**Section 110.80 Funding**

a) Distribution of Funds

Grant awards will be made according to the application evaluation processes described in Sections 110.91, 110.92, 110.93, 110.94, 110.95, 110.101, 110.102, 110.103 and 110.106.

b) Funding Considerations

1) Grant Ceilings. Grant ceilings for the various components listed in Section 110.60 establish the maximum grant award limits that an eligible applicant may request. Needs expressed by interested citizens and local elected officials (see Section 110.10(b)(2)(C)), the amount of annual allocation, and a review of past program component usage shall be factors in the Department's determination of the grant ceiling on an annual basis.

A) Eligible applicants may only submit one application and may only receive one grant in any one program year under competitive program components: Public Infrastructure and Housing Rehabilitation.

B) On occasion, the Department will review the technical feasibility of a project. If the review requires non-Departmental expertise (e.g., water and sewer permits), the Department will coordinate with other agencies (e.g., Environmental Protection Agency (EPA), Department of Public Health (DPH), USDA Rural Development) to review the technical feasibility of the project.

C) In determining the appropriate grant award amount, the Department shall consider the following:

i) Project Need: Project need shall be determined using standards found in Sections 110.90(b)(3); 110.91(b)(3)(A), (C), (D) and (E); 110.92(b)(3); 110.93(b)(3); 110.94(b)(3); 110.95; 110.101(b); 110.102; and 110.103(b), as applicable.

ii) Ability to Carry Out the Project: Determination of the ability to successfully complete the proposed project shall be based upon elements such as previous program performance, experience, and scope of the proposed program.

iii) Proposed Activities: A review of the proposed activities shall be based on a determination of whether the program objectives will be met through the proposed activities as set out in Sections 110.90, 110.91, 110.92, 110.93, 110.94 and 110.95.

D) The Department may withdraw, suspend or terminate grant funding based on the following:

i) If the Department approves an application but, prior to the execution of a Grant Agreement, it learns or has a reasonable belief that the project will not progress or is unlikely to be completed as originally anticipated, due to unforeseen facts and circumstances not previously known during or subsequent to the application process, it may withdraw its commitment of funds. If the Department withdraws its commitment of funds, it shall provide written notification to the applicant advising it of the withdrawal and setting forth the reasons for the withdrawal.

ii) If the Department approves an application and a Grant Agreement has been executed, the Department may only suspend or terminate the Grant Agreement in accordance with the terms and conditions set forth in the Grant Agreement or the conditions described in 47 Ill. Adm. Code 1.110.

2) Standards for Program Category Allocation

The Department shall determine the amount of funds annually allocated to carry out activities in accordance with each of the community development assistance program components. Needs expressed by interested citizens and local elected officials pursuant to Section 110.10(b)(2)(C), the amount of annual allocation, and a review of past program component usage shall be factors in determining the amount of funds annually allocated to carry out activities. The allocation of funds between program components shall be determined from the following allocation ranges:

A) Disaster Response: 1% through 20%

B) Competitive Housing Rehabilitation Program Component: 15% through 70%

C) Competitive Public Infrastructure Component: 40% through 60%

D) General Economic Development Component: 10% through 40%

E) Set-Aside for Lead-Based Paint Abatement: up to 5%

3) Environmental Reviews

Upon actual grant award, for non-economic development projects, and during or after application review of economic development projects, a technical environmental record review of project activities must be completed by the awarded community under 24 CFR 58 (1996). HUD has published Environmental Review Procedures for the Community Development Block Grant (24 CFR 58).

4) On-Site Visits

The Department's program staff may, contingent upon program resources or the need for on-site inspection, verify eligibility, conduct field visits of potential grantees under the Competitive Public Infrastructure Program and Competitive Housing Rehabilitation Program Components prior to final grant decisions.

(Source: Amended at 42 Ill. Reg. 19976, effective October 29, 2018)