

STATE OF ILLINOIS PUBLIC NOTICE
of changes to the
Community Development Assistance Program:
in the State Consolidated Plan – Draft Action Plan 2008

In compliance with the United States Department of Housing and Urban Development's (HUD's) rules which require the State to develop a Five Year Consolidated Plan and Annual Action Plan, the State of Illinois announces a change to the DRAFT Action Plan for Calendar Year 2008. The Illinois Department of Commerce and Economic Opportunity (IDCEO), administrator of the Community Development Assistance Program (CDAP), is changing portions of Section I & II of Part II of the Draft 2008 Action Plan.

The State of Illinois has determined that the changes to the CDAP Program portion of the State of Illinois Consolidated Plan – Draft Action Plan 2008 require an extension of the 30-day public comments period by 26 day, to November 19, 2008. Written comments on the CDAP changes to the DRAFT Consolidated Plan – Action Plan 2008 are to be mailed directly to IHDA.

Written comments should be sent to the following:

Illinois Housing Development Authority
Office of Housing Coordination Services (OHCS)
Attention: Consolidated Plan
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611

Changes to the draft (in bold) are as follows:

Under Section I General Information: One Year Use of Funds, are changes involving tie-breaking mechanisms and minimum scoring criteria for applicants under the Application Review Process.

F. APPLICATION REVIEW PROCESS

The screening and review process for the program is designed to ensure that the limited CDAP funds are awarded to communities that demonstrate the need for financial assistance and have the capacity to administer the project.

The following summarizes the application review process steps and other related guidelines:

1. Tracking and Logging:
 - Competitive-bid applications should be submitted no earlier than 30 days prior to the application deadline. Set-aside programs receive applications throughout the year.
 - Applications received are entered into the database system.
 - CDAP program staff will assess applications for completeness and will identify the sections that have been submitted for each application.
 - Notice is sent to the Director of DCEO and Office of the Governor informing them of communities that have applied for funding.

2. Application Review:
 - Each application will be evaluated according to the evaluation criteria defined for each of the program components, as described in each CDAP application guidebook.
 - The financial audit application component will be reviewed by assigned DCEO staff.
 - An outside technical review by appropriate agencies may be utilized to support the "Public Infrastructure" applications. (The Illinois EPA, The Illinois Department of Public Health, and/or the USDA Rural Development will be asked to review public infrastructure projects involving water or sewer activities.)
 - A management team will review the applications to ensure consistency and accuracy in grading and scoring of application. Competitive-bid program applications will be ranked from the highest to lowest score.
 - A list of grant recommendations will be submitted to the Deputy Director of the Community Development Bureau and the Director of DCEO.
 - After the list of recommendations has been finalized by DCEO, the Office of the Governor will be notified of the funding recommendations.
 - **If two or more applicants receive an identical overall rating, DCEO reserves the right to apply a "tie-breaker" mechanism, as outlined in Section II (Selection Procedures).**
 - Set aside programs will be reviewed and evaluated as outlined in Section II.
 - The Department reserves the right to request additional project documentation.
3. Funding:
 - Funding will generally be made available for applications until the funds have been exhausted.
 - **The Department reserves the right to withhold funding of applications that have not received an established minimum overall score. If all funds cannot be utilized for failure of a sufficient number of applications meeting this criterion, the Department reserves the right to either fund additional applications, to apply the funds to the following program year's allocation, or into other CDAP program components.**
 - **Funding for CDAP Housing Rehabilitation Projects-- The Department reserves the right to reallocate a portion of funds initially budgeted for the CDAP housing rehabilitation component, if the Department's assessment of community-impact or overall community benefit, as described from the project descriptions in applications received, is deemed to be insufficient to merit funding the housing applications in question. The Department reserves the right to apply these funds to the following year's housing rehabilitation program allocation, or to other CDAP program components in the current or future program years.**

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In Section II Selection Procedures; Competitive-Bid Program Components:

Changes to the draft involve the Evaluation Criteria; the overall scoring percentage under “Evidence of Financial Need” is now weighted at 40%, and includes expanded criterion for “Project Readiness. Also, scoring under “3. Community Poverty” now accounts for 20% of the overall score. The Department has also instituted tie-breaking mechanisms in all Competitive Bid Program components (the Housing Rehabilitation, Public Infrastructure, and Design Engineering programs.)

B. DESIGN ENGINEERING GRANT PROGRAM

The objective of these program components is to encourage and support design as a proactive response to the opportunities and challenges that face small communities in Illinois. The CDAP Design Engineering Grant program is a flexible source of competitive funding for a broad range of community development planning activities which are construction oriented (i.e., lead to a construction project) with an emphasis on water and sanitary and storm sewer systems.

Design Engineering

- ♦ engineering, architectural and design costs related to a specific activity
- ♦ blueprints
- ♦ costs of implementing plans

In selecting activities for a design engineering grant application, local officials should be aware that while an activity may be eligible according to federal statute and regulations, it may not compete well under the guidelines and ranking criteria. Planning studies or analyses which are simply part of a community's ongoing operating and maintenance activities will not be funded. Any design engineering activity not described above or any design engineering activity which does not benefit low-to-moderate income persons is ineligible for consideration.

RANKING CRITERIA FOR DESIGN ENGINEERING

Eligibility Threshold

Projects will be reviewed to determine if they meet the following minimum threshold requirements:

1. **Benefit to Low-to-Moderate Income Persons:** Each application must include documentation that the proposed project will benefit at least 51.0 percent low-to-moderate income persons. Those projects benefiting less than 51.0 percent low-to-moderate income persons will not be considered further. Census data may be used to determine LMI eligibility for projects that benefit an entire community, a specific township or precinct, or an entire county. Income surveys may be conducted by communities that 1) have experienced a decrease in the per capita income since the most recent U.S. Census; 2) have reason to suspect that Census Data results are inaccurate; or, 3) are designing a project in a target area with boundaries that do not coincide with Census Data. Applicants must request written approval to conduct an income survey. The request must reference the reason they feel an income survey is needed to document low-to-moderate income as opposed to utilizing Census Data. CDAP staff reserves the right to deny funding, based on this threshold, when surveying guidelines have not been met.
2. **Documentation of Threat to Health and Safety:** Each application should detail the public facilities needs to be addressed by the proposed project. This narrative should include, as appropriate, the degree to which present conditions affect public health and safety, the severity and immediacy of the problem, and whether the proposed activities are necessary to comply with state or federal regulations. Documentation should address the nature and degree of seriousness of the condition requiring assistance.

- a serious deficiency exists in a community public facility (or that the community lacks the facility entirely);
- problems clearly attributable to the deficiency have occurred, such as serious illness, disease outbreak, or serious environmental pollution; and
- the problem is existing, continual, and chronic as opposed to occasional, sporadic, or probable.

The above threshold criteria must be documented to be considered for funding.

Evaluation Criteria

Projects will be evaluated according to the criteria noted below.

1. **Evidence of Financial Need (40% of overall score)**: Each applicant must include the 2006 fiscal year annual audit. This will document the need for CDAP Assistance to finance the proposed project, including evidence that the project could not be reasonably accomplished without CDAP funds. The audits will be reviewed by staff for the following information. All applicants will start with the **maximum 50 points**. Deductions will be made based on the following:

Utility fund balance:

- ◆ if the community has 2.00 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-40 points)
- ◆ if the community has 1.75 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-32 points)
- ◆ if the community has 1.50 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-24 points)
- ◆ if the community has 1.25 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-16 points)
- ◆ if the community has 1.00 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-8 points)

Utility rates: if utility rates are too low to maintain the system (-20 points)

General Revenue fund balance (not applicable for water or sewer districts, or companies):

- ◆ if the community has 2.00 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-16 points)
- ◆ if the community has 1.75 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-16 points)
- ◆ if the community has 1.50 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-12 points)
- ◆ if the community has 1.25 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-8 points)

- ◆ if the community has 1.00 times the grant amount request after allowance for three months of operating expenses and is not using the funds as leverage (-4 points)

3. Project Readiness (40% of overall score): This criterion is a measure of the project’s readiness to proceed immediately upon notice of grant award. All applicants will start with the maximum 20 points. Deductions will be made based upon the following:

- { Is there a copy of the option to purchase (if applicable)? (If no, -20 points)
- { Is there a copy of the completed plan? (If no, -20 points)
- { Is there a copy of the preliminary engineering report? (If no, -20 points)

3. Community Poverty (20% of overall score): The Department will obtain the community poverty percentage rate for the applicant as established in the most recent census data. The applicant will receive the following points based on the poverty percentage for the applying community: (See page 19 for technical assistance)

> 25%	10 points
24.99% - 22.5%	9 points
22.49% - 20%	8 points
19.99% - 17.5%	7 points
17.49% - 15%	6 points
14.99% - 12.5%	5 points
12.49% - 10%	4 points
9.99% - 7.5%	3 points
7.49% - 5%	2 points
4.99% - 2.5%	1 point
< 2.49%	0 point

In the event of identical final scores assessed for multiple applications, the Department reserves the right to implement a tie-breaker mechanism by assigning additional weight to one or more of the scoring criteria in a consistent manner across all affected applications. The Department may choose not to apply such a mechanism and to weigh all applications with the same final scores identically. *

*** The above applies to all competitive programs, including; C. Housing Rehabilitation, under Section II Selection Procedures; Competitive-Bid Program Components.**