County of Cook, Illinois

Fifth Substantial Amendment to the Action Plan

FINAL FOR SUBMITTAL TO HUD

Community Development Block Grant
Disaster Recovery (CDBG-DR)

Toni Preckwinkle, President
Cook County Board of Commissioners

Prepared by: The Department of Planning and Development of the Bureau of Economic Development

July 14, 2017
EXECUTIVE SUMMARY

Overview

This document serves as the Fifth Substantial Amendment to the Action Plan (“Substantial Amendment”) that was previously published in March of 2014, amended in September of 2014, May of 2015 and again in April of 2016 for the purpose of receiving Community Development Block Grant - Disaster Recovery (CDBG-DR) funds totaling $83,616,000. Based on the scope of proposed modifications, this Substantial Amendment is required by the U.S. Department of Housing and Urban Development (“HUD”) and has been developed in accordance with the Disaster Relief Appropriations Act, 2013 (Public Law 113-2). These grant funds are being made available through HUD to assist disaster recovery efforts in response to declared major flooding disasters occurring in Cook County in 2013. These funds may be used only for specific disaster recovery-related purposes. HUD regulations governing this funding are published at https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/ under the heading: Hurricane Sandy and Other Disasters Occurring in 2011-2013 (“Regulations”).

In accordance with HUD requirements, Cook County will use this Substantial Amendment to guide the distribution of the CDBG-DR grant funds toward fulfilling the three core aspects of recovery - housing, infrastructure and economic development - related to the declared disaster. This Substantial Amendment has also been designed to be consistent with the HUD primary objective of providing funds for local projects with activities that meet one of the following national objectives of the Housing and Community Development Act of 1974, as amended: benefit to low/moderate-income persons; prevention or elimination of slums or blight; urgent need. At least fifty percent (50%) of the CDBG-DR grant award must be used for activities that benefit low- and moderate-income persons.

This Substantial Amendment provides updates to the initial Action Plan, as previously amended by Amendments 1-3 including reallocation of funds between the funding categories; the addition of a Down Payment Assistance program; the division of the Strategic Acquisition Program to Strategic Acquisition and Strategic Buyout and to provide further details on the Economic Recovery Program. These revisions are necessary to meet the funding demand realized from the inquiries and/or applications received by the County.

Proposed Activities

This Substantial Amendment identifies the proposed uses of the allocation and how they might address long-term recovery needs. The Regulations require that this Substantial Amendment include a single chart or table that illustrates, at the most practical level, how all funds programmed by this Substantial Amendment are budgeted. The following table fulfills this requirement. Note that the previous Action Plan Amendments have designated the amounts by funding round. HUD has eliminated the requirement to track and obligate the funding rounds by category. Instead achieving expenditure goals will be tracked by cumulative expenditure amounts.
Down payment assistance is being added to assist eligible homebuyers in purchasing new residential units created by the Replacement Housing Program. The Strategic Acquisition category has been expanded to Strategic Acquisition and Strategic Buyout categories. Economic Recovery is being further defined as described herein. The Residential Resilience category encompasses the previous category of Rehabilitation and Remediation and incorporates Rehabilitation of existing Housing Authority of Cook County housing stock. The funding for each category is being revised to reflect current needs and demands for funding. The activities in the above table that will be made available to individual persons and households are the Strategic Acquisition Program, Strategic Buyout Program, Replacement Housing program, Residential Resilience Program and Down Payment Assistance Program. Related materials for each of the categories will be made available to persons with Limited English Proficiency (“LEP”) as applicable and wherever possible.

**Funding Obligation Strategy**

The following table denotes the funds requested (or anticipated to be requested) from HUD for obligation. Additionally, the request for an expenditure deadline extension for obligation round 2 has been granted by HUD, as shown in the second table.

**Cumulative Expenditure Schedule**

<table>
<thead>
<tr>
<th>Obligation Round</th>
<th>Obligation Date</th>
<th>Expenditure Deadline</th>
<th>Cumulative Amount that must be Expended by Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>7/2/2014</td>
<td>7/2/2016</td>
<td>$3,000,000 **</td>
</tr>
<tr>
<td>#2</td>
<td>1/13/2015</td>
<td>1/13/2017</td>
<td>$11,789,460.23 **</td>
</tr>
<tr>
<td>#3</td>
<td>4/29/2016</td>
<td>4/29/2018</td>
<td>$36,265,227.23</td>
</tr>
<tr>
<td>#4</td>
<td>5/31/2017*</td>
<td>5/31/2019</td>
<td>$61,645,460.23</td>
</tr>
<tr>
<td>#5</td>
<td>9/29/2017*</td>
<td>9/29/2019</td>
<td>$81,645,460.23</td>
</tr>
</tbody>
</table>
Extended Expenditure Schedule

<table>
<thead>
<tr>
<th>Obligation Round</th>
<th>Obligation Date</th>
<th>Expenditure Deadline</th>
<th>Cumulative Amount that must be Expended by Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2</td>
<td>1/13/2015</td>
<td>1/13/2018</td>
<td>$1,970,539.77</td>
</tr>
</tbody>
</table>

All funds must be expended within two years of obligation per the dates shown in the tables above. The final obligation request must be submitted to HUD by June 1, 2017 and all funds must be expended by September 29, 2019 or within two years of HUD’s obligation of the final remaining funds, whichever is earlier.

* Obligation Rounds 4 and 5 are not yet approved by HUD and thus the dates shown above are subject to change. HUD’s Chicago office received the county’s signed agreements on Monday, June 26, 2017. HUD will consider a request for extension of an expenditure deadline as outlined in the Regulations.

** Expenditure accomplished

Stakeholder Consultation and Citizen Participation

The stakeholder and general public consultation and citizen participation process for this proposed Substantial Amendment conforms to the County’s currently adopted Citizen Participation Plan which was most recently amended in September 2014 with a CDBG-DR specific addendum. This Substantial Amendment was discussed during the Cook County Economic Development Advisory Council (EDAC) meeting on June 23, 2017, which functioned as a public hearing. The Citizen Participation Plan is designed to improve compliance with HUD regulations as well as more effectively engage the public in Cook County programs.

The Cook County Department of Planning and Development (“DPD”) currently solicits public input and comment regarding HUD-funded programs several times a year via informal and formal methods, including electronic newsletters, electronic surveys, stakeholder and focus groups, and public hearings. At a minimum, DPD will conduct a public hearing to provide basic information and discuss local needs and priorities, as well as present proposed activities, and evaluate performance specifically for the CDBG-DR program. Informally, DPD collects input every time it meets with funding recipients, intermediaries, and community representatives as part of the normal course of carrying out its work program. For this particular draft Substantial Amendment, the stakeholder/public consultation process is inclusive of the following: a public notice that the draft Substantial Amendment for review and comment and was published in a local newspaper, posted on the County’s website (https://www.cookcountyil.gov/service/disaster-recovery-and-resilience), and transmitted via electronic newsletter to stakeholders including local municipalities, social service providers, developers, and members of the local Continuum of Care.

The Substantial Amendment was made available to the public for review and comment for fourteen (14) days from May 25, 2017 through June 8, 2017 per HUD requirements via the Cook County website at this link: https://www.cookcountyil.gov/service/disaster-recovery-and-resilience as well as on-site at Cook
Cook County offices located at 69 West Washington, Suite 2900, Chicago, IL 60602. The website advised that written comments would be accepted during this period and should be directed to Barbara Maloof at the address above or via email at Barbara.Maloof@cookcountyil.gov. No public comments were received during the 14 day span of advertisement from May 25, 2017 through June 8, 2017 or anytime afterward.

Due to recent updates and changes, the Substantial Amendment will be made available for an additional 7 days to the public for review and comment from July 13, 2017 through July 20, 2017 per HUD requirements via the Cook County website at this link: [https://www.cookcountyil.gov/service/disaster-recovery-and-resilience](https://www.cookcountyil.gov/service/disaster-recovery-and-resilience) as well as on-site at Cook County offices located at 69 West Washington, Suite 2900, Chicago, IL 60602. Written comments were accepted during this period and should be directed to Barbara Maloof at the address above or via email at Barbara.Maloof@cookcountyil.gov.

General questions regarding this draft Substantial Amendment or proposed programming, as well as requests for special assistance related to LEP or disabilities, should be directed to Barbara Maloof at 312-603-1004 or Barbara.Maloof@cookcountyil.gov, or TDD (Hearing Impaired) 312-603-5255.

Additionally, as noted in the County’s Citizen Participation Plan Addendum, last amended and submitted to HUD in October of 2014, Cook County will ensure that all citizens have equal access to information and opportunities for input. As administrators of CDBG-DR funds, Cook County is committed to providing access to the Action Plan programs for all of its citizens. These efforts include special consideration for those with LEP and persons with disabilities. Cook County performed a Limited LEP summary to determine demographic information within the County. The results of the summary and the Four-Factor Analysis revealed that Spanish is the highest percentage among non-English languages spoken throughout the County.

The County is in the draft phase of developing a Language Access Plan (LAP). The LAP will outline how the County plans to ensure that LEP persons have meaningful access to its programs and services. The LAP will include the Four-Factor Analysis from the LEP summary, the needs of LEP persons throughout the County and the accompanying protocols, and training and outreach efforts the County will develop and implement to ensure LEP persons can access programs and services. The Cook County LAP will explain the actions the county and its sub recipients will take to ensure compliance with Title VI of the Civil Rights Act of 1964, Executive Order 13166 and U.S. Department of Housing and Urban Development (HUD) issued Final Guidance 72 FR 22732 related to the flood recovery programs and services. Title VI of the Civil Rights Act of 1964, Executive Order 13166 and HUD’s 72 FR 2732 require that recipients of federal financial assistance must take reasonable actions to ensure meaningful access to their activities, programs and services for individuals with LEP.

The LAP will be incorporated within the County’s Standard Citizen Participation Plan. The revised Standard Citizen Participation Plan, inclusive of the LAP, will be released for public review and comment by July 31, 2017.

To ensure meaningful access to vital documents for participant information, the County or its subrecipients will respond to identified language needs in making translations available as requested and reasonable in the other languages identified based on the Four Factor Analysis. Based on analyzed needs
and requests, the County may conduct additional informational meetings in LEP communities in Spanish and other languages, as reasonable, in order to assist these households to apply for assistance.

Individuals with disabilities may request auxiliary aids and service necessary for participation by contacting (TTY/TDD) 312-603-5255 or via email to Barbara.Maloof@cookcountyil.gov (Spanish). Program application procedures will also follow prescribed guidelines to ensure access for individuals with disabilities. As requested, application and other key materials may be translated into Braille and other formats for persons with visual impairment.

**NARRATIVE**

1. **Need for Substantial Amendment 4:**

**Down Payment Assistance**

A Down Payment Assistance program for qualified homebuyers under the Replacement Housing Program is being added. A market study conducted by Goodwin Williams Group supports the need for Cook County to create affordable housing in the Summit area and to also create a homebuyer’s assistance program to encourage and support residents in a traditionally renters’ market to buy their first homes in the Village of Summit. Cook County accepts the recommendations of the market study to develop a down payment assistance program to mirror the standards of existing homebuyer’s assistance programs in the State of Illinois.

With the loss of rental opportunity and rental development in the area as a result of the April 2013 flood event, there was a need to present homeownership opportunities for displaced renters and renters with low-to-moderate income (LMI). Furthermore, affordable housing opportunities are needed in the Summit area as 48.5% of renter households are moderately or severely cost-burdened, paying 30% or more of monthly income on rent. Only one designated affordable development exists in Summit, a senior apartment development. Few new units have been added to Summit’s housing stock for many years. Moreover, the majority of homes within Summit are more than 50 years old.

The Village of Summit is centered between two areas with significant employment opportunities (24,000+ jobs) in each area. Summit residents have good access to suburban industrial parks and downtown Chicago via the I-55 expressway, commuter bus (Pace) and commuter rail service (Metra, Amtrak). The Village of Summit is an ideal location for displaced renters and LMI renters to take advantage of homeownership and thrive.

Resulting from the new-construction agreement with the developer, Presidio Capital, there are a total of 18 single-family homes for sale in the Village of Summit. Cook County down payment assistance will be offered for at least 9 homes developed with CDBG-DR funding to assist qualified LMI households in purchasing a home.

**Strategic Acquisition and Strategic Buyout Programs**

Property acquisition is the only alternative for many homeowners living in disaster flood prone areas of the County where there is no permanent infrastructure solution to the flooding. These programs will result in long-term recovery and elimination of future flooding for homeowners and their residential areas. The
acquisitions are being performed in collaboration with the Cook County Land Bank Authority, Forest Preserve District of Cook County, local park districts, the Metropolitan Water Reclamation District, Cook County Department of Homeland Security and Emergency Management and other partners. After the structures are demolished, the land will be, in perpetuity, returned to open space, enabling easier flow of waterways, improved storm water management and elimination of future structural damage.

Since undertaking acquisition efforts in the County, it has become clear that ownership of some properties suffering from repetitive flooding and within an area targeted for acquisition and demolition has changed since the 2013 flooding. The original acquisition efforts focused on properties owned by the owner at the time of the flood and were valued on a pre-flood valuation method. Due to the circumstances and manageability of returning flood impacted lands to green space in perpetuity, it is important to expand the acquisition efforts to include an option for owners who purchased the flood-prone property after the 2013 flood. Therefore, the County is dividing the Strategic Acquisition Program into two programs – Strategic Acquisition and Strategic Buyout – to delineate the ownership requirements, property valuation method and the national objective qualification.

Economic Revitalization (Neighborhood Business Revitalization Program)

The economic recovery program is designed to aid the mission of existing Cook County economic development programs. Disaster related activities are those that are able to demonstrate a logical connection between the impacts of the covered disaster and the activity’s contribution to the community recovery. The need to support businesses’ infrastructure projects that address both flood impacts and economic recovery has surfaced during outreach and consultations, as has the ability to connect local residents to employment opportunities and to encourage businesses to locate in areas lacking services.

Cook County is designing the details for economic revitalization activities to initially assist the areas most impacted by the April 2013 flood event; Chicago Heights, Markham, Robbins, Riverdale of Blue Island. Second priority will be given to businesses located in one of the Cook County Targeted Economic Growth Zones: Calumet/Cal-Sag Growth Zone; I-57/I-394 Growth Zone; or Enterprise Zones in Suburban County. The final priority will be location within the balance of the County. The program will entice start-up, existing, expanding and large businesses across all industries, to implant business in the priority areas throughout Cook County, through a grant-and-loan program, with the primary intent of benefitting LMI persons through job creation, training and employment.

The County intends to transfer any program income generated from the Economic Recovery program to the County’s regular CDBG program, upon receipt.

2. Program/Activities Details:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>Administration of the Grant Fund over the five-year period of the grant.</td>
<td>$4,180,000</td>
</tr>
<tr>
<td>Eligibility:</td>
<td>Cook County can use up to 5% of the Grant for Administration Services.</td>
<td></td>
</tr>
<tr>
<td>Location/geographic description: N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible Organization: DPD, Contractor(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Description</td>
<td>Total Budget</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td>--------------</td>
</tr>
</tbody>
</table>
| National Objective: N/A  
Projected Start Date: 6/1/2014  
Projected End Date: 9/29/2019 | Performance Measures:  
Timely and compliant administration of the grant; timely expenditures; timely reporting. |  |
| Infrastructure  
Eligibility: Needed infrastructure improvements that address flood mitigation or flooding damage  
National Objective: Low-Mod Area; Low/Mod Jobs or Urgent Need  
Projected Start Date: 6/1/2014  
Projected End Date: 9/29/2019 | There are 15 infrastructure projects already underway or being considered for funding. Conversations are ongoing with MWRD, IEMA, USACE and local municipalities for the final funding decisions. 
Location: County-wide  
Responsible Organization: Cook County in coordination with units of local government  
Performance Measures: 15-20 infrastructure projects supported. | $36,850,000 |
| Planning  
Eligibility: Cook County can use up to 15% of the Grant for Planning Activities  
National Objective: N/A  
Project Start Date: 9/1/2014  
Projected End Date: 9/29/2019 | Planning Studies of smaller geographies and an array of planning activities including those to minimize and address future flooding. 
Location/geographic description: Countywide  
Responsible Organization: Subrecipient(s)  
Performance Measures: Completion of studies and identification of projects needed to assist the identified geography. | $1,950,000 |
### Strategic Acquisition

**Eligibility:** Repetitive loss properties or those that meet the other listed criteria

**National Objective:** Low-Mod Area or Urgent Need

**Projected start date:** 6/1/2014
**Projected end date:** 9/29/2019

This activity will work in conjunction with local municipalities to undertake voluntary acquisition of owner occupied houses or other properties impacted by the flood event, with a focus in low-mod areas which meet the Cook County buy-out criteria: structures not protected by capital improvements; projects in approved watershed plans; structures subject to flooding depth of one foot above the low entry elevation for any one historic event; subject to a flooding depth of one-half foot for any two historic flood events; or a FEMA repetitive loss structure.

Acquisition is the only alternative in many flood prone areas of the County where there is no permanent infrastructure solution to the flooding. This will result in long-term recovery for these households. This program will work in tandem with the Buyout program; the primary difference is Acquisition will be based upon fair market value of the property enabling homeowners that purchased the property after the flood to participate. The properties will be returned to open land for easier flow of waterways.

**Location/geographic description:** To be determined during homeowner intake process in communities participating in the buyout program

**Responsible Organization:** Cook County DPD, IEMA, MWRD, Cook County Land Bank, Cook County Forest Preserve District, municipal park districts

**Performance measures will be:** # of units (approximately 15 anticipated)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Acquisition</td>
<td>This activity will work in conjunction with local municipalities to undertake voluntary acquisition of owner occupied houses or other properties impacted by the flood event, with a focus in low-mod areas which meet the Cook County buy-out criteria: structures not protected by capital improvements; projects in approved watershed plans; structures subject to flooding depth of one foot above the low entry elevation for any one historic event; subject to a flooding depth of one-half foot for any two historic flood events; or a FEMA repetitive loss structure. Acquisition is the only alternative in many flood prone areas of the County where there is no permanent infrastructure solution to the flooding. This will result in long-term recovery for these households. This program will work in tandem with the Buyout program; the primary difference is Acquisition will be based upon fair market value of the property enabling homeowners that purchased the property after the flood to participate. The properties will be returned to open land for easier flow of waterways. Location/geographic description: To be determined during homeowner intake process in communities participating in the buyout program <strong>Responsible Organization:</strong> Cook County DPD, IEMA, MWRD, Cook County Land Bank, Cook County Forest Preserve District, municipal park districts</td>
<td>$2,500,000 (funding threshold per property will be determined on a case-by-case basis)</td>
</tr>
</tbody>
</table>
### Activity

**Strategic Buyout**

- **Eligibility:** Repetitive loss properties or those that meet the other listed criteria
- **National Objective:** Low-Mod Household; Low-Mod Area or Urgent Need
- **Projected start date:** 6/1/2014
- **Projected end date:** 9/29/2019

This activity will work in conjunction with local municipalities to undertake voluntary acquisition of owner occupied houses or other properties impacted by the flood event, with a focus in low-mod areas which meet the Cook County buy-out criteria: structures not protected by capital improvements; projects in approved watershed plans; structures subject to flooding depth of one foot above the low entry elevation for any one historic event; subject to a flooding depth of one-half foot for any two historic flood events; or a FEMA repetitive loss structure.

Acquisition is the only alternative in many flood prone areas of the County where there is no permanent infrastructure solution to the flooding. This will result in long-term recovery for these households. This program will work in tandem with the Strategic Acquisition Program; the primary difference is that Strategic Buyout will be based upon pre-storm value. The properties will be returned to open land for easier flow of waterways.

Cook County will also participate with the Cook County Department of Homeland Security and Emergency Management and provide a match for properties acquired under the FEMA Hazard Mitigation Grant Program (HMGP). Cook County’s mutually exclusive criteria over the HMGP Strategic Acquisition Program are the following: Residential Property; Substantially Damaged by previous declared flooding events; Repetitive Loss – two flood insurance claims within the last 10 years; Vacant / abandoned flood damaged property; Located in 100 Year Floodplain, flood damaged property; Located in 500 Year Floodplain, flood damaged property

#### Beneficiaries/Direct Recipients

Location/geographic description: Village of Wheeling, Riverside Township, Village of Franklin Park, Village of Flossmoor, Wheeling Township, Palatine Township, Leyden Township and potentially others to be determined

#### Responsible Organization: Cook County DPD, Cook County Department of Homeland Security and Emergency Management, MWRD, Cook County Land Bank, Cook County Forest Preserve District, municipal park districts

#### Performance measures will be: # of units (approximately 117 anticipated)

### Total Budget

$10,700,000 (funding threshold per property will be determined on a case-by-case basis)
<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential Resilience</strong></td>
<td>LMI households needing assistance with rehabilitation and/or remediation occurring as a result of the flood event. Program will prioritize construction of flood mitigation items. This will result in long-term recovery for these households. Additionally, rehabilitation of deteriorated, affordable single family and rental housing stock supporting families, seniors, special needs and Housing Authority of Cook County eligible households.</td>
<td>$8,506,000</td>
</tr>
<tr>
<td><strong>Rehabilitation/ Remediation</strong></td>
<td>Location/geographic description: Cook County (including areas within the Villages of Wheeling and Niles) Responsible Organization: Neighborhood Housing Services (South) and Northwest Housing Partnership (North). These nonprofit organizations are subrecipients who will administer the program. Performance measures will be: # of units (85 anticipated)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Projected Start Date: 6/1/2014 Projected End Date: 9/29/2019</td>
<td></td>
</tr>
<tr>
<td><strong>Replacement Housing</strong></td>
<td>New Construction of multiple rental and for-sale housing developments to provide affordable replacement housing throughout Cook County for families, seniors and special needs households. Location: areas near heavily impacted areas, but not in floodplains, including Hines and LaGrange.</td>
<td>$16,170,000</td>
</tr>
<tr>
<td></td>
<td>Responsible Organizations: Non-Profit or For Profit Developers Performance measures will be: # of units (250+ anticipated)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Projected Start Date: 6/1/2014 Projected End Date: 9/29/2019</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Description</td>
<td>Total Budget</td>
</tr>
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</tr>
<tr>
<td><strong>Down Payment Assistance</strong></td>
<td>Program will assist homebuyers with purchasing a home through the provision of up to 100% of the down payment. Maximum Award: $40,000 per household Eligible Applicants: Households with income 80% of AMI or less Eligibility Criteria: Households who are at or below 80% AMI. Priority will be given to households with income 80% of area median income (AMI) or less; persons with disabilities and seniors; and those who resided in manufactured housing units (MHU) that were damaged or destroyed by the April 2013 flood event.</td>
<td>$360,000</td>
</tr>
</tbody>
</table>
### Economic Recovery (Neighborhood Business Revitalization Program)

**Eligibility:** small, medium and large privately-owned businesses

**National Objective:** LMI Jobs; LMI Area

**Project Start Date:** 9/1/2017  
**Project End Date:** 9/29/2019

To assist start-up, existing, and expanding business in the south suburbs of Cook County (the most economically challenged area of the 2013 flood), the County established the Neighborhood Business Revitalization Program (NBRP). Through a partnership with a local community development financial institution (CDFI), a financial assistance package will be provided (0% interest loan forgivable up to 50% of total assistance) not to exceed a total of $200,000 to qualified applicants. With financial assistance to businesses in the south suburbs and through the NBRP Areas, the County expects to create LMI job opportunities and additional economic activities that were lost due to the 2013 flood.

Through the NBRP pre-application vetting process, applicants will be selected based on the level of completeness and quality of the following criteria:

- **Priority will be given to business whose location is in one of the most impacted communities:** Chicago Heights, Robbins, Markham, Riverdale or Blue Island. Second priority will be given to businesses located in one of the Cook County Targeted Economic Growth Zones: Calumet/Cal-Sag Growth Zone; I-57/I-394 Growth Zone; or Enterprise Zones in Suburban County ([http://blog.cookcountyil.gov/economicdevelopment/2016/07/19/growth-zones](http://blog.cookcountyil.gov/economicdevelopment/2016/07/19/growth-zones)). Third priority will be given to the rest of the affected areas of Cook County.

- **A detailed employee recruitment plan to meet LMI Job goals is required.** The County will request an applicant to commit to 1 Full Time Equivalent job per every $50,000 in assistance awarded or provide a severely needed service to a LMI area to address Economic/Business challenges.

- **Proof of a certified business license, permit, capital plan and operations plan.** Additional proof of 10-20% equity committed and available towards the project’s needs. (Lack of equity in the project can be potentially mitigated through extensive technical assistance from the CDFI)

- **Applicant may be required to obtain a documented letter of endorsement from the Chief Elected Official of the municipality in which the business is/will be licensed and registered.**

**Location:** Identified above

**Responsible Organization:** Cook County Department of Planning and Development.

**Performance Measures:** up to 15 businesses created/expanded; creation of up to 40 jobs (21 LMI) or providing services in a LMI area.

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<table>
<thead>
<tr>
<th>Economic Recovery (Neighborhood Business Revitalization Program)</th>
<th>$2,100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility: small, medium and large privately-owned businesses</td>
<td></td>
</tr>
<tr>
<td>National Objective: LMI Jobs; LMI Area</td>
<td></td>
</tr>
<tr>
<td>Project Start Date: 9/1/2017</td>
<td></td>
</tr>
<tr>
<td>Project End Date: 9/29/2019</td>
<td></td>
</tr>
</tbody>
</table>

To assist start-up, existing, and expanding business in the south suburbs of Cook County (the most economically challenged area of the 2013 flood), the County established the Neighborhood Business Revitalization Program (NBRP). Through a partnership with a local community development financial institution (CDFI), a financial assistance package will be provided (0% interest loan forgivable up to 50% of total assistance) not to exceed a total of $200,000 to qualified applicants. With financial assistance to businesses in the south suburbs and through the NBRP Areas, the County expects to create LMI job opportunities and additional economic activities that were lost due to the 2013 flood.

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- **A detailed employee recruitment plan to meet LMI Job goals is required.** The County will request an applicant to commit to 1 Full Time Equivalent job per every $50,000 in assistance awarded or provide a severely needed service to a LMI area to address Economic/Business challenges.

- **Proof of a certified business license, permit, capital plan and operations plan.** Additional proof of 10-20% equity committed and available towards the project’s needs. (Lack of equity in the project can be potentially mitigated through extensive technical assistance from the CDFI)

- **Applicant may be required to obtain a documented letter of endorsement from the Chief Elected Official of the municipality in which the business is/will be licensed and registered.**

**Location:** Identified above

**Responsible Organization:** Cook County Department of Planning and Development.

**Performance Measures:** up to 15 businesses created/expanded; creation of up to 40 jobs (21 LMI) or providing services in a LMI area.
3. Program Income

The Federal Register dated March 5, 2013 spelled out alternative requirements for Program Income. Some of these alternative requirements were later modified in the Federal Register published April 19, 2013. The program income information presented here is based upon the modified requirements.

CDBG-DR program income is the gross income received by Cook County and its subrecipients directly generated from the use of CDBG-DR funds. Program Income includes, but is not limited to, the following sources:

- Proceeds from the sale or lease of property purchased or improved with CDBG-DR funds
- Proceeds from the sale or lease of equipment purchased with CDBG-DR funds
- Gross income from the use or rental of real or personal property acquired constructed or improved by Cook County (or a subrecipient), less the costs incidental to generate program income
- Payments of principal and interest on loans made with CDBG-DR funds
- Proceeds from the sale of loans or obligations secured by loans made with CDBG-DR funds
- Interest earned on funds held in a revolving fund account
- Interest earned on program income pending its disposition
- Funds collected through special assessments made against non-residential properties and properties owned and occupied by households not of low and moderate income, if the special assessments are used to recover all or part of the CDBG-DR portion of the public improvement

Program income does not include:

- Any income received in a single program year by the grantee and its subrecipients, other than revolving loan funds, which does not exceed $35,000;
- Payments of principal and interest by a subrecipient, toward a loan from the local government to the subrecipients, to the extent that program income is used for such payments
- Interest earned on loans or other forms of assistance with CDBG-DR funds that are used for activities that are determined by HUD to be ineligible
- Income earned from the investment of initial proceeds of a grant advance from the U.S. Treasury
- Interest earned on the investment of amounts reimbursed to a program account prior to the use of the reimbursed funds for eligible activities
- Proceeds from the disposition of real property by a subrecipient or the County, that was acquired or improved with CDBG-DR funds, when the disposition occurs after the time specified in 570.503(b)(7) for subrecipient owned property (generally five years after the expiration of the subrecipient agreement) or the time required by 570.505 for grantee-owned property.

Cook County may authorize a subrecipient to retain program income for additional CDBG-DR projects pursuant to a written agreement. Program income (other than program income deposited in a revolving loan fund) must be disbursed prior to the drawdown of additional funds from the U.S. Treasury (or in the case of a subrecipient, from the County). The CDBG-DR regulations require the County to determine if it has excess program income on hand and return any excess to its line of credit.
Program income received as a result of this program will be recycled into the program for further support of eligible related activities (minus any allowable administrative expenses).

However, the County intends to transfer any program income generated from the Economic Recovery program to the County’s regular CDBG program upon receipt.

4. **Substantial Amendments**

At a minimum, the following modifications will constitute a substantial amendment: a change in the program benefit or eligibility criteria; the allocation or reallocation of more than $1 million; or the addition of any activity. Cook County may substantially amend the Action Plan by following the same procedures required for the preparation and submission of the initial Action Plan. Amendments to the Action Plan that do not meet the threshold to be considered a substantial amendment will not require a public comment period, but all amendments will be numbered sequentially and posted on the disaster recovery website.