**Section 110.230 Recapture Strategy Requirements**

As a condition of approval for releasing CDAP funds, each grantee undertaking an RF program for local economic development shall submit for Department approval an RF Plan, also known as a "recapture strategy", pursuant to Section 110.210(b) of this Subpart. This plan shall describe the policies and procedures governing the RF and provide sufficient information to assure the Department that the RF shall be administered in conformance with this Subpart. The elements listed below shall be included in the RF Plan:

a) RF Goals and Objectives: A clear set of goals and objectives for the RF shall be developed. These goals and objectives shall serve as a basis for the development of an organizational strategy and operating plan.

b) RF Strategy: A strategy shall be developed that describes how the RF will achieve the stated goals and objectives. This strategy shall include:

1) A description of the eligible uses of the funds.

2) A description of the geographic area within which the funds will be utilized.

3) A description of the RF's targeting strategy (e.g., retention of traditional industrial base firms, start-up firms, minority and women-owned businesses). The RF's business targeting strategy shall tie closely with its economic development goals and objectives.

4) A description of how the applications will be generated from potential recipients, including how minority-owned businesses will be reached.

c) RF Management Plan: A system for effectively managing the RF shall be developed. This system shall:

1) Describe the financial assistance decision-making process, including any advisory bodies or financial assistance review committees.

2) Identify how the RF will be staffed. The staff shall have expertise in financial analysis and packaging.

3) Describe how the Financial Assistance Agreements will be serviced and monitored to hold the recipient accountable for receiving public benefit.

4) If the grantee elects to utilize one or more Financial Intermediary Agreements, it shall describe how financial intermediaries may be used to accomplish the purposes of this Section.

d) Assurances: A RF recapture strategy shall be developed that includes the following assurances:

1) No more than 10% of the annual program income of the RF shall be used for administration of the RF and such costs shall be documented.

2) Assistance provided with RF shall result in at least a 51 percent benefit to low and moderate-income persons and such benefit shall be documented.

3) On a semi-annual basis, the grantee shall submit an RF status report to the Department.

4) All changes to the recapture strategy shall be submitted to the Department for approval prior to implementation.

5) The grantee agrees to pursue all legal remedies to recover delinquent loans and/or enforce compliance with the terms of any Financial Assistance Agreement. Legal actions shall be those authorized by federal and State law, including civil debt collection actions.

6) The grantee shall assure that one job will be created or retained for every $15,000 of financial assistance provided.

7) A minimum leverage ratio of $1 non-CDAP funds to $1 CDAP revolving funds must be obtained for each project. Revolving funds may not comprise more than 50% of the financing for any project.

8) The grantee shall assure that any and all environmental reviews will be completed for each project funded and it will assure that prevailing wages are paid, if applicable.

(Source: Amended at 28 Ill. Reg. 13468, effective September 23, 2004)