**Section 110.250 Use of Revolving Funds**

a) Revolving funds may be used to finance:

1) Financial assistance that shall result in job creation or retention for for-profit or not-for-profit businesses:

A) for fixed assets including land, buildings, machinery and equipment, including new construction or renovation of existing facilities;

B) to provide working capital;

C) to provide loan guarantees and interest supplements through the use of program income for RF loans;

2) Grants to the grantee for public infrastructure improvement projects when the activities will directly result in the creation and/or retention of jobs by a specifically identified for-profit or not-for-profit business which satisfies the requirements of Section 110.280 of this Subpart. The unit of local government must obtain a Participation Agreement with the benefiting business outlining the job creation and/or retention requirements as a result of this public infrastructure;

3) Activities not listed in this subsection require written approval from the Department prior to final local approval; and

4) Revolving funds may be used for CDBG-eligible activities with prior written approval from the Department, provided that the unit of local government spends the fund in its entirety and the fund ceases to be used for the purpose of business loans.

b) Revolving funds shall not be used to:

1) refinance existing private debts;

2) finance the relocation of an industry or business from one area of the State to another (exceptions require prior written approval from the Department and shall be made in those instances in which a business can demonstrate that it can no longer operate in its existing location and that jobs would be lost to the State if financing is not received);

3) finance any activities for speculative activities (i.e., commercial/retail development without lease agreements) or purposes;

4) conduct general marketing activities; or

5) prepare a CDAP application.

c) Forgiveness of loans or other financial assistance is prohibited.

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