public Hearings must be facilitated by the applicant's governing body chief elected official or authorized official and certified by the chief elected official, authorized official or clerk.
- Efforts must be made to assure reasonable access to the public hearing by persons with disabilities; as well as be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.
- Those attending the public hearing must be informed of where and how to access the applicant's CDBG records.
- The Hearing must allow for public comments on the application and project.
- A sign-in sheet must be provided to document attendance. It is suggested that each person attending the public hearing provide his address and identify his role of participation (e.g., citizen, elected or appointed official, municipal employee, contractor, grant writer or administrator, business owner, etc.).

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- The public hearing must cover:
 1. The amount of funds available;
 2. The project activities that will be undertaken with CDBG funding, including amount;
 3. The project activities that will be undertaken with additional project funding, including amount;
 4. The estimated amount proposed for activities that will benefit LMI individuals;
 5. Plans for minimizing displacement as a result of the CDBG grant-assisted activities and to assist persons actually displaced, if applicable;
 6. A detailed, prioritized list of community development and housing needs; and
 7. A narrative discussion of the scope of the project including the proposed improvements, costs, benefit area, impact on community finances, etc.
- The minutes of the public hearing must be certified by the chief elected official or other authorized local officials, such as county clerk, city clerk, etc.
- Following the Public Hearing, a Resolution of Support from the local governing body must be passed that authorizes the local government to apply for funds. The date of the Resolution must be on or after the date of the Public Hearing.

If the publication guideline or public hearing requirements are not met, the application will not be reviewed further nor considered for funding.

Program History

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

Performance Goals and Measures

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

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

To complement these federally-mandated objectives, the State has established the following specific objectives for the CDBG Program:

- Strengthen community economic development through the creation of jobs, stimulation of private investment and strengthening the tax base;
- Improve public infrastructure and eliminate conditions which are detrimental to health, safety and public welfare; and
- Conserve and expand the State's housing stock in order to provide a decent home and a suitable living environment for persons of low-to-moderate income and the developmentally disabled.

CDBG Economic Development grants must meet the jobs/\$ ratio goal of \$10,000 in funds for each retained employee and \$25,000 for each created employee.

Other Information

All application information and forms for Community Development Block Grant funded programs can be found in the 2025 CDBG Guidebook, available on the website at <https://dceo.illinois.gov/communitydevelopment.html>.

Sections relevant to the Economic Development Program can also be found as Appendix A to this NOFO.

B. Funding Information

This grant program is utilizing federal pass-through funds appropriated by the General Assembly. Community Development Block Grant funds are authorized by Congress on an annual basis and allocated by the U.S. Department of Housing and Urban Development (HUD) to States and Entitlement programs. Total amount of funding expected to be awarded through this NOFO is \$1,900,000. Awards will range from \$300,000 to \$1,000,000. The Department expects to make 2 awards through this NOFO.

Anticipated start date for awards is approximately 90 days after issuance of a Notice of State Award Finalist (NOSAF). A NOSAF outlines the special grant conditions, including the federal environmental process, which must be completed prior to grant agreement. The period of performance is expected to be two years from the grant execution date. The period of performance is expected to be two years from the grant execution date.

Allowed costs relate to construction and contractual line items. This is a reimbursement grant. All expenses must be substantiated with invoices, cancelled checks and bank statements. See A. Program Description for details on specific allowable and unallowable costs.

Agreement(s) and budget(s) with subrecipients and subcontractors must be on file with DCEO. Agreements can be submitted to DCEO when available. Subcontractors and subrecipients are subject to all applicable provisions of the Agreement(s) executed between DCEO and the grantee. The successful applicant shall retain sole responsibility for the performance of its subrecipient(s) and/or subcontractor(s).

The release of this NOFO does not obligate the Department to make an award.

C. Eligibility Information

An entity must be registered in the Grant Accountability and Transparency Act (GATA) Grantee Portal, <https://grants.illinois.gov/portal/>, at the time of grant application. The portal will verify that the entity:

- Has a valid FEIN number (<https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin#:~:text=You%20can%20use%20the%20IRS%27s,for%20Individual%20Taxpayer%20Identification%20Number>);
- Has a current SAM.gov registration (<https://sam.gov>), SAM.gov registrations must be marked as “public” to allow the GATA Grantee Portal to expedite the review of the federal information;
- Has a valid UEI number (<https://sam.gov>);
- Is not on the Federal Excluded Parties List (verified at <https://sam.gov>);
- Is in Good Standing with the Illinois Secretary of State, as applicable (https://www.cyberdriveillinois.com/departments/business_services/corp.html);
- Is not on the Illinois Stop Payment list (verified once entity is registered in GATA Grantee Portal); and
- Is not on the Department of Healthcare and Family Services Provider Sanctions list (<https://www.illinois.gov/hfs/oig/Pages/SanctionsList.aspx>).

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Entities on the Illinois Stop Payment List and/or the Federal Excluded Parties List at time of application submission will not be considered for an award.

An automated email notification to the entity alerts them of “qualified” status or informs how to remediate a negative verification (e.g., not in good standing with the Secretary of State). A federal Debarred and Suspended status cannot be remediated.

Pursuant to the policy of the Illinois Office of the Comptroller, to receive grant funds from the State of Illinois, a grantee must be considered a regarded entity by the IRS for federal income tax purposes. Disregarded entities will not be eligible to receive grant funds.

1. Eligible Applicants include:

Only units of general local government (i.e., cities, villages, townships and counties) may apply for funding. **County and township applicants should not include areas that are incorporated within a city or village.** Incorporated areas **must** apply on their own behalf, regardless of whether a water district or sanitary district is involved. Only units of local government recognized by the Illinois Constitution and able to support economic development activities on a sufficient scale are eligible to apply for Economic Development grant funding. This includes cities, villages, and counties.

All applicants must be registered in the Grant Accountability and Transparency Act system (GATA) and be prequalified on the GATA Portal at <https://gata.illinois.gov> on the application due date. Applications submitted by communities who are not prequalified **will not be considered for review**. For more information on GATA Prequalification and other Grantee resources, visit <https://dceo.illinois.gov/aboutdceo/grantopportunities/learning-library.html>.

Municipalities must not be a HUD direct Entitlement community or be located in an urban county that receives "entitlement" funds. Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State's CDBG funding. In 2023, Illinois has 33 metropolitan cities and eight urban counties names as Entitlements. This includes the Counties of Cook, DuPage, Kane, Lake, Madison, McHenry, St. Clair and Will; and the Cities or Villages of Arlington Heights, Aurora, Berwyn, Bloomington, Champaign, Chicago, Cicero, Danville, Decatur, DeKalb, DesPlaines, Elgin, Evanston, Hoffman Estates, Joliet, Kankakee, Moline, Mount Prospect, Naperville, Normal, Oak Lawn, Oak Park, Palatine, Peoria, Rantoul, Rockford, Rock Island, Schaumburg, Skokie, Springfield, Urbana, Waukegan.

The Department will consider applications that benefit businesses that identify with the following North American Industry Classification System (NAICS) codes:

<u>Sector</u>	<u>Description</u>
11	Agriculture, Forestry, Fishing and Hunting
21	Mining, Quarrying, and Oil and Gas Extraction
23	Construction
31-33	Manufacturing
42	Wholesale Trade
48-49	Transportation and Warehousing
62	Health Care and Social Assistance

The Department complies with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including,

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but not limited to: The Illinois Human Rights Act (775 ILCS 5/1-101 et seq.), The Public Works Employment Discrimination Act (775 ILCS 10/1 et seq.), The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a-and 2000H-6), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), The Americans with Disabilities Act of 1990 (42 USC 12101 et seq.), and The Age Discrimination Act (42 USC 6101 et seq.).

2. Cost Sharing or Matching.

Cost sharing is required at a minimum of 1:1 ratio. Applications must provide written evidence that necessary, additional funding for the project is firmly committed. Private investment financing that is discussed in the Project Summary narrative should be detailed in the CDBG Private Investment information form and should be documented by the inclusion of additional funding commitment letters.

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

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

3. Indirect Cost Rate.

This grant will not compensate for indirect costs.

4. Freedom of Information Act/Confidential Information.

Applications and accompanying materials are subject to disclosure in response to requests received under provisions of the Freedom of Information Act (5 ILCS 140/1 et seq.). Information that could be proprietary, privileged, or confidential commercial or financial information should be clearly identified as such in the application materials. The Department will maintain the confidentiality of that information only to the extent permitted by law.

5. Other, if applicable.

The following requirements and disclaimers apply to all applications submitted for consideration under the CDBG Program.

1. Costs previously incurred (such as design) as well as costs incurred in preparation of applications and local income surveys are not reimbursable under this grant program.
2. The Department reserves the right to reject any or all applications received and/or negotiate or cancel in part or in entirety grants resulting from application awards if it is in the Department's best interest to do so.
3. **The Department reserves the right to withdraw a commitment for CDBG funds where special grant conditions have not been satisfied within 90 days after the**

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- date of the Notice of State Award Finalist**, or at the discretion of the Department if it is determined the project will not progress.
4. The Department reserves the right to establish the amount of grant funds awarded, raise the individual grant ceilings, and to shift funds from one CDBG component funding area to another. The Department further reserves the right to award funds to the next highest rated applicant(s) for any component should funds become available due to de-obligations, etc.
 5. The Department reserves the right to deny funding when submitted applications involve eligible units of government with serious unresolved monitoring or audit findings related to performance. In addition, funding will be withdrawn for any applicant or awardee that has not completed required audits and has been FEIN locked subsequent to the award but prior to grant agreement execution.
 6. On an annual basis, the Department will re-evaluate the timely distribution of funds under all program components, as well as the availability of unspent and recaptured funds. Unspent and recaptured funds will be awarded to fund additional CDBG-eligible projects. Depending upon available funds, a Back-up Funding round may be implemented later in the program year.
 7. The Department reserves the right to not fund applications that address problems which obviously are a result of deferred maintenance.
 8. The Department reserves the right to consider an outside technical review by an appropriate agency or agencies. The Illinois Environmental Protection Agency, the Illinois Department of Public Health, and/or USDA Rural Development may be asked to review public infrastructure projects involving water or sewer activities.
 9. Any additional non-CDBG resources must be firmly committed. Also, it must be evident in the application that both CDBG and non-CDBG funds will address the same need.
 10. A grant agreement will be issued for a contract period of twenty-four months for Public Infrastructure, Housing Rehabilitation and Economic Development grants. All projects must be operational at the end of the twenty-four-month grant term. No more than one twelve-month extension may be considered.
 11. Proposed projects (including the fund source, cost estimates, benefit, urgency, project area, and/or construction activities) supplied in the grant application submitted for funding must not be changed or modified prior to grant award or at the time the project is bid. If extenuating circumstances exist, the Grantee may submit a modification request after the receipt of its executed Grant Agreement.
 12. Requests for Modifications must be presented to the Department prior to any changes being made to the project area, beneficiaries, cost estimates, or funded activities. All modifications must include only original and environmentally-cleared project location(s). Requests for activities outside the original project location(s) will not be considered. Modifications that will decrease the benefit to low-to-moderate income persons will not be considered. Modifications to decrease or increase the scope of work due to greater than or less than estimated costs will not be considered.
 13. The use of in-kind services as additional funding is limited. Applicants must identify the specific tasks/services that will be performed or provided. Each task/service must be quantified by outlining the number of personnel assigned to the task and current payroll status; number of hours; and the hourly rate. Additionally, the qualifications of each individual to perform the assigned task/service (e.g., construction inspection) must be provided. If in-kind services are being utilized, a local council resolution must be included in the application.
 14. Local governments may not assess any fees against property "occupied" by eligible low-to-moderate income persons. The most common type of assessment is a connection fee, which is a one-time charge made as a condition of access to an improvement -- normally a sanitary sewage collection or water distribution system.
 15. **With the exception of the Exempt-CENST-ER-Format form, and only if CDBG funded Activity Delivery and/or Rehabilitation Administration is budgeted, no environmental review activities can take place until the applicant has received the Notice of State**

Award Finalist. Once this Notice is received, only then may the grantee initiate required environmental clearance requests with the four State environmental clearance agencies and federal environmental sources, in accordance with Federal NEPA requirements and State law. **DO NOT** reuse State environmental clearance letters previously obtained for another funding source. In certain circumstances, the CDBG Economic Development Program Manager may allow a community to begin the Environmental review early.

16. In accordance with the Interagency Wetland Policy Act of 1989, an applicant whose proposed project site is located on or within 250 feet of a wetland site listed on the National Wetlands Inventory will be required to comply with the requirements of the Act. This includes: developing a plan to minimize adverse impacts on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland. Project must also comply with Federal Wetlands Protection regulations at 24-CFR 58.5(b)(2) and Executive Order 11990, which may require preparation of an Eight-Step Wetlands Review.
17. A FEMA issued Floodplain Map must be included in the application. You can obtain this map by calling FEMA at 1(800) 358-9616 or by using their website: <https://msc.fema.gov>. Exact project location(s) must be clearly drawn on the FEMA map prior to submission. The most current version available on <https://msc.fema.gov> must be used.
18. CDBG grant funds may not be used for any activity in an area 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 in accordance with Executive Order 11988, 24 CFR 55, and (eff. 6/24/24) HUD Federal Flood Risk Management Standard "(FFRMS). In accordance with 24 CFR 55, CDBG grant funds must not be committed in a FEMA-designated floodway, unless the project is a functionally dependent use of the floodway, as approved by the Department ahead of time, Under HUD FFRMS, CDBG assistance committed for any Critical Action (e.g., for PI, water or sewer plant, or water tower) in a FFRMS flood plain must be mitigated through elevation.

Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State's CDBG funding per U.S. Department of Housing and Urban Development regulations.

Applicants may submit multiple application(s) for this opportunity.

D. Application and Submission Information

1. Address to Request Application Package.

Grant application forms are available at the web link provided in the "Grant Application Link" field of this announcement or by contacting the Program Manager:

Office of Community Development
Illinois Department of Commerce & Economic Opportunity
1011 South Second Street
Springfield, IL 62704
Tele: 217-558-4222
Email: ceo.ocd@illinois.gov

2. Content and Form of Application Submission.

A standard application package must be submitted to and reviewed by DCEO. Each package must contain the following items:

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- Uniform Grant Application in fillable PDF format. Signature page must be printed, signed, scanned and submitted with application.
- Uniform Budget utilizing the template provided by DCEO for this project. The entire budget with all worksheets included even if the worksheets are not relevant to the grant opportunity must be submitted with the application materials. Signature page must be printed, signed, scanned and submitted with application.
- Conflict of Interest Disclosure
- Mandatory Disclosures

This Notice of Funding Opportunity also requires the submission of the following other programmatic specific items:

- Letter of Transmittal from Chief Elected Official** (template provided)
- Completed Submission Checklist**
- CDBG Applicant Project Information Form Project**

Summary and Need for Assistance

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

- Specify other financing that will be expended as part of the project. Private investment financing that is discussed in the Project Summary narrative should be detailed in the CDBG Private Investment Information form and should be documented by the inclusion of additional funding commitment letters.
 - A firm commitment from a FINANCIAL INSTITUTION must include: language which indicates that the loan has been approved subject to CDBG approval and that the institution will lend subject to certain conditions; the specific dollar amount of the loan; the specific term of the loan; the interest rate of the loan; and specific collateral or security. The lender's letter should also discuss the reasons why the lender cannot or will not provide additional funds for the project.
 - A firm commitment to purchase a REVENUE BOND must include: an executed bond inducement resolution and a firm commitment to purchase the bond.
 - If an investment banking firm is making the commitment to purchase the bond, the commitment letter must state the "commitment to purchase the bond". Letters which indicate a willingness to offer the bonds for sale on a "best efforts" basis are not satisfactory commitments. The investment banking firm must be willing to hold the bond in its own portfolio should adequate numbers of buyers not be found in the market place. If the commitment to purchase the bond comes from a financial institution, the commitment to purchase must satisfy

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the requirements for "Loans from Financial Institutions" as described above.

- Project Location Map** - A project map must be included in the application. It should show the boundaries of the applicable unit of local government, the location of any floodplain areas, and any existing Enterprise Zones or Tax Increment Financing (TIF) districts. If the project includes public infrastructure activities, the map must sufficiently detail those improvements and their location. All infrastructure improvements must be made on publicly owned property.
- CDBG Economic Development Fact Sheet – General Supported Company Information Form**
- Economic Development Working Cost Estimate Form**
- Vendor Cost Estimates for CDBG-related activities**
- Projected Jobs Created/Jobs Retained Information Form**
- Analysis of Benefit to Low-to-Moderate Income Persons Form**
- Minority Benefit/Affirmative Housing Statement Form**
- Council Resolution of Support or Resolution of Support and Commitment of Local Funds** (templates provided) – If using local funds, you must indicate the account the funds are in.
- Local Government Financial Checklist Form (Infrastructure Grants Only)**
- Citizen Participation (7-Day Notice/Public Hearing)** – newspaper clipping, publisher's certification (no emails), certified minutes, and/or attendance sheet(s)
- Local Government Certifications Form**
- Intergovernmental Cooperation Agreement, if applicable** (template provided)
- W-9 Form** – Include a completed W-9 form. The name of the entity must exactly match the name indicated on the IRS certification letter, and the W-9 must be the most current issued (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>).
- SAM Registration/CAGE Code:** All grantees, sub-recipients and contractors participating in the CDBG Program are required to be registered in the System for Award Management (SAM) at www.sam.gov for the purpose of obtaining a Commercial and Government Entity (CAGE) Code. The CAGE Code is a unique identifier assigned to government agencies and various organizations. CAGE codes provide a standardized method of identifying a given facility at a specific location. This documentation, for the grantee, must be submitted with the application.
- IRS Certification Letter:** Include in the application "Letter 147c" or "Letter 4158c" provided by the IRS to verify the Taxpayer Identification Number (TIN) or Federal Employer Identification Number (FEIN) for the applicant. If you do not have a current (dated within five years) copy of an IRS certification letter on file, please call the IRS Business line, 1-800-829-0115, to request a "Letter 147C", or call 1-877-829-5500 to request a "Letter 4158c." Only the applicant is authorized to request a copy of this letter.
- Unit of Local Government's most recent financial statement audit (Infrastructure Projects only)**- If unavailable, please contact the Department to determine potential alternative documentation.
- Public Investment Source Documentation Form**
- Business Certifications including Jobs to be Created and Retained**
- Benefitting Business' Certificate of Good Standing from the IL Secretary of State**
- Benefitting Business' Corporate Financial Statements**
- Benefitting Business' Articles and Certification of Incorporation**
- Benefitting Business' Corporate Bylaws**
- Private Investment Source Documentation**

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☐ **Designation of Authorized Official Form, if applicable.**

- All original Application Forms and Materials as shown Section V, Part J of the Guidebook must be utilized. All Letters, Notices, Resolutions, Agreements or other communication provided by the unit of local government as part of the application must be of the exact verbiage contained in Section V, Part J, of the Guidebook, be on the applicant community's official letterhead, and have original signatures where required.
- All original Application Forms and Materials as shown in the Guidebook must be utilized. The Department WILL designate an application "DO NOT FUND", and not complete the rest of its' scoring for the following reasons:
 - Using self-created forms.
 - Adding to or removing any language in forms.
 - Forged, copied, taped, pasted or any alterations to original signatures or dates.

All application forms and certifications requiring signature must be signed by the Chief Elected Official of the applicant community, unless otherwise noted.

The Application Checklist contained in Appendix A, lists all required application elements and identifies in what order the elements should be submitted. Two copies of the application must be submitted: "original" and "copy."

PACKAGING YOUR APPLICATION

All grant application materials **must** be:

- Typed (except for signatures and maps)
- Clipped together with a large binder clip on the top.
- Any oversize pages such as maps should be placed at the end of the application. State those later page #'s for oversized pages in the related item's "Page Number" field on the Application Submission Checklist page.
- Contained in two brown legal-size (will accommodate 8½" x 14" papers), open-top (no foldovers with cords or ties) expandable folders (One marked "original," and one marked "copy")
- Brown legal size folders are to be labeled with a 2"x 4" white label, placed in the top right-hand corner of the folder with the following information:
 - Name of Applicant
 - 2025 Economic Development
 - Original or Copy

For Example:

VILLAGE OF ABRACADABRA
2025 Economic Development
Original

DO NOT USE: dividers, staples, binders, folders or other methods of containment.

Submit the original and one complete copy. *Be certain if there are documents in **color** in the original, that the copies are in **color** also!*

Please note there is a maximum upload of 10 documents in the web form that you submit the application, so combining files may be necessary.

3. Unique Entity Identifier (UEI) and System for Award Management (SAM).

Each applicant (unless the applicant is an individual or Federal or State awarding agency that is exempt from those requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal or State awarding agency under 2 CFR 25.110(d)) is required to:

- (i) Be registered in SAM. To establish a SAM registration, go to www.SAM.gov and/or utilize this instructional link: www.grants.illinois.gov Resource Links tab. SAM.gov registrations must be “public.”
- (ii) Provide a valid UEI number in the GATA Grantee Portal registration.
- (iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal, Federal pass-through or State award or an application or plan under consideration by a Federal or State awarding agency. The Department will not make a Federal pass-through or State award to an applicant until the applicant has complied with all applicable UEI and SAM requirements and, if an applicant has not fully complied with the requirements by the time the Department is ready to make a Federal pass-through or State award, the Department may determine that the applicant is not qualified to receive a Federal pass-through or State award and use that determination as a basis for making a Federal pass-through or State award to another applicant.

4. Submission Dates and Times.

This opportunity is available on an as-needed basis until all funds available have been exhausted.

Applications for this opportunity must be submitted by to the Department’s **Springfield** Office at:

In Person:

Illinois Department of Commerce and Economic Opportunity
Office of Community Development
1020 South Spring Street
Springfield, IL 62704

Or mailed to:

Illinois Department of Commerce and Economic Opportunity
Office of Community Development
1011 South Second Street
Springfield, IL 62704

Facsimile and e-mailed submissions will **not** be accepted.

The Department is under no obligation to review applications that do not comply with the above requirements. Failure to meet the application deadline may result in the Department returning application without review or may preclude the Department from making the award.

5. Intergovernmental Review, if applicable.

The Department reserves the right to consider an outside technical review by an appropriate agency or agencies. The Illinois Environmental Protection Agency, the Illinois Department of Public Health, and/or USDA Rural Development may be asked to review public infrastructure projects involving water or sewer activities.

6. Funding Restrictions.

This opportunity does not allow reimbursement of pre-award costs. Other restrictions can be found in Sections A., B., and C.

7. Other Submission Requirements.

Documents stored in Google Docs or other cloud-based servers are not allowed.

Applicants may confirm receipt of the application and documents by contacting the program contact listed in this NOFO.

E. Application Review Information

1. Criteria.

The screening and review process for the program is designed to ensure that limited CDBG program funds are awarded to communities that demonstrate the need for financial assistance and have a well-designed project. The actual number and types of awards will be subject to funding availability.

The criteria noted below will be used to evaluate all applications and determine the appropriate level of financial assistance:

- Project Need - Describe in sufficient detail the need for the project and the specific role of CDBG in the project, including any other options which have been pursued.
- Evidence of project need is demonstrated through a well-developed justification for public financing demonstrating either a location and/or financial gap argument. The discussion should also address why other financing options could not be obtained or are not feasible and repercussions if funding is denied. The company must demonstrate the need for program funds by including evidence that the project's financing cannot be obtained without Department participation at an interest rate and term that makes the project viable in conjunction with additional funds.
- Project Readiness - Describe the activities that will be undertaken for this project with an emphasis upon project specifics, the reasonableness of activities, their timelines and how the needs, activities and projected impact will interrelate.
- Financial Evaluation - Provide adequate documentation of project feasibility and the company's ability to bring the project to fruition. Financial feasibility of the project is a measure of the company's ability to maintain continuous operation beneficial to the public interests as determined by anticipated operational costs, of less than or equal to the anticipated income or the availability of equity over any shortfall based on historical and projected financial statements. For guidance on specific information to be submitted, refer to Attachment A.
- Commitments for Job Creation/Retention - Provide firm assurances from the borrower (employer) regarding the number of permanent jobs to be created or retained for low-to-moderate income persons, types of positions and the time frame for job creation, not to exceed 24 months.
- Resource Leveraging - Provide evidence of any firm commitments from lenders non-CDBG funded portion of the project. Refer to the sample leverage commitment letter in Attachment A.

2. Review and Selection Process.

Applications will be graded using the Merit Review Process and scored on the criteria specified in Section E.1. along with U.S. Department of Housing and Urban Development standard underwriting criteria. The Department will designate an Evaluation Committee to review each application received for this funding opportunity. Applications meeting all requirements will be funded as long as funding is available. If more than one application is in review at the same time, and is considered fundable, preference in funding will be given based on the order in which the applications were received.

The Merit Based Review process is subject to appeal. However, competitive grant appeals are limited to the evaluation process. Evaluation scores may not be protested. Only the evaluation process is subject to appeal. The appeal must be submitted in writing to the Department within 14 calendar days after the date that the grant award notice has been published. The written appeal shall include the name and address of the appealing party, the identification of the grant and a statement of reasons for the appeal. To file an appeal, applicants must submit the appeal in writing and in accordance with the Merit-Based Application Review Appeals Process listed on the Grant Opportunities page of the DCEO website:
<https://dceo.illinois.gov/aboutdceo/grantopportunities/meritappreview.html>.

3. Anticipated Announcement and State Award Dates, if applicable.

After the application period is closed, the Department will conduct a merit based review of eligible applications. Successful applicants will receive a Notice of State Award (NOSA) to initiate the grant agreement phase. During this phase, you will be contacted by a grant manager to develop a grant agreement, which can be a months long process depending on complexity, cooperation, and conformity with all applicable federal and state laws.

The Department reserves the right to issue a reduced award, or not to issue any award.

F. Award Administration Information

1. State Award Notices.

The Notice of State Award (NOSA) will specify the funding terms and specific conditions resulting from the pre-award risk assessments and the merit-based review process. The NOSA must be accepted in the GATA Portal by an authorized representative of the grantee organization. The NOSA is not an authorization to begin performance or incur costs.

2. Administrative and National Policy Requirements.

Subrecipients and Subcontractors: Agreement(s) and budget(s) with subrecipients and subcontractors must be pre-approved by and on file with DCEO. Agreements can be submitted to DCEO when available. Subcontractors and subrecipients are subject to all applicable provisions of the Agreement(s) executed between DCEO and the grantee. The successful applicant shall retain sole responsibility for the performance of its subrecipient(s) and/or subcontractor(s).

Grant Uniform Requirements: The Grant Accountability and Transparency Act (30 ILCS 708/1 *et seq.*) (and its related administrative rules, 44 Ill. Admin. Code Part 7000), was enacted to increase the accountability and transparency in the use of grant funds from whatever source and to reduce administrative burdens on both State agencies and grantees by adopting federal guidance and regulations applicable to those grant funds; specifically, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200).

Procurement: Grantees will be required to adhere to methods of procurement per the Procurement Standards (2 CFR 200.317 – 2 CFR 200.327).

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The following requirements and disclaimers apply to all applications submitted for consideration under the CDBG Program.

1. Costs previously incurred (such as design) as well as costs incurred in preparation of applications and local income surveys are not reimbursable under this grant program.
2. The Department reserves the right to reject any or all applications received and/or negotiate or cancel in part or in entirety grants resulting from application awards if it is in the Department's best interest to do so.
3. **The Department reserves the right to withdraw a commitment for CDBG funds where special grant conditions have not been satisfied within 90 days after the date of the Notice of State Award Finalist**, or at the discretion of the Department if it is determined the project will not progress.
4. The Department reserves the right to establish the amount of grant funds awarded, raise the individual grant ceilings, and to shift funds from one CDBG component funding area to another. The Department further reserves the right to award funds to the next highest rated applicant(s) for any component should funds become available due to de-obligations, etc.
5. The Department reserves the right to deny funding when submitted applications involve eligible units of government with serious unresolved monitoring or audit findings related to performance. In addition, funding will be withdrawn for any applicant or awardee that has not completed required audits and has been FEIN locked subsequent to the award but prior to grant agreement execution.
6. On an annual basis, the Department will re-evaluate the timely distribution of funds under all program components, as well as the availability of unspent and recaptured funds. Unspent and recaptured funds will be awarded to fund additional CDBG-eligible projects. Depending upon available funds, a Back-up Funding round may be implemented later in the program year.
7. The Department reserves the right to not fund applications that address problems which obviously are a result of deferred maintenance.
8. The Department reserves the right to consider an outside technical review by an appropriate agency or agencies. The Illinois Environmental Protection Agency, the Illinois Department of Public Health, and/or USDA Rural Development may be asked to review public infrastructure projects involving water or sewer activities.
9. Any additional non-CDBG resources must be firmly committed. Also, it must be evident in the application that both CDBG and non-CDBG funds will address the same need.
10. A grant agreement will be issued for a contract period of twenty-four months for Public Infrastructure, Housing Rehabilitation and Economic Development grants. All projects must be operational at the end of the twenty-four-month grant term. No more than one twelve-month extension may be considered.
11. Proposed projects (including the fund source, cost estimates, benefit, urgency, project area, and/or construction activities) supplied in the grant application submitted for funding must not be changed or modified prior to grant award or at the time the project is bid. If extenuating circumstances exist, the Grantee may submit a modification request after the receipt of its executed Grant Agreement.
12. Requests for Modifications must be presented to the Department prior to any changes being made to the project area, beneficiaries, cost estimates, or funded activities. All modifications must include only original and environmentally-cleared project location(s). Requests for activities outside the original project location(s) will not be considered. Modifications that will decrease the benefit to low-to-moderate income persons will not be considered. Modifications to decrease or increase the scope of work due to greater than or less than estimated costs will not be considered.
13. The use of in-kind services as additional funding is limited. Applicants must identify the specific tasks/services that will be performed or provided. Each task/service must be quantified by outlining the number of personnel assigned to the task and current payroll

- status; number of hours; and the hourly rate. Additionally, the qualifications of each individual to perform the assigned task/service (e.g., construction inspection) must be provided. If in-kind services are being utilized, a local council resolution must be included in the application.
14. Local governments may not assess any fees against property "occupied" by eligible low-to-moderate income persons. The most common type of assessment is a connection fee, which is a one-time charge made as a condition of access to an improvement -- normally a sanitary sewage collection or water distribution system.
 15. **With the exception of the Exempt-CENST-ER-Format form, and only if CDBG funded Activity Delivery and/or Rehabilitation Administration is budgeted, no environmental review activities can take place until the applicant has received the Notice of State Award Finalist.** Once this Notice is received, only then may the grantee initiate required environmental clearance requests with the four State environmental clearance agencies and federal environmental sources, in accordance with Federal NEPA requirements and State law. **DO NOT** reuse State environmental clearance letters previously obtained for another funding source. In certain circumstances, the CDBG Economic Development Program Manager may allow a community to begin the Environmental review early.
 16. In accordance with the Interagency Wetland Policy Act of 1989, an applicant whose proposed project site is located on or within 250 feet of a wetland site listed on the National Wetlands Inventory will be required to comply with the requirements of the Act. This includes: developing a plan to minimize adverse impacts on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland. Project must also comply with Federal Wetlands Protection regulations at 24-CFR 58.5(b)(2) and Executive Order 11990, which may require preparation of an Eight-Step Wetlands Review.
 17. A FEMA issued Floodplain Map must be included in the application. You can obtain this map by calling FEMA at 1(800) 358-9616 or by using their website: <https://msc.fema.gov>. Exact project location(s) must be clearly drawn on the FEMA map prior to submission. The most current version available on <https://msc.fema.gov> must be used.
 18. CDBG grant funds may not be used for any activity in an area 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 in accordance with Executive Order 11988, 24 CFR 55, and (eff. 6/24/24) HUD Federal Flood Risk Management Standard "(FFRMS). In accordance with 24 CFR 55, CDBG grant funds must not be committed in a FEMA-designated floodway, unless the project is a functionally dependent use of the floodway, as approved by the Department ahead of time, Under HUD FFRMS, CDBG assistance committed for any Critical Action (e.g., for PI, water or sewer plant, or water tower) in a FFRMS flood plain must be mitigated through elevation.

3. Reporting.

Periodic Performance Report (PPR) and Periodic Financial Report (PFR)

Grantees funded through this NOFO are required to submit in the format required by the Grantor, at least on a quarterly basis, the PPR and PFR electronically to their assigned grant manager. The first of such reports shall cover the first three months after the award begins. Pursuant to 2 CFR 200.328, Periodic Financial Reports shall be submitted no later than 30 calendar days following the period covered by the report. Pursuant to 2 CFR 200.329, Periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. Any additional reporting requirements will be disclosed in the NOSA. Grantees are required within 45 calendar days following the end of the period of performance to submit a final closeout report in the format required by the Grantor (See 2 CFR 200.344).

Monitoring

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Grantees funded through this NOFO are subject to fiscal and programmatic monitoring visits by the Department in accordance with 2 CFR 200.337. They must have an open-door policy allowing periodic visits by Department monitors to evaluate the progress of the project and provide documentation upon request of the monitor. Program staff will also maintain contact with participants and monitor progress and performance of the contracts. The Department may modify grants based on performance.

Audit

Grantees shall be subject to Illinois' statewide Audit Report Review requirements. Terms of the Single Audit Act Amendments of 1996 (31 USC 7501-7507), Subpart F of 2 CFR Part 200, and the audit rules set forth under the Grant Accountability and Transparency Act Admin Rules shall apply (See 44 IL Admin Code 7000.90).

Notice of Contract Award.

The Notice of Contract Award must be submitted to the Department within 30 days of the award of any construction contract.

Grant Evaluation Report

The final report covering final expenditures and deliverables of the grant must be submitted to the Department within 60 days of the grant closing.

G. State Awarding Agency Contact(s)

Grant Help Desk
Illinois Department of Commerce & Economic Opportunity
Email: **CEO.GrantHelp@illinois.gov**

H. Other Information, if applicable

The Community Development Block Grant for Economic Development is available on a rolling basis as need arises. Other CDBG programs include Public Infrastructure, Housing Rehabilitation, and Disaster Response. More information on CDBG programs can be found at:

<https://dceo.illinois.gov/communitydevelopment.html>

All Community Development Block Grant application information and forms are contained in an annual Guidebook, which is the basis of the Action Plan approved by the U.S. Department of Housing and Urban Development. The Guidebook (in Microsoft Word) can be found at:

<https://dceo.illinois.gov/communitydevelopment.html>

The applicable Sections of the Guidebook for the CDBG Economic Development program are Sections I, II, V, and VII. These Sections have been formatted as a pdf and attached to this Notice of Funding Opportunity as Appendix A.