



**DOWNSTATE SMALL BUSINESS STABILIZATION PROGRAM**

## **FUNDING OPPORTUNITY INFORMATION**

In 2019, the Department of Commerce and Economic Opportunity allocated \$4,000,000 for Economic Development funding from the U.S. Department of Housing and Urban Development's Community Development Block Grant Program. With the outbreak of the COVID-19 virus and its detrimental impact on small businesses, the State is invoking its option to adjust allocations to address specific needs to benefit Illinois' non-entitlement communities in case of unforeseen circumstances, as included in the Consolidated and Action Plans. This allocation, along with unspent and recaptured funds from previous allocations will be made eligible in a total of \$20,000,000 for the DOWNSSTATE SMALL BUSINESS STABILIZATION PROGRAM.

This Application is for the use of federal Community Development Block Grant (CDBG) Funds through the State of Illinois' Department of Commerce and Economic Opportunity (DCEO), Office of Community Development.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 14.228

CFDA TITLE: COMMUNITY DEVELOPMENT BLOCK GRANTS/STATES

CATALOG OF STATE FINANCIAL ASSISTANCE (CSFA) NUMBER: 420-75-2398

CSFA TITLE: DOWNSSTATE SMALL BUSINESS STABILIZATION PROGRAM

DCEO FUNDING OPPORTUNITY NUMBER: 24-4

DCEO FUNDING OPPORTUNITY TITLE: CDBG ECONOMIC DEVELOPMENT DOWNSSTATE SMALL BUSINESS STABILIZATION PROGRAM

Applications may be submitted based on the published Guidebook and awarded until the allocated funds are exhausted. The Guidebook and required supporting documentation for the application can be found at:

<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/DownstateSmBizStabilization.aspx>

## **ECONOMIC DEVELOPMENT** **DOWNSSTATE SMALL BUSINESS STABILIZATION** **COMPONENT REQUIREMENTS**

### **A. FEDERAL AND STATE PROGRAM OBJECTIVES**

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.

To ensure that the State-administered program meets the intent of the federal Housing and Community Development Act of 1974, as amended, benefiting businesses of the Downstate Small Business Stabilization Grant must meet the national objective of Urgent Need. To demonstrate, businesses must have been operating continuously with the same ownership since January 1, 2017 (at a minimum) and provide documentation on the financial health of the business in 2017, 2018, 2019 and currently. This documentation will be available to the public as part of the application process and is subject to FOIA. Benefiting businesses should have solid commitments to remain open or reopen, and retain or re-employ permanent jobs.

All applications must be made through a unit of local government recognized by the Illinois Constitution and able to support economic development activities on a sufficient scale; this includes cities, villages, and counties. Grant funds are granted to communities to be provided as financial assistance to an eligible business which must document the need for grant assistance.

**Businesses cannot apply directly to DCEO** for assistance and grant awards will not be made directly to the business.

The Economic Development Downstate Small Business Stabilization component has been established to provide working capital funds to the community's most vulnerable businesses economically impacted by the COVID-19 virus. The program component makes funds available for 60 days of verifiable working capital up to a grant ceiling of \$25,000.

CDBG Economic Development Downstate Small Business Stabilization funds may be used to assist private for-profit small businesses considered non-essential by the Governor's Executive Order without the ability for employees to work remotely. Businesses must have at least one full-time equivalent (FTE) employee other than the owner(s) but must not exceed 50 employees (total number of people employed) including the business owner(s).

Businesses that have multiple locations can apply for each location **if** each business has its own FEIN and operates independently of the other. If the same FEIN is used for multiple locations, the business can only apply once, utilizing the address on record with the Secretary of State.

**The following businesses are specifically ineligible for assistance:**

- Businesses that have both essential and non-essential activities.
- Not-for-profit businesses.
- Independent contractors.
- Franchises or chain businesses.
- As this grant is federally funded, businesses that involve the use of cannabis for medical and/or recreational purposes are not eligible to apply.
- Private club or business that limits membership for reasons other than capacity.
- A business that derives at least 33% of its gross annual revenue from legal gambling activities, unless, subject to the Department's approval, the business is a restaurant with gaming terminals.

- Business engaged in manufacturing or selling at wholesale, tobacco products, vaping, liquor or sexually explicit materials or in the business of manufacturing or selling firearms at wholesale or retail.
- Liquor store, an adult bookstore, non-therapeutic massage parlor, strip club or nightclub
- Pawn Shops
- Storage facility, trailer-storage yard or junk yard
- Businesses owned by public officials or state employees who are paid at least 60% of the governor's salary; their spouses, and their minor children.
- An establishment similar to any enumerated above; or
- Any other business subsequently deemed ineligible by the U.S. Department of Housing and Urban Development.

For additional information on essential and non-essential businesses, see:

<https://www2.illinois.gov/dceo/Documents/Essential%20Business%20FAQ-Flowchart.pdf>

Some exceptions to the essential business requirement *may* be made if other social-distancing directives make it impossible for the business to continue, it has subsequently closed and that situation is satisfactorily demonstrated in the application. Exceptions will be made on a case-by-case basis; all decisions are final.

Funds are available to all eligible applicants meeting program component requirements until all funds allocated to this component have been distributed. All awards in this category are predicated upon 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.

Businesses must enter into a financial assistance agreement, referred to as the "Participation Agreement", at agreed upon terms with the local government making the application and receiving the grant award. The Department has provided a boilerplate of the agreement in the application forms. The agreement language can be altered to be more stringent but not less stringent, and if altered, must be pre-approved prior to the application.

## **B. ELIGIBLE APPLICANTS**

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 Downstate Small Business Stabilization grant funding. This includes cities, villages, and counties. Municipalities must not be a HUD direct Entitlement community or located in an urban county that receives "entitlement" funds (see Section C). The primary business location (where people come to receive services) of the benefiting business must not be in an "entitlement" area. Examples:

- If the primary business address is in Springfield but the owner lives in Chatham, the business is not eligible for assistance.
- If the primary business address is in Springfield but they have a warehouse in Chatham, the business is not eligible for assistance.

- If the primary business address is in Chatham but the owner lives in Springfield, then the business is eligible for assistance.

Under the Grant Accountability & Transparency Act (GATA), all applicants (the local government) must register with the State of Illinois via the “Grantee Portal” at [www.grants.illinois.gov](http://www.grants.illinois.gov) and be pre-qualified prior to application. **Failure to register prior to application will result in a determination of “Do Not Fund”.** The applicant (local government) is required to complete the Internal Controls Questionnaire (ICQ) for Fiscal Year 2020. If the ICQ is not completed prior to application, it must be completed before the grant can be awarded. The benefiting business is not required to register on the Grantee Portal or submit an Internal Controls Questionnaire.

**C. INELIGIBLE COMMUNITIES**

Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State’s CDBG funding, and businesses located within the entitlement areas are not eligible for assistance. In 2019, Illinois had 33 metropolitan cities and eight urban counties named as Entitlements. They are:

**Urban Counties**

Cook County	Madison County
DuPage County	McHenry County
Kane County	St. Clair County
Lake County	Will County

**Metropolitan Cities**

Arlington Heights	DeKalb	Mount Prospect	Rantoul
Aurora	Des Plaines	Naperville	Rockford
Berwyn	Elgin	Normal	Rock Island
Bloomington	Evanston	Oak Lawn	Schaumburg
Champaign	Hoffman Estates	Oak Park	Skokie
Chicago	Joliet	Palatine	Springfield
Cicero	Kankakee	Pekin	Urbana
Danville	Moline	Peoria	Waukegan
Decatur			

**D. ELIGIBLE ACTIVITIES**

The business may use funds for working capital expenses (employee salaries, general operating expenses, inventory and advertising/marketing expenses).

**E. INELIGIBLE ACTIVITIES**

Only Working Capital Expenses are eligible grant activities. No other activities are eligible.

**F. REQUIREMENTS, DISCLAIMERS, FEDERAL AND STATE COMPLIANCE AREAS**

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

1. Costs incurred prior to the date of grant award 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 establish the amount of grant funds awarded, raise the individual grant ceilings, and to award funds to the next highest rated applicant(s) should funds become available due to de-obligations, etc.
4. The Department reserves the right to deny funding when submitted applications involve eligible units of government with serious unresolved audit or monitoring findings related to performance.
5. A grant agreement will be issued to the local government for a contract period of twelve months. All grants must meet the National Objective of Urgent Need for the benefiting business. If circumstances beyond a grantee's control are apparent and impact the project, a grantee may apply for an extension, which may, or may not be granted. No more than one six-month extension may be considered. Requests for Modifications must be presented to the Department and approved prior to any changes.
6. If the National Objective is not met by the benefiting business, then the grantee (unit of local government) will be required to repay the entire amount of the grant to the State. With enforcement of the Participation Agreement, the benefiting business will be required to repay the entire amount of the grant to the unit of local government.
7. Each applicant must agree to comply with all applicable federal and state requirements. **This includes 2 CFR 200, 24 CFR 570, Part 85, and the Grantee Accountability & Transparency Act (GATA).**
8. Equal Opportunity and Fair Housing Accessibility Laws require that CDBG grantees administer their project in a manner that affirmatively furthers equal opportunity and fair housing. All CDBG grantees (local governments) will be required to pass a Fair Housing Resolution prior to application, if they do not have one. There are numerous examples available through a web search. CDBG grantees must assure all activities and services are accessible to persons with disabilities.
9. A HUD Exempt/Categorically Excluded not subject to 58.5 Environmental Review form, signed and dated by the community's environmental review preparer and chief elected official must be included with the application.
10. A copy of the current FEMA FIRMeTte obtained from FEMA's Map Service Center <https://msc.fema.gov/portal/home> with the proposed business's location clearly marked must be included with the application. If the business is located in a denoted prohibited Floodway, then the business would be ineligible for assistance unless the business is a

functionally dependent use of the floodway (e.g., a riverside marina or boat repair shop).

11. A Certificate of Good Standing from the Illinois Secretary of State for the local business (does not apply to sole proprietorships) should accompany the application. The certificate can be printed from: <https://www.ilsos.gov/corporatellc/> In addition, an ITR-1 verification that the business has no tax liability with the Illinois Department of Revenue must be provided prior to grant closeout. This may be obtained at: <http://tax.illinois.gov/taxforms/misc/clearance/ITR-1.pdf>

## **G. SPECIAL REQUIREMENTS FOR ECONOMIC DEVELOPMENT**

The following requirements, in addition to those listed above, apply to applications submitted for consideration under the CDBG-Economic Development Downstate Small Business Stabilization component:

1. Grant Costs and Funding Information. All applications are assessed to determine whether CDBG funding is appropriate. The business must submit supporting financial data as indicated in Section K. The Department will review each application to determine whether funding is appropriate and whether the activity complies with the guidelines for evaluating project costs and financial feasibility set forth in 24 CFR 570.209(a). A financial review will be conducted to ensure that CDBG funds are not being substituted for available private debt financing or equity capital.
2. The amount of CDBG grant assistance provided to a business will be limited to the amount, with appropriate terms and conditions, sufficient to allow continuity of the business for 60 days or the grant ceiling, whichever is less, without substituting CDBG funds for available private debt, cash equity or other federal assistance programs.
3. The Department will conduct an analysis of the assisted Business in relation to the grant request and assess the risk. The Department may approve the project if it determines that the risk is reasonable.
4. The following will be required for all businesses as a condition of a CDBG grant award:
  - The business must identify their net income for the last three fiscal years beginning January 1, 2017 and ending December 31, 2019. Net income can be obtained from the Profit and Loss statement, generally the last item on that statement. If the Profit and Loss statements are not available, net income can be derived from total sales minus total expenses. End-of-year cash balances must also be provided. This will be either the first line item on the balance sheet or bank statements as of the last day of each fiscal year. Three years of ending cash balances must be provided for each fiscal year, as well as the current cash balance.
  - A copy of the most current bank statement for the business.
  - If available, other forms of documentation to demonstrate the lack of permanent working capital in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.



- A listing of all employees as of January 1, 2020, employees hired since then, and their status.
- A Participation Agreement between the unit of local government and the business that will receive funding.

## H. RESIDENT PARTICIPATION

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.

**NOTE: To reduce the potential for spread of COVID-19, public hearings may include virtual public hearings (alone, or in concert with an in-person hearing) if it allows questions in real time, with answers coming directly from the elected representatives to all “attendees.”**

**For virtual hearings, steps must be made to ensure that information is provided on an accessible website, that e-mails and other digital notifications are accessible, and that the application or platform used to host the hearing must also be accessible. Additional services such as audio description or captioning may also be needed to provide effective communication in a digital context. Helpful guidelines for ensuring the accessibility of web-based and digital materials are available through the World Wide Web Consortium’s Web Accessibility Initiative at <https://www.w3.org/WAI/>.**

### Resident Participation

- ◆ All applicants **must** provide for public participation. All residents 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* the date of the hearing) prior to the public hearing. **NOTE: One public hearing may cover multiple applications; information concerning each application must be included in the Notice of Public Hearing.**
- ◆ All project information must be available for viewing on the first date of publication at a location within the community.

### Conducting the Public Hearing

- ◆ Public Hearings must be facilitated by the applicant’s governing body authorized official and certified by the 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 a copy of the application.
- ◆ 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., resident, elected or appointed official, municipal employee, contractor, grant administrator, business owner, etc.). **NOTE: To reduce the potential for spread of COVID-19, a roll call may be taken or some other remote method of obtaining the names of those in attendance may replace a sign-in sheet.**
- ◆ The public hearing must cover:
  1. The amount of funds available;
  2. The activities that will be undertaken with grant funding, including amount;
  3. A detailed, prioritized list of community development and housing needs; and
  4. A narrative discussion of the scope of the project including the proposed improvements, costs, benefit area, impact on community finances, etc.

**NOTE: One public hearing may include multiple applications, but the details of each application must be discussed during the hearing, and a separate vote for a Resolution of Support must be made.**
- ◆ 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.

#### Documenting Resident Participation

The following documents must be submitted with the application.

- ◆ 7-day Notice
- ◆ Newspaper Clipping
- ◆ Publisher's Certification
- ◆ Certified Minutes
- ◆ Attendance Sheet

**As the opportunity for resident participation is a federal requirement, if the publication guideline or public hearing requirements are not met, the application will not be reviewed further nor considered for funding.**

**A sample of a public hearing notice is contained in the Application Forms section.**

## **I. INITIAL GRANTEE RESPONSIBILITY**

Successful applicants (local governments) will receive a **Notice of State Award (NOSA)** which includes information regarding your entity, grant funding, grant terms and conditions, and specific conditions assigned to the grant based on the risk assessments. To receive the formal Grant Agreement, the Grantee (local government) must indicate agreement to the contents of the NOSA by remitting its acceptance through the grants portal.

Local Governments will provide DCEO pay requests on behalf of the benefiting business. Pay requests must detail what the funds will be used for and in what amount(s). Payments will be made to the local government, who in turn will provide funds to the benefiting business.

Payments received by the local government for grant funds must be kept in a separate bank account, per federal rules. However, if the local government is receiving more than one Downstate Small Business Stabilization (DSBS) grant, all DSBS funds may be held in one account.

## J. **REPORTING**

The local government will be responsible for a 6-month report and close-out report. (For projects 6 months or less, this will mean the grantee only needs to submit 1 report).

Only the following will be required:

- Cancelled checks/bank documentation to support the funds drawn.
- Invoices/Receipts for any budget line that cumulatively exceeds 10% of the grant award

Grantees will be required to retain receipts and documentation if DCEO should require documentation, but it will not need to be submitted during the grant period.

## K. **APPLICATION NARRATIVE RESPONSES and INCLUSIONS**

All applications must include the following narrative responses and requested documentation. Please utilize the Submission Checklist contained in the Application Forms section to ensure all required application components are included and for placement in the application submission.

1. **Letter of Transmittal** – must be dated, include the amount requested, a brief project description, and additional funding amount and source; and certify that the application has been approved by the unit of local government named in the application. A sample letter of transmittal is available in the Application Forms section.
2. **State of Illinois-DCEO Uniform Grant Application** The Uniform Grant Application must be completed by the local government, and can be found in the Downstate Small Business Stabilization section at:  
<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/default.aspx>
3. **Project Information** Basic details concerning the project including information from the local government and benefiting business. (see Application Forms section for form.)
4. **Uniform GATA Budget-DSBS** Local governments and benefiting businesses should work together to complete the Uniform GATA Budget-DSBS. It can be found in the Downstate Small Business Stabilization section at:  
<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/default.aspx>

This budget has been streamlined to **only include Working Capital**. Please read and follow the directions below for completion:

Begin with the Working Capital tab on the bottom of the Excel file. An example is provided below. In this example, the business has 5 employees who work hourly at a rate of \$12.00/hour. Over the next 60 days they will each work 320 hours. The Capital Cost will automatically calculate based on the information provided. This example also includes rent at the rate of \$650/month. It will be paid twice in the next 60 days. The

State Total at the bottom of the page automatically adds up the Capital Costs. The State Total will then automatically fill in the appropriate cells in Section A.

Description	Quantity	Basis	Cost	Length of time	Capital Cost
Personnel (Salaries and Wages)	5	hourly	\$ 12.00	320	\$ 19,200.00
Fringe Benefits	5		\$ 90.00	2	\$ 900.00
Occupancy (Rent/Mortgage Payments)	1	monthly	\$ 650.00	2	\$ 1,300.00
Utilities (Electrical, Gas, Water, Sewer)	1	monthly	\$ 250.00	2	\$ 500.00
Telecommunications & Internet	1	monthly	\$ 300.00	2	\$ 600.00
Inventory/Goods Necessary	1	monthly	\$ 1,050.00	2	\$ 2,100.00
Supplies (office-related)	1	monthly	\$ 75.00	2	\$ 150.00
Contractual Services (Pest Control, Cleaning, etc.)	1	monthly	\$ 125.00	2	\$ 250.00
Other (specify):					\$ -
				<b>State Total</b>	<b>\$ 25,000.00</b>

The Narrative Summary will also be automatically filled based on the information in the Working Capital Section. You do not need to do anything further.

Complete Section A next. Verify that the State Total has transferred to the Total Revenue and Total Expenditures boxes. Fill in the Organization Name (local government) and DUNS#.

The ICI Indirect Cost Rate tab has been pre-filled to show no reimbursement for indirect costs is being requested. This is because indirect costs are not an eligible expense for this grant.

The final part of the Budget is the Certification section. This must be signed by the Chief Elected Official and the person who handles the financial affairs for the government, for example, the City Treasurer.

5. **Project Summary** – The benefiting business must provide a summary of their present situation. This should include a brief description of the Business, e.g., type of firm, its product or service, and how long they have been in business. Describe how the CDBG funds will be used and reasons why they are needed for the Business to be in a position to retain jobs. Identify specific needs. Explain what circumstances make this project necessary in maintaining adequate permanent working capital to sustain operating needs.
6. **Net Income Verification** (form is found in the Application Forms section) and should be completed by the benefiting business.
7. **Employment Documentation** (form is found in the Application Forms section). A listing of all employees as of January 1, 2020, employees hired since then, and their status, must be completed by the benefiting business.
8. **Council Resolution of Support**, required for all CDBG funded grant applications. An example can be found in the Application Forms section.

9. **Resident Participation Public Hearing Documentation** (see Application Checklist for a listing of all required documentation and a sample Public Hearing Notice).
10. **Local Government Certifications** as required for all grants and signed by the Chief Elected Official. (see Application Forms)
11. **Business Certifications** signed by the benefiting business's authorized signatory,
12. **Mandatory Disclosures** as required for all grants, signed by the chief elected official of the local government. (see Application Forms)
13. **Conflict of Interest Disclosure** as required for all grants, signed by the chief elected official of the local government. (see Application Forms)
14. **REQUIRED ATTACHMENTS from the Local Government** The following items must be attached to the Application:
  - ◆ **Fair Housing Resolution** A copy of the unit of local government's Fair Housing Resolution. Samples can be found via an internet search.
  - ◆ **W-9**
  - ◆ **SAM Registration (CAGE #)** All grantees are required to be registered in the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) for the purpose of obtaining a Commercial or 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 must be available at the time of grant award if not submitted with the application. The benefiting business does not need a SAM registration.**
  - ◆ **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 (local government). 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 local government is authorized to request a copy of this letter. This certification letter is only required for the local government. **NOTE: If an IRS Certification Letter cannot be obtained prior to application, it must be provided to the Department prior to grant award.**
  - ◆ A HUD Exempt/Categorically Excluded not subject to 58.5 **Environmental Review form**, signed and dated by the community's environmental review preparer and chief elected official must be included with the application.
  - ◆ A copy of the current **FEMA FIRMette** obtained from FEMA's Map Service Center <https://msc.fema.gov/portal/home> with the business's location clearly marked must be included with the application. If the business is in a denoted prohibited floodway, then the business would be ineligible for assistance unless

the business is a functionally dependent use of the floodway (e.g., a riverside marina or boat repair shop).

- ◆ A **Participation Agreement** between the unit of local government and the business that will receive funding. The Department has provided a boilerplate of the agreement in the application forms. The agreement language can be altered to be more stringent but not less stringent, and if altered, must be pre-approved prior to the application.

**15. REQUIRED ATTACHMENTS from the benefiting Business** The following items must be included with the Application:

- ◆ **Certificate of Good Standing** (does not apply to sole proprietorships) for the benefiting business from the Illinois Secretary of State printed from: <https://www.ilsos.gov/corporatellc/> In addition, the business must demonstrate they have satisfied all tax liability with the Illinois Department of Revenue by submitting an ITR-1 form prior to grant closeout. This may be obtained at: <http://tax.illinois.gov/taxforms/misc/clearance/ITR-1.pdf>
- ◆ **Most Recent Bank Statement** to verify cash balance. Please redact (mark out) the account number.
- ◆ If available, other forms of **documentation to demonstrate the lack of permanent working capital** in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.

**L. APPLICATION REVIEW AND EVALUATION PROCESS**

The screening and review process for the program is designed to ensure that limited CDBG program funds are awarded to communities for the use of businesses that demonstrate the need for financial assistance and meet the qualifications. The actual number and types of awards will be subject to funding availability. All recommendations are forwarded to the Director's Office, for final funding decisions.

The criteria noted below will be used to evaluate all applications requesting funding under the CDBG Economic Development Downstate Small Business Stabilization component, as well as determine the appropriate level of financial assistance:

1. Project Benefit
2. CDBG National Objective
3. CDBG Dollars

**1. Project Benefit** (information to be provided in Project Summary)

Three factors will be considered under this criterion:

- a. **Project Need** – Project need is defined as the inability of the Business to maintain sufficient permanent funding to sustain normal operating working capital needs. Describe in sufficient detail the need for the assistance and the specific role of CDBG funding, including any other options which have been pursued.

Evidence of need is demonstrated through a well-developed justification for public financing demonstrating a 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.

- b. **Financial Feasibility** – Determination must be made as to how CDBG funds can address the Business’s need to provide adequate working capital in addressing current and future working capital needs, like payroll, operating needs and short-term liabilities. A comparison must be provided as to the existing payroll that existed prior to the outbreak of the COVID-19 virus in January and current payroll. In addition to payroll, the effect of the COVID-19 virus on current and long- term liabilities.
- c. **Commitments for Job Retention** - Benefiting businesses must demonstrate they have solid commitments to remain open (for at least 60 days) OR reopen and retain or re-employ permanent jobs prior to the grant end date (one year from grant award).

## 2. National Objective – Urgent Need

The Urgent Need National Objective is defined as assistance to a business designed to alleviate existing conditions. The benefiting business certifies that such conditions pose a serious and immediate threat to the health or welfare of the business and community, they are of recent origin or recently became urgent, they are unable to finance the activity on its own, and other sources of funds are not available. Benefiting business must demonstrate through information in the Project Summary, financial documentation and employee status that they meet this objective.

## 3. CDBG Dollars Available

The program component makes CDBG funds available for 60 days of verifiable working capital up to a grant ceiling of \$25,000.

### Application Denial

For applications that are not funded, denial reasons may include, but are not limited to, the following:

- No justification of the need for funds;
- Projected financial need data, is not documented;
- Evidence that program funds replace sources of capital available to the business.
- CDBG Economic Development Small Business Stabilization funding has been exhausted.

## M. **SUBMISSION INFORMATION**

Under the Grant Accountability & Transparency Act (GATA), all applicants (local governments) must register with the State of Illinois via the “Grantee Portal” at [www.grants.illinois.gov](http://www.grants.illinois.gov) and be pre-qualified prior to application. **Failure to register prior to application will result in a determination of “Do Not Fund”.** The local government is required to complete the Internal Controls Questionnaire (ICQ) for Fiscal Year 2020. If the ICQ is not completed prior to application, it must be completed before the grant can be awarded.

Applications for the Economic Development Downstate Small Business Stabilization component may be submitted on an as-needed basis until all funds are exhausted.

All grant application materials **must** be:

- Typed (except for signatures and preprinted materials such as bank statements)
- All application materials requiring a signature from the applicant (local official) must be signed by the Chief Elected Official.
- All application materials requiring a signature from the benefiting business must be signed by the Business's Authorized Signatory.

**The complete grant package in the order specified on the Submission Checklist (Application Forms section) must be scanned into one document.**

**The document must be e-mailed as an attachment to: [ceo.ocd@illinois.gov](mailto:ceo.ocd@illinois.gov) with the subject line: SBS Application -Local Government-Business.**

For example: SBS Application-Whoville-Pop's Restaurant

**N. FOR FURTHER INFORMATION and TECHNICAL ASSISTANCE:**

**Contact the grant manager for your area. Maps may be found at:**

**<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Documents/Community%20Outreach%20Map%20March%202020.pdf>**

**E-Mail: [ceo.ocd@illinois.gov](mailto:ceo.ocd@illinois.gov)**

**Call: 217/785-6174**



**DOWNSTATE SMALL BUSINESS STABILIZATION PROGRAM**  
**APPLICATION FORMS**

### CDBG Application Submission Checklist

All CDBG applications will be screened for completeness. Applicants must complete and submit this checklist with the application. **Please ensure your Application includes all of the listed information.** Use the right-hand column, labeled "Page Number" to indicate the page for each item.

<u>PROJECT INFORMATION</u>	<u>PAGE NUMBER</u>
___ Completed Submission Checklist (This Page)	_____
___ Letter of Transmittal from Chief Elected Official	_____
___ State of Illinois - DCEO Uniform Grant Application (completed by local government)	_____
___ Applicant Project Information (local government & benefiting business information)	_____
___ Uniform GATA Budget-DSBS (completed by the local government and benefiting business)	_____
___ Project Summary (from benefiting business)	_____
___ Net Income Verification (from benefiting business)	_____
___ Copy of Most Recent Bank Statement (from benefiting business)	_____
___ Other Supporting Documentation (from benefiting business)	_____
___ Documentation of Employee Status (from benefiting business)	_____
___ Council Resolution of Support	_____
___ Resident Participation:	_____
___ 7-Day Public Hearing Notice	_____
___ Publisher's certification	_____
___ Certified minutes	_____
___ Attendance sheet(s)	_____
___ Local Government Certifications	_____
___ Business Certifications	_____
___ Mandatory Disclosures (completed by local government)	_____
___ Conflict of Interest (completed by local government)	_____
___ Fair Housing Resolution	_____
___ W-9 (for local government)	_____
___ SAM Registration (CAGE # - for local government)	_____
___ IRS Certification Letter (for local government)	_____
___ HUD Exempt/Categorically Excluded not subject to 58.5 Environmental Review form	_____
___ FEMA FIRMette with business location marked	_____
___ Participation Agreement	_____
___ Certificate of Good Standing from the Secretary of State of Illinois (from benefiting business)	_____
<i>This requirement does not apply if the benefiting business is a Sole Proprietorship. Indicate N/A.</i>	_____

Letter of Transmittal  
On Local Government Letterhead

Date \_\_\_\_\_

Director's Office  
Illinois Department of Commerce and Economic Opportunity  
500 East Monroe  
Springfield, Illinois 62701

Dear Director:

The <sup>1</sup> \_\_\_\_\_ is submitting an application for an Economic Development Downstate Small Business Stabilization grant under the Community Development Block Grant (CDBG) Program. The grant request is in the amount of <sup>2</sup> \$ \_\_\_\_\_ to be used to provide working capital needs for <sup>3</sup> \_\_\_\_\_. <sup>3</sup> \_\_\_\_\_ has been a part of the <sup>1</sup> \_\_\_\_\_ community since <sup>5</sup> \_\_\_\_\_ and normally employs <sup>6</sup> \_\_\_\_\_. <sup>3</sup> \_\_\_\_\_ has been negatively impacted by the COVID-19 emergency and requires urgent assistance. We appreciate your consideration.

Very truly yours,

4 \_\_\_\_\_

– **Delete Key prior to Submission** –

<sup>1</sup>Unit of Local Government;

<sup>2</sup>Amount Requested;

<sup>3</sup>Benefiting Business

<sup>4</sup>Signature Block (Chief Elected Official)

<sup>5</sup>Date benefiting business started in the community

<sup>6</sup>Number of employees of the business on December 31, 2019

***Insert Uniform Grant Application here.***

*Completed by the local government.*

The Uniform Grant Application can be found at the bottom of this webpage:

<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/DownstateSmBizStabilization.aspx>

**CDBG APPLICANT PROJECT INFORMATION  
ECONOMIC DEVELOPMENT COMPONENT**

**I. PRE-APPLICATION REQUIREMENTS**

\_\_\_\_\_ DATE APPLICANT COMPLETED REGISTRATION ON GATA PORTAL (www.grants.illinois.gov)

\_\_\_\_\_ DATE APPLICANT COMPLETED GATA'S "INTERNAL CONTROL QUESTIONNAIRE"  
(ICQ) Does not need to be completed at time of application but must be prior to grant award.

**Council Resolution Information**

Council Resolution Support Date (MM/YY/DD):	
Resolution Number:	

**II. Amount of Funding Request: \$ \_\_\_\_\_**

FINANCING GAP - For Economic Development Grants, this argument will demonstrate that a business can raise only a portion of the financing necessary to stay in business. Documentation must be provided within the application which supports the argument. Written evidence to include the business's most recent bank statement, completion of the Net Income Verification, Monthly Budget and Employee Status Documentation. The Department will consider other forms of documentation to demonstrate the lack of permanent working capital in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, etc.

**III. APPLICATION WRITER**

First Name			
Last Name			
Title			
Agency Name			
Agency Type			
Mailing Address			
Telephone		Email	
Federal Employer Identification Number			

**IV. BENEFITING BUSINESS INFORMATION****Name of Business this application is in support of:**

Supported Business Name: \_\_\_\_\_

Is Business operating under an Assumed Name? (see 805 ILCS 405)

\_\_\_\_\_ Yes, registered in \_\_\_\_\_ County \_\_\_\_\_ No

Supported Business Address 1: \_\_\_\_\_

Supported Business Address 2: \_\_\_\_\_

Supported Business City: \_\_\_\_\_

Supported Business State: \_\_\_\_\_

Supported Business Zip: 99999-9999: \_\_\_\_\_

Supported Business Phone Number \_\_\_\_\_

Supported Business E-Mail Address: \_\_\_\_\_

Supported Business FEIN or ITIN: \_\_\_\_\_

Supported Business DUNS (if not available, insert N./A): \_\_\_\_\_

Supported Business SIC: <https://www.naics.com/sic-codes-industry-drilldown/> \_\_\_\_\_**Supported Business Authorized Signatory Contact:***Signatory must sign Participation Agreement and Business Certification Form*

Last Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Title: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_

Home Phone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Has this business received federal or state funding (loans, grants or other assistance) related to the COVID19 emergency? \_\_\_\_\_ No \_\_\_\_\_ Yes If yes, provide the name/type of assistance and amount:

Funding Program Name: \_\_\_\_\_ Amount Received: \$ \_\_\_\_\_

Funding Program Name: \_\_\_\_\_ Amount Received: \$ \_\_\_\_\_

BANKRUPTCY: Has the firm, officers or principals of the firm ever been involved in bankruptcy or insolvency procedures? \_\_\_\_\_ No \_\_\_\_\_ Yes If yes, provide details:

PENDING LAWSUITS: Is the business or any officers or principals of the business involved in any lawsuits?

\_\_\_\_\_ No \_\_\_\_\_ Yes If yes, provide details:

***Insert Uniform GATA Budget-DSBS here.***

*Completed by the local government and benefiting business.*

The Uniform Grant Application can be found at the bottom of this webpage:

<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/DownstateSmBizStabilization.aspx>

**PLEASE FOLLOW DIRECTIONS BEGINNING ON PAGE 9 OF THE GUIDEBOOK  
TO COMPLETE THE GATA BUDGET-DSBS**



## *Insert Project Summary here*

Provide a summary of the business' present situation. This should include a brief description of the Business, e.g., type of firm, its product or service, and how long they have been in business. Describe how the CDBG funds will be used and reasons why they are needed in order for the Business to be in a position to retain jobs. Specific needs need to be identified. Explain what circumstances make this project necessary, in maintaining adequate permanent working capital to sustain operating needs.

## NET INCOME VERIFICATION

The business must identify their net income for the last three fiscal years beginning January 1, 2017 and ending December 31, 2019. Net income can be obtained from the Profit and Loss statement, generally the last item on that statement. If the Profit and Loss statements cannot be found, net income can be derived from total sales minus total expenses. In addition, cash balances must be provided. This will be either the first line item on the balance sheet or bank statements as of the last day of each fiscal year. Three years of ending cash balances must be provided for each fiscal year.

<b>Fiscal Year Ending:</b>	<b>Net Income</b>	<b>Net Income derived from Profit/Loss Statement? (Yes/No)</b>	<b>Net Income calculated from total sales – total expenses? (Yes/No)</b>	<b>Cash Balance</b>
December 31, 2017				
December 31, 2018				
December 31, 2019				
<b>Current:</b>				

## JANUARY, 2020 MONTHLY BUDGET

Provide the appropriate information below reflecting your business's monthly budget for January, 2020.

<b>Budget Item</b>	<b>Total Monthly Expenditures</b>	<b>Monthly Net Income Computation</b>
<b>Total Income</b>		
Personnel (Salary & Wages)		
Fringe Benefits		
Equipment		
Inventory		
Supplies		
Occupancy (Rent & Utilities)		
Telecommunications		
Other (Specify)		
Other (Specify)		
Other (Specify)		
<b>Total of All Expenditures</b>		
<b>Monthly Net Income (Total Income – Total of All Expenditures)</b>		

***Insert Most Recent Bank Statement here.***

*From the benefiting business. Please make certain to redact (mark out) the account number.*

## ***Insert Additional Documentation here.***

*From the benefiting business.*

If available, other forms of **documentation to demonstrate the lack of permanent working capital** in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.



**COUNCIL RESOLUTION OF SUPPORT**

**Resolution No. \_\_\_\_\_**

**(The Resolution CANNOT be dated prior to the date of the Public Hearing)**

WHEREAS, the (unit of local government) is applying to the State of Illinois for a Community Development Block Grant Program grant, and

WHEREAS, it is necessary that an application be made, and agreements entered with the State of Illinois.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1) that the (unit of local government) apply for a grant under the terms and conditions of the State of Illinois and shall enter in to and agree to the understandings and assurances contained in said application.
- 2) that the Mayor (County Board Chairman) and City Clerk (County Clerk) on behalf of the City (County) execute such documents and all other documents necessary for the carrying out of said application.
- 3) that the Mayor (County Board Chairman) and City Clerk (County Clerk) are authorized to provide such additional information as may be required to accomplish the obtaining of such grant.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. (date required)

ATTEST: \_\_\_\_\_  
City Clerk (County Clerk)

\_\_\_\_\_  
Mayor (County Board Chairman)

## **PUBLIC HEARING NOTICE**

***Reasonable access to all available application materials must be provided where all persons within the community will have reasonable access (e.g., Village or City Hall or a public area such as a post office, web page, community center, bank, etc. located within the same county as the applicant) and shall be available for a reasonable amount of time to allow for response and comment.***

(Applicant) will hold a public hearing on (date), at (time), in (place) to provide interested parties an opportunity to express their views on the proposed Downstate Small Business Stabilization application funded by Community Development Block Grant (CDBG) funds. Persons with disabilities or non-English speaking persons who wish to attend the public hearing and need assistance should contact (name, address, and phone #) no later than (date). Every effort will be made to make reasonable accommodations for these persons.

On or about (date of application submission), (Applicant) intends to apply to the Illinois Department of Commerce and Economic Opportunity for a grant from the State CDBG program. This program is funded by Title 1 of the federal Housing and Community Development Act of 1974, as amended. These funds are to be used to provide working capital for the benefit of \_\_\_\_\_ (business). The total amount of CDBG funds to be requested is \$(Amount requesting) and will address the urgent needs of the business due to the COVID-19 emergency.

Information related to this application will be available for review prior to the public hearing as of (date of publication) at the office (location within the community) between the hours of (office hours). Interested citizens are invited to provide comments regarding these issues either at the public hearing or by prior written statement. Written comments should be submitted to (name and address—this may be the community or the application writer) no later than (date of public hearing) to ensure placement of such comments in the official record of the public hearing proceedings. This project will result in no displacement of any persons or businesses. For additional information concerning the proposed project, please contact (name, telephone number) or write to (person, address).



## ***Insert Seven Day Notice of Hearing here.***

The 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* the date of the hearing) prior to the public hearing. All project information must be available for viewing on the first date of publication at a location within the community.

***Insert Newspaper Clipping and Publisher's  
Certification here.***

***Insert Certified Minutes here.***

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.

## *Insert Attendance Sheets here.*

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., resident, elected or appointed official, municipal employee, contractor, grant administrator, business owner, etc.). **NOTE: To reduce the potential for spread of COVID-19, a roll call may be taken or some other remote method of obtaining the names of those in attendance may replace a sign-in sheet.**

## LOCAL GOVERNMENT CERTIFICATIONS

On this (date) of (month), (year), the (title and name of the Chief Elected Official) of (name of the local government) hereby certifies to the Department of Commerce and Economic Opportunity in regard to an application and award of funds through the Community Development Block Grant that:

1. It will comply with the National Environmental Policy Act (NEPA) with the submission of this application and it further certifies that no aspect of the project for assistance has or shall commence prior to the award of funds to the community and the receipt of an environmental clearance.
2. It will comply with the Interagency Wetland Policy Act of 1989 including the development of 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.
3. It will comply with the Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act by completing the consultation process with the Endangered Species Consultation Program of the Illinois Department of Natural Resources, or providing written evidence that the proposed project is exempt.
4. It will identify and document all appropriate permits necessary to the proposed project, including, but not limited to: building, construction, zoning, subdivision, IEPA and IDOT.
5. No legal actions are underway or being contemplated that would significantly impact the capacity of the (name of local government) to effectively administer the program, and to fulfill the requirements of the CDBG program.
6. It will coordinate with the County Soil and Water Conservation District regarding standards for surface and sub-surface (tile) drainage restoration and erosion control in the fulfillment of any project utilizing CDBG funds and involving construction.
7. It is understood that the obligation of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly or federal funding source fails to appropriate or otherwise make available sufficient funds for this agreement.
8. It acknowledges the applicability of Davis-Bacon prevailing wage rate requirements to construction projects; a wage rate determination must be obtained prior to commencement of any construction or equipment installation; and, it shall discuss these requirements with the contractor.
9. It will comply with Section 3 of the Housing and Urban Development Act of 1968 to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low and very low income persons and businesses.
10. It certifies that no occupied or vacant occupiable low-to-moderate income dwellings will be demolished or converted to a use other than low-to-moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended.
11. It will conduct a Section 504 self-evaluation of its policies and practices to determine whether its employment opportunities and services are accessible to persons with disabilities.
12. It will comply with 2 CFR 200, 24 CFR 570, Part 85, and the Illinois' Grant Accountability and Transparency Act (GATA).
13. The area, in whole or in part, in which project activities will take place, **IS** or **IS NOT** (circle one) located in a floodplain.  
**A FEMA Floodplain map is included in the application (as required) and is located on Page \_\_\_\_\_**
14. DUNS Number: (# enter DUNS number here).

\_\_\_\_\_  
Signature of Chief Elected Official

\_\_\_\_\_  
Date

## BUSINESS CERTIFICATIONS

**The Business understands that no aspect of the project proposed for assistance will commence prior to the award of funds to the community and the receipt of environmental clearance.**

The Business certifies that it is a Business in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. The Business further authorizes the Department of Commerce and Economic Opportunity to seek a tax clearance letter from the Illinois Department of Revenue and authorizes the Department of Revenue to provide such a letter stating whether the records of the Department show that Borrower is in compliance with all tax acts administered by the Department of Revenue and to which Borrower is subject.

The Business also certifies that no tax liens, including but not limited to, municipal, county, state, or federal, have been filed against the Business, any partners of the Business, the majority shareholder of the Business, or in the name of a related business owned by the recipient.

The Business authorizes the Department of Commerce and Economic Opportunity to verify in any manner deemed appropriate any and all items indicated in this application which includes information obtained through the Illinois Department of Employment Security, Consumer Credit Bureau Services, business reporting services such as Dun and Bradstreet and criminal history record check.

The Business certifies that all information and documentation contained in this application, is accurate, complete and true to the best of his/her knowledge.

The Business certifies that it has read and understands the application guidelines.

\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed Name of Chief Executive Officer

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
FEIN #

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
DUNS #

\_\_\_\_\_  
SIC #

**MANDATORY DISCLOSURES**

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as “Grantee”) must disclose, in a timely manner and in writing to the State awarding agency, all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. See 30 ILCS 708/40; 44 Ill. Admin Code § 7000.40(b)(4); 2 CFR § 200.113. Failure to make the required disclosures may result in remedial action.

Please describe all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the awarding of a grant to your organization:

Grantee has a continuing duty to disclose to the Department of Commerce and Economic Opportunity (the “Department”) all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this grant award.

By signing this document, below, as the duly authorized representative of the Grantee, I hereby certify that:

- All of the statements in this Mandatory Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- There is no action, suit or proceeding at law or in equity pending, nor to the best of Grantee’s knowledge, threatened, against or affecting the Grantee, before any court or before any governmental or administrative agency, which will have a material adverse effect on the performance required by the grant award.
- Grantee is not currently operating under or subject to any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of the Grantee’s knowledge, it is not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority.
- If Grantee becomes the subject of an action, suit or proceeding at law or in equity that would have a material adverse effect on the performance required by an award, or an investigation by any state or federal regulatory, law enforcement or legal authority, Grantee shall promptly notify the Department in writing.

Grantee Organization: **Local Government**

By: \_\_\_\_\_  
Signature of Authorized Representative

Printed Name: **Chief Elected Official Name**

Printed Title: **Chief Elected Official Title**                      Date:

## CONFLICT OF INTEREST DISCLOSURE

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as “Grantee”) must disclose in writing to the awarding State agency any actual or potential conflict of interest that could affect the State award for which the Grantee has applied or has received. See 30 ILCS 708/35; 44 Ill. Admin Code § 7000.40(b)(3); 2 CFR § 200.112. A conflict of interest exists if an organization’s officers, directors, agents, employees and/or their spouses or immediate family members use their position(s) for a purpose that is, or gives the appearance of, being motivated by a desire for a personal gain, financial or nonfinancial, whether direct or indirect, for themselves or others, particularly those with whom they have a family business or other close associations. In addition, the following conflict of interest standards apply to governmental and non-governmental entities.

- a. Governmental Entity.** If the Grantee is a governmental entity, no officer or employee of the Grantee, member of its governing body or any other public official of the locality in which the award objectives will be carried out shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.
- b. Non-governmental Entity.** If the Grantee is a non-governmental entity, no officer or employee of the Grantee shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.

The Grantee shall also establish safeguards, evidenced by policies, rules and/or bylaws, to prohibit employees or officers of Grantee from engaging in actions, which create, or which appear to create a conflict of interest as described herein.

**The Grantee has a continuing duty to immediately notify the Department of Commerce and Economic Opportunity (the “Department”) in writing of any actual or potential conflict of interest, as well as any actions that create or which appear to create a conflict of interest.**

*Please describe all current potential conflict(s) of interest, as well as, any actions that create or which appear to create a conflict of interest related to the State award for which your organization has applied.*

If the Grantee provided information above regarding a current potential conflict of interest or any actions that create or appear to create a conflict of interest, the Grantee must immediately provide documentation to the applicable Department grant manager to support that the potential conflict of interest was appropriately handled by the Grantee’s organization. If at any later time, the Grantee becomes aware of any actual or



potential conflict of interest, the Grantee must notify the Department’s grant manager immediately, and provide the same type of supporting documentation that describes how the conflict situation was or is being resolved.

Supporting documentation should include, but is not limited to, the following: the organization’s bylaws; a list of board members; board meeting minutes; procedures to safeguard against the appearance of personal gain by the organization’s officers, directors, agents, and family members; procedures detailing the proper internal controls in place; timesheets documenting time spent on the award; and bid documents supporting the selection of the contractor involved in the conflict, if applicable.

By signing this document, below, as the duly authorized representative of Grantee, I hereby certify that:

- All of the statements in this Conflict of Interest Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- If I become aware of any situation that conflicts with any of the representations herein, or that might indicate a potential conflict of interest or create the appearance of a conflict of interest, I or another representative from my organization will immediately notify the Department’s grant manager for this award.
- I have read and I understand the requirements for the Conflict of Interest Disclosure set forth herein, and I acknowledge that my organization is bound by these requirements.

Grantee Organization: **Local Government Name**

By: \_\_\_\_\_  
Signature of Authorized Representative

Printed Name: **Chief Elected Official Name**

Printed Title: **Chief Elected Official Title**

Date:

## ***Insert Copy of Fair Housing Resolution here.***

All CDBG grantees (local governments) will be required to pass a Fair Housing Resolution prior to application, if they do not have one. There are numerous examples available through a web search.

*Insert Local Government's W-9 here.*

***Insert Local Government's  
SAM Registration (CAGE#) here.***

If not available at time of application, must be received prior to grant award.

***Insert Local Government's  
IRS Certification Letter here.***

If not available at time of application, must be received prior to grant award.

## *Insert Environmental Review form here.*

A HUD Exempt/Categorically Excluded not subject to 58.5 **Environmental Review form**, signed and dated by the community's environmental review preparer and chief elected official must be included with the application. This can be found in the Downstate Small Business Stabilization section on:

<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/default.aspx>

## *Insert FEMA FIRMette here.*

A copy of the current **FEMA FIRMette** obtained from FEMA's Map Service Center <https://msc.fema.gov/portal/home> with the business's location clearly marked must be included with the application. If the business is located in a denoted prohibited floodway, then the business would be ineligible for assistance unless the business is a functionally dependent use of the floodway (e.g., a riverside marina or boat repair shop).

## **PARTICIPATION AGREEMENT**

**THIS AGREEMENT** is made as of the \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the City of \_\_\_\_\_ ("Unit of Local Government") and \_\_\_\_\_, Inc., (Benefiting "Business").

**WHEREAS**, the Unit of Local Government is interested in maintaining its economic base with the primary emphasis on retaining jobs.

**WHEREAS**, the Unit of Local Government has entered into an agreement with the Illinois Department of Commerce and Economic Opportunity to implement an economic development program that significantly impacts upon the Unit of Local Government's economic base; and

**WHEREAS**, the Business is interested in maintaining its employment base; and

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the parties agree as follows:

### **I. GENERAL DEFINITIONS**

- 1.1 **"Application"** shall mean all materials submitted by the Business to the Unit of Local Government or the State of Illinois in connection with this Agreement.
- 1.2 **"DCEO Funds"** shall mean the sum of \$\_\_\_\_\_ representing the grant received by the Unit of Local Government pursuant to its agreement with the Illinois Department of Commerce and Economic Opportunity (DCEO).

### **II. PERFORMANCE**

- 2.1 The Unit of Local Government agrees, subject to the terms and conditions of this Agreement, to provide grant funds to the Business for the purpose of working capital.
- 2.2 Grant funds shall be paid with Community Development Block Grant funds through DCEO.
- 2.3 Business must remain open or reopen and retain or re-employ permanent jobs prior to the grant end date (one year from grant award).
- 2.4 In the event the Unit of Local Government fails to receive the DCEO funds, for any reason, this Agreement shall be terminated, at the sole option of the Unit of Local Government, without fault as to either party.

### **III. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE BUSINESS**

- 3.1 On or prior to the date of this Agreement, all legal matters incident to this Agreement and the transactions contemplated hereby shall be satisfactory to the Unit of Local Government.



- 3.2 Business represents and warrants that:
- (a) Business is a sole proprietorship, corporation or partnership, as the case may be, duly formed, validly existing and in good standing under the laws of Illinois, is duly licensed and duly qualified as a foreign corporation or partnership, as the case may be, in good standing in all the jurisdictions in which the character of the property owned or leased or the nature of the business conducted by it requires such licensing or qualification and has all proprietorship, corporate or partnership powers, as the case may be, and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.
  - (b) The execution, delivery and performance by Business of this Agreement, are within Business's proprietorship, corporate or partnership powers, have been duly authorized by all necessary proprietorship, corporate or partnership action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene any provision of applicable law or regulation or of the Articles of Incorporation or By-Laws or Partnership Agreement of Business, as the case may be.
  - (c) This Agreement constitutes a valid and binding agreement of Business.
  - (d) The Application is in all respects true and accurate and there are no omissions or other facts or circumstances which may be material to this Agreement or the Project.
  - (e) The financial information delivered to Unit of Local Government pursuant to the Application fully and accurately present the financial condition of the Business. No material adverse change in the condition, financial or otherwise, of Business has occurred since the date of the financial statements most recently delivered to the Unit of Local Government.
  - (f) Neither Business nor, to the best of Business's knowledge, any of Business's employees have been convicted of bribing or attempting to bribe an officer or employee of the Unit of Local Government, nor has the Business made an admission of guilt of such conduct which is a matter of record.
- 3.3 The Business shall keep detailed records of all matters related to this Agreement (including the Exhibits hereto). The Business shall provide to the Unit of Local Government all materials necessary for the Unit of Local Government to meet reporting and other requirements of this grant.
- 3.4 The Business shall comply with all applicable state and federal law and regulations promulgated thereunder. Business shall comply with all applicable laws and regulations prohibiting discrimination on the basis of race, sex, religion, national origin, age or handicap, including but not limited to the Illinois Human Rights Act, as now or hereafter amended, and the Equal Employment Opportunity Clause promulgated pursuant thereto.
- 3.5 Business shall fully and completely indemnify, defend and hold harmless the Unit of Local Government and the State of Illinois and their officers, directors, employees and

agents against any liability, judgment, loss, cost, claim, damage (including consequential damage) or expense (including attorney's fees and disbursements, settlement costs, consultant fees, investigation and laboratory fees) to which any of them may become subject insofar as they may arise out of or are based upon this Agreement or any agreement or document executed by Business and Unit of Local Government as part of the transaction described herein.

- 3.6 The Unit of Local Government shall have the right of access, at all reasonable hours, to Business's premises and books and records for purpose of determining compliance with this Agreement. In addition to the reporting specifically required hereunder, Business shall furnish to the Unit of Local Government such information as the Unit of Local Government may reasonably request with respect to this Agreement.

#### **IV. DEFAULT AND REMEDIES**

- 4.1 If one or more of the following events ("Defaults") occurs and is not timely cured, then, the Unit of Local Government may declare Business in default under this Agreement and seek any of the enumerated remedies described in this Section.
- (a) Business fails to observe or perform any covenant or agreement contained in this Agreement, including the Exhibits hereto, for 10 days after written notice to cure thereof has been given to Business by the Unit of Local Government;
  - (b) Any representation, warranty, certificate or statement made by Business in this Agreement, including the Exhibits hereto, or in any certificate, report, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect when made in any material respect;
  - (c) Business shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;
  - (d) An involuntary case or other proceeding shall be commenced against Business seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceedings shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against Business under the federal bankruptcy laws as now or hereafter in effect;

- (e) Business ceases the conduct of active trade or business in the Unit of Local Government's community for any reason, including, but not limited to, fire or other casualty; and does not reopen prior to the end date of the grant agreement.
- 4.2 If a Default occurs and is not timely cured, then the Unit of Local Government shall seek reimbursement from the Business for all funds (including DCEO funds) expended by the Unit of Local Government on or related to the Project, including, but not limited to working capital, equipment, architectural engineering, construction, administrative, real estate and incidental costs related thereto.
- 4.3 Upon notice of a Default and if said Default is not timely cured, the Unit of Local Government shall notify the Business that reimbursement shall be made to the Unit of Local Government within 30 days after said notice. If the Business fails to reimburse the Unit of Local Government within 30 days after the date of the notice, the Unit of Local Government shall have the right to collect interest on the unpaid balance beginning on the 31<sup>st</sup> day after notice at a rate equal to 12% per annum.
- 4.4 If the Unit of Local Government is successful in any proceeding to enforce the terms of this Agreement, then the Unit of Local Government shall have the right to obtain from the Business, as an additional remedy, attorney fees, costs and expenses, related to the proceeding.

## V. TERMINATION

- 5.1 This Agreement may be terminated at any time by written, mutual agreement of the parties, provided the Unit of Local Government has obtained written consent from the Illinois Department of Commerce and Economic Opportunity as to such termination.
- 5.2 This Agreement may be terminated by the Unit of Local Government whenever it issues a notice of Default to the Business and the Business does not timely cure the Default pursuant to Section IV.
- 5.3 This Agreement will terminate when the Project has been completed and when all of the terms and conditions of this Agreement (including the Exhibits thereto) creating duties upon the Business, have been satisfied by the Business.

## VI. GENERAL PROVISIONS

- 6.1 Notice required hereunder shall be in writing and shall be deemed to have validly served, given or delivered upon deposit in the United States mail, by registered mail, return receipt requested, at the address set forth on the signature page hereof or to such other address as each party may specify for itself by like notice.
- 6.2 All covenants, agreements, representations and warranties made herein and, in the certificates, delivered pursuant hereto shall survive the execution of the Agreement and shall continue in full force and effect so long as the Agreement shall be in force.

- 6.3 No failure or delay by the Unit of Local Government in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
- 6.4 Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be invalid under applicable law, such provision shall be ineffective to the extent of such invalidity without invalidating the remaining provisions of this Agreement.
- 6.5 This Agreement represents the full and complete agreement between the parties with respect to the matters addressed herein and there are no oral agreements or understandings between the parties.
- 6.6 This Agreement shall be construed in accordance with and governed by the law of the State of Illinois.
- 6.7 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.
- 6.8 No modification of or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto, and provided further, that the Unit of Local Government shall obtain written consent of the Illinois Department of Commerce and Economic Opportunity prior to executing any such modification or waiver.
- 6.9 The Business certifies that it has not been barred from bidding on or receiving State contracts as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (bid rigging or bid rotating, respectively) (720 ILCS 5/33E-3 and 5/33-4).
- 6.10 The Business certifies that it has not been barred from being awarded a contract or subcontract under Section 50-5 of the Illinois Procurement (Code 30 ILCS 500).
- 6.11 The Business acknowledges that receipt of benefits under this agreement may require compliance with the Prevailing Wage Act (820 ILCS 130). Persons willfully failing to comply with or violating this act may be in violation of the Criminal Code. Questions concerning compliance with the Prevailing Wage Act should be directed to the Illinois Department of Labor.
- 6.12 The Unit of Local Government acknowledges that if the project as proposed by this Agreement is completed in accordance with this Agreement and the Agreement executed between the Unit of Local Government and the Department of Commerce and Economic Opportunity then the provisions cited above in 6.9; 6.10; and 6.11 do not apply to the Business but do apply to the activities to be completed by the Unit of Local Government.

**IN WITNESS WHEREOF**, the parties executed this Agreement the day and year first above written.

(Business Name)

\_\_\_\_\_  
By: (Name of Officer)  
Its: President

\_\_\_\_\_  
By: Honorable (Name of Mayor)  
Its: Mayor

Address:

Address:

***Insert Benefiting Business's Certificate of Good Standing from Secretary of State here.***

The certificate can be printed from: <https://www.ilsos.gov/corporatellc/>

This requirement does not apply if the benefiting business is a Sole Proprietorship.