**Section 110.103 Application Evaluation for Competitive Public Infrastructure Component**

a) Explanation of Application Ranking System

1) Applicants will compete in a formalized ranking system. Applications will undergo a multi-person review to determine eligibility in 3 areas: Benefit to Low- and Moderate-Income Persons, Documentation of Threat to Health and Safety, and Evidence of Project Readiness. Upon meeting the minimum eligibility thresholds, applications will compete in a formalized ranking system.

2) Applications will be ranked according to the criteria established in the Department's annual Action Plan approved by HUD. The Action Plan is annually provided for public comment for a period of 30 days. The Department will review applications for ranking and project selection according to the criteria described in this Section. The Department will then select projects for funding out of the top-ranking projects, as determined under subsection (b)(2), until all available funds are expended.

b) Criteria for Selection of Projects

1) The analysis will evaluate project need, according to its impact on program benefit and benefit to low- to moderate-income persons utilizing the ranking system contained in subsection (d).

2) Comparative Assessment of Applications

A) The Department will screen and identify top ranking CDBG applications. Projects will be ranked in categories of maximum, moderate, minimum or no rating as described in subsection (d). Maximum ratings do not guarantee that a project will receive funding. The Department will then conduct intensive evaluations, leading to the CDBG grant award decision. Department staff may conduct field visits and will analyze project characteristics, including:

i) a comparative assessment of projects – e.g., low- to moderate-income benefits, local contribution, etc.;

ii) a verification of submitted application information;

iii) a thorough analysis of the project's readiness to proceed; and

iv) a determination of the applicant's previous efforts to address its problems.

B) Actual funding levels will relate closely to the competitiveness of the proposed projects. Applications will be comparatively ranked according to the criteria described in this subsection (b) to determine the final funding levels. The Department reserves the right to negotiate the final funding figures.

c) Eligibility Thresholds

1) Benefit to Low- and Moderate-Income Persons: Applications must document that the project will benefit at least 51% low- to moderate-income persons and that, as applicable, no special assessments will be levied against residential structures owned and occupied by low- and moderate-income persons and that provisions are made to hook up these residences to water and sewer systems. Applications that do not document benefit to low- to moderate-income persons will not be considered further.

2) Documentation of Threat to Health and Safety: Applications must include documentation verifying that the project addresses a threat to health and safety. Applications that do not document threat to health and safety will not be considered further.

3) Evidence of Project Readiness: Applications must demonstrate that the project is appropriate and achievable and that all actions have been completed to ensure timely implementation of the project. Applications that do not document project readiness will not be considered further.

d) Ranking Criteria

1) Community Need: This criterion is an objective measure designed to give some priority to applicants with the highest level of need. Need may be evaluated based on one or more of the following criteria:

A) Estimates of average unemployment in Illinois, by county or municipality, if available, based upon Illinois Department of Employment Security data.

B) Percentage of people in poverty according to United States Census Bureau data.

C) Percentage of low/moderate income residents according to the Department of Housing and Urban Development Low/Moderate Income Summary Data.

D) Community's water or sewer rates in comparison to the community's median household income, according to United States Census Bureau data.

2) Urgency of Need

A) An application shall receive a maximum rating if it has fully:

i) documented that a serious deficiency exists in a community's public facility or that the community lacks the facility entirely;

ii) identified problems clearly attributable to the deficiency have occurred, such as serious illness, disease outbreak, or serious environmental pollution; and

iii) identified that the problem is existing, continual and chronic as opposed to occasional, sporadic or probable.

B) An application shall receive a moderate rating if the project only "moderately" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(2)(A).

C) An application shall receive a minimum rating if the project only "minimally" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(2)(A).

D) An application shall receive a "no rating" if it fails to fully meet the standards in subsection (d)(2)(A).

3) Benefit to Low- and Moderate-Income Persons

A) A maximum rating shall be received if 71-100% of the persons benefiting are low- to moderate-income.

B) A moderate rating shall be received if 61-70% of persons benefiting are low- to moderate-income.

C) A minimum rating shall be received if 51-60% of persons benefiting are low- to moderate-income.

4) Project Readiness. This criterion is a measure of the project's readiness to proceed immediately upon notice of grant award. Ratings of moderate, minimum, and no rating will be assigned accordingly to projects lacking any or all of the items listed in subsections (d)(5)(A) through (H). In order to receive a maximum rating, applicants must address a majority of the following issues, as applicable to their project:

A) Site Control. If land is required for the proposed project (i.e., lagoon or tower site, etc.), the applicant must already own the site and provide evidence of ownership;

B) Leverage Financing. The applicant must demonstrate that all leverage funding for the project has not only been committed but will be available immediately upon grant award, including:

i) United States Department of Agriculture Rural Development Form 1940-1 has been issued to the applicant; and

ii) All issues have been resolved with the Illinois Environmental Protection Agency (i.e., facilities planning, dedicated revenue source, etc.) and the project is ready to bid;

C) Final design engineering of the proposed project has been completed;

D) Illinois Environmental Protection Agency has issued a construction permit;

E) Timely completion of previous CDBG grants (not applicable if the grantee has not previously received CDBG funding);

F) 100% or more of necessary easements have been obtained;

G) Executed agreement in place for purchase of water or treatment of wastewater; and

H) Evidence of completion of all previous phases, if the proposed project is part of a multi-phase project.

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