**Section 110.104 Application Evaluation for Competitive Housing Rehabilitation Component**

a) Explanation of Application Ranking System

1) Applicants will compete in a formalized ranking system. Applications will undergo an initial review to determine eligibility in 2 areas: Benefit to Low- and Moderate-Income Persons and Leverage Funds. Upon meeting the minimum eligibility thresholds, applications will compete in a formalized ranking system.

2) Applications will be ranked in 4 areas: Project Need, Project Impact, Evidence of Coordination of Resources, and Project Readiness. The Department will then select projects for funding out of the top-ranking projects as determined under subsection (b)(2) until all available funds are expended.

b) Criteria for Selection of Projects

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

2) Comparative Assessment of Applications

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

i) A comparative assessment of projects – e.g., project impact, local contribution, community need, etc.;

ii) A verification of submitted application information;

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

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

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

c) Eligibility Thresholds

1) Benefit to Low- and Moderate-Income Persons: Applications must document that the project will benefit 100% low- to moderate-income persons. Applications which do not document benefit to low- to moderate-income persons will not be considered further.

2) Leverage Funds: Applications must provide evidence that at least 20% of non-administrative housing rehabilitation costs will be provided from non-CDBG sources, except accessibility projects, which will not be required to provide leverage.

d) Ranking Criteria

1) Project Need

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

i) Demonstrated that the extent of housing deficiencies is widespread and serious and the percentage of substandard units occupied by low- to moderate-income persons is high relative to the total number of households in the area;

ii) Identified specific local conditions that have contributed or are contributing to the deterioration or lack of affordable housing;

iii) Described previous efforts to address housing problems that have not resolved the housing deficiencies, including a description of why the efforts failed to solve the problem.

B) An application shall receive a moderate rating if the project only "moderately" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(1)(A).

C) An application shall receive a minimum rating if the project only "minimally" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(1)(A).

D) An application shall receive a "no rating" if it fails to fully meet the standards in subsection (d)(1)(A).

2) Project Impact

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

i) Demonstrated that a substantial number of the housing units in need of rehabilitation in the identified project area will be repaired;

ii) Demonstrated that the proposed housing rehabilitation project addresses the identified needs and deficiencies and moves to resolve the problems; and

iii) Outlined how the targeted need or area is clearly distinguished from the overall housing needs in the community.

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

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

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

3) Evidence of Coordination of Resources

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

i) Explained the use of all available resources including a description of local efforts to revitalize the area to achieve maximum impact upon the targeted need or area;

ii) Described the extent to which the proposed project represents the most effective option for achieving maximum impact; and

iii) Provided evidence that the applicant has coordinated activities with a local social service provider regarding the identification of eligible households and housing units in need of rehabilitation to meet accessibility standards.

B) An application shall receive a moderate rating if the project only "moderately" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(3)(A).

C) An application shall receive a minimum rating if the project only "minimally" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(3)(A).

D) An application shall receive a "no rating" if it fails to fully meet the standards in subsection (d)(3)(A).

4) Project Readiness

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

i) Developed a preliminary list of qualified general contractors which have expressed an interest in, and are available to perform, the proposed rehabilitation activities;

ii) Demonstrated substantial homeowner interest in both loan and/or grant portions of the identified project;

iii) Documented that operational procedures and administrative structure have been established at the local level;

iv) Documented that qualifications of, and procedures for selection of, housing inspectors have been established;

v) Identified the specific types of, and priorities given to, work to be performed, including cost estimates;

vi) Established clear and measurable rehabilitation standards and proposed a reasonable implementation schedule;

vii) Included a description of the local application process that identified how the targeted population will be notified and encouraged to apply; and

viii) Developed preliminary financing plans, such as a commitment of leverage funds and a financing structure that considers residents' incomes.

B) An application shall receive a moderate rating if the project only "moderately" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(4)(A).

C) An application shall receive a minimum rating if the project only "minimally" addresses the criteria or does not fully meet any one of the criteria in subsection (d)(4)(A).

D) An application shall receive a "no rating" if it fails to fully meet the standards in subsection (d)(4)(A).

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