

**State of Illinois Uniform Notice of Funding Opportunity (NOFO)
Summary Information**

Awarding Agency Name	Commerce And Econ Opp
Agency Contact	Michael Pomerantz (OppZoneNOFO@illinois.gov)
Announcement Type	Initial
Type of Assistance Instrument	Grant
Funding Opportunity Number	Opportunity Zone 20-1
Funding Opportunity Title	Opportunity Zone Program
CSFA Number	420-00-2367
CSFA Popular Name	Opportunity Zones Program
Anticipated Number of Awards	0
Estimated Total Program Funding	\$12,000,000
Award Range	\$0 - \$0
Source of Funding	State
Cost Sharing or Matching Requirements	Yes
Indirect Costs Allowed	No
Restrictions on Indirect Costs	Yes : Bonding limitations
Posted Date	02/07/2020
Application Date Range	02/07/2020 - 05/07/2020 : 5:00pm
Grant Application Link	
Technical Assistance Session	No

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Agency-specific Content for the Notice of Funding Opportunity

A. Program Description

This Notice of Funding Opportunity (NOFO) sets forth the requirement of the 2020 Department of Commerce and Economic Opportunity (the Department or DCEO) Opportunity Zone Investment Program.

Illinois contains 327 federally certified Opportunity Zones spread throughout the state in urban, suburban and rural communities. Opportunity Zones are defined as distressed or economically underserved census tracts. Certain types of investments made in Opportunity Zones that meet specific criteria stand to receive favorable capital gains tax benefits at both the federal and state levels. With these tax benefits being available in Opportunity Zones throughout the country and other states providing additional incentives, investors have reported that they are inclined to look outside of Illinois for potential Opportunity Zone investments as they stand to receive a higher return on those investments than if they had made them in Illinois.

This view is common among Opportunity Zone investors, even those based here in Illinois. With other states having designated more affluent or already gentrifying census tracts as Opportunity Zones, investment dollars have been flowing to those areas as they are perceived to be more profitable. Without a demonstrated commitment by the state to see investment in Illinois' Opportunity Zones, investors will continue to fund projects located elsewhere in the country and Illinois' communities most in need of economic development will lose out.

There are many local governments, local economic development organizations, and non-profits in Illinois that are committed to seeing investment in Opportunity Zones in their communities. However, these entities do not always have the means or resources to attract the necessary investments to their Opportunity Zones. This is especially true of Opportunity Zones located outside of major urban areas such as Chicago.

The State of Illinois has a vested economic interest in attracting investment to Opportunity Zones throughout the state as these investments will provide a boost to underserved and economically distressed communities. Opportunity Zone investments bring with them higher property values, new jobs, and beget additional investments.

The Department recognizes a need to help encourage Opportunity Zone investments throughout Illinois and to provide local communities with the means to attract these investments. To that end, this NOFO will support the following:

- Provide matching funds for infrastructure, utility, remediation and site preparedness related costs for private real estate investments in Opportunity Zones.
- Provide matching funds for municipal infrastructure investments in an Opportunity Zones, such as utility work, broadband expansion/upgrades, and other site readiness type activities.

The Department will award grants to qualified applications that best demonstrate a plan to leverage the grant award towards making the largest impact on metrics such as increasing local employment numbers, growing a business in a community, increasing property values and obtaining further Opportunity Zone investment dollars.

Successful grantees will be required to report on the expenditure of funds, the success of those funds in achieving the desired metrics such as increasing local employment numbers, growing business in a community, increasing property values and obtaining further Opportunity Zone investment dollars. Using the Periodic Financial and Performance reporting templates, grantees must be able to relate financial

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data to performance accomplishment that support the Department's mission to drive investment to Opportunity Zones in Illinois. Performance measures as outlined in 2 CFR 200.76 dictate performance goals around tangible, measurable objectives around employment numbers, business growth, property values, and obtaining additional investments.

B. Funding Information

This grant program is utilizing state funds appropriated by the Illinois General Assembly as indicated in **Public Act 101-0007 and Public Act 101-0029**.

The total amount of grant funds available to award is **\$12,000,000.00**. The amount of each award will be based on anticipated costs associated with the proposed project that are necessary and reasonable for the performance of the award, meet the bondability guidelines, and are allocable to the award under cost principles. The initial term of the grant will be dependent on the grant administration experience of the grantee in compliance with 44 Ill. Admin. Code 7000.110. Because the Opportunity Zone Investment Program is a pilot program, most grantees will receive a grant with an initial one-year term with the option to extend the grant term for up to two additional years, based on performance. 44 Ill. Admin. Code 7000.110(b).

Applicants must submit a project narrative that describes in detail how the award will be executed. The project narrative should include enough information for DCEO to understand the scope of the project, the budget, including a detailed breakdown of the costs associated with each budget line and any additional necessary detail to enable DCEO to manage the grant agreement activity against planned project performance. The Project Narrative must include evidence of capacity, quality and need as defined in Section E.1.

Agreement(s) and budget(s) with subrecipients and subcontractors must be pre-approved by and on file with DCEO. Agreements can be submitted to DCEO when available. Subcontractors and subrecipients are subject to all applicable provisions of the Agreement(s) executed between DCEO and the grantee. The successful applicant shall retain sole responsibility for the performance of its subrecipient(s) and/or subcontractor(s).

The release of this NOFO does not obligate the Department to make an award.

C. Eligibility Information

An entity must be pre-qualified through the Grant Accountability and Transparency Act (GATA) Grantee Portal, www.grants.illinois.gov/portal at the time of grant application.

Applicants must register their agency on the GATA Grantee Portal to verify compliance with pre-qualification requirements. The portal will verify that the entity:

- Has a valid FEIN number;
- Has a valid DUNS number;
- Has a current SAM.gov account;
- Is not on the Federal Excluded Parties List;
- Is in Good Standing with the Illinois Secretary of State, as applicable;
- Is not on the Illinois Stop Payment list; and
- Is not on the Department of Healthcare and Family Services Provider Sanctions list.

An automated email notification to the entity alerts them of "qualified" status or informs how to remediate a negative verification (e.g., inactive DUNS, not in good standing with the Secretary of State). A federal Debarred and Suspended status cannot be remediated.

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Pursuant to the policy of the Illinois Office of the Comptroller, to receive grant funds from the State of Illinois, a grantee must be considered a regarded entity by the IRS for federal income tax purposes. Disregarded entities will not be eligible to receive grant funds.

1. Eligible Applicants include:

- Units of local government; or
- Privately held Opportunity Zone Funds

The Department complies with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to: The Illinois Human Rights Act (775 ILCS 5/1-101 et seq.), The Public Works Employment Discrimination Act (775 ILCS 10/1 et seq.), The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a-and 2000H-6), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), The Americans with Disabilities Act of 1990 (42 USC 12101 et seq.), and The Age Discrimination Act (42 USC 6101 et seq.).

2. Cost Sharing or Matching.

This grant opportunity requires at least 50% of total project costs to be matched by the grantee. These matching funds can come in the form of local municipal funds, federal funds, or private investment.

3. Indirect Cost Rate.

This grant opportunity is limited to capital improvement expenses. The grant will not compensate for indirect costs, overhead or administrative expenses associated with the execution of the program.

4. Other, if applicable.

Business Enterprise Program: For grant awards of \$250,000 or more, the grantee will be required to comply with the Business Enterprise Program for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/0.01 et seq.), which establishes a goal for contracting with businesses that have been certified as owned and controlled by persons who are minority, female or who have disabilities. The Department and the Capital Development Board will work with the grantee to ensure compliance prior to the establishment of the grant agreement as well as through the life of the grant.

Environmental Review Requirements: Capital grants will be reviewed to determine environmental review requirements. Based on the scope of the project, the grantee may be required to complete additional environmental approvals before a grant agreement can be initiated.

Illinois Works Jobs Program Act (30 ILCS 559/20-1 et seq.): For grants with an estimated total project cost of \$500,000 or more, the grantee will be required to comply with the Illinois Works Apprenticeship Initiative (30 ILCS 559/20-20 to 20-25) and all applicable administrative rules. The "estimated total project cost" is a good faith approximation at the time an applicant submits to the Department a grant application of the costs of an entire project being paid for in whole or in part by appropriated capital funds to construct a public work. The goal of the Illinois Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in

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each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less. Grantees will be permitted to seek from the Department a waiver or reduction of this goal in certain circumstances pursuant to 30 ILCS 559/20-20(b). The grantee must ensure compliance for the life of the entire project, including during the term of the grant and after the term ends, if applicable, and will be required to report on and certify its compliance.

Prevailing Wage Act (820 ILCS 130/0.01 et seq.): Applicants that are awarded grants shall comply with all requirements of the Prevailing Wage Act, including but not limited to, inserting into all contracts for construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract. Grantees will be required to report on Prevailing Wage Act compliance on a monthly basis.

Applicants may only submit (1) one application for this program.

D. Application and Submission Information

1. Address to Request Application Package.

Grant application forms are available at the web link provided in the “Grant Application Link” field of this announcement or by contacting:

Michael Pomerantz
Email: OppZoneNofo@illinois.gov

2. Content and Form of Application Submission.

A standard application package must be submitted and reviewed by the Department. Each package should contain the following items:

- Uniform Grant Application in fillable PDF format (print, sign and scan signature page with submission)
- Uniform Capital Budget utilizing the template provided by DCEO for this project. The budget must list all matching funds, including estimated matching funds. (Please note, no more than 50% of the total project cost can be funded by this grant.) The entire budget with all worksheets included even if the worksheets are not relevant to the grant opportunity must be submitted with the application materials. (print, sign and scan signature page with submission)
- Conflict of Interest Disclosure (print, sign and scan signature page with submission)
- Mandatory Disclosures (print, sign and scan signature page with submission)
- A W-9 Tax Form for a business entity applicant. The applicant must not be a disregarded entity for federal income tax purposes.
- Project Narrative – no limit on number of pages, spacing, font, etc.

The Project Narrative shall include the following. Please attach a cover page with a table of contents:

- **A Brief Description of the Business Organization**, including its organizational structure, its scope of business, its internal organization, number of personnel, and relationship with subcontractors.

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- **Proof of location within an Opportunity Zone.** The application must clearly identify the Opportunity Zone designated Census Tract that the project falls within. Acceptable documentation includes, but is not limited to: a site survey, stamped architecture plans or title to the property.
- **Details about the proposed Project.** The applicant must demonstrate its understanding of the objectives and nature of the required work, familiarity with the Federal Opportunity Zone program, and the level of effort necessary to successfully comply with the deliverables of the grant agreement. Finally, the application should convey the applicant's detailed plans and approach proposed to complete the proposed project.
- **Details about Project Financing.** The applicant must provide proof of financial viability of the project by providing letters of commitment from participating capital partners (investors, banks, other public funds, etc.). Additionally, this NOFO requires that the applicant match a minimum of 50% of the total project costs through sources other than would be awarded through this NOFO.
- **Eligible Uses include:**
 - Waste Disposal Systems,
 - Water and Sewer line extensions,
 - Water distribution and purification facilities,
 - Rail or air or water port improvements,
 - Gas and electric utility extensions,
 - Publicly owned industrial and commercial sites,
 - Buildings used for public administration purposes
 - Other public infrastructure capital improvements
- **Eligible Activities include:**
 - Engineering
 - Acquisition
 - Construction
 - Reconstruction
 - Development
 - Public Infrastructure Improvement
 - Public Infrastructure Extension

3. Dun and Bradstreet Universal Numbering System (DUNS) Number and System for Award Management (SAM)

Each applicant (unless the applicant is an individual or Federal or State awarding agency that is exempt from those requirements under 2 CFR § 25.110(b) or (c), or has an exception approved by the Federal or State awarding agency under 2 CFR § 25.110(d)) is required to:

- Be registered in the System for Award Management (SAM) before submitting its application. To establish a SAM registration, go to www.SAM.gov and/or utilize this instructional link: [How to Register in SAM from the www.grants.illinois.gov Resource Links tab.](#)
- Provide a valid DUNS number in its application; and,
- Continue to maintain an active SAM registration with current information at all times during which it has an active Federal, Federal pass-through or State award or an application or plan under consideration by a Federal or State awarding agency. The State awarding agency may not make a Federal pass-through or State award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time the State awarding agency is ready to make a Federal pass-through or State award, the State awarding agency may determine that the

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applicant is not qualified to receive a Federal pass-through or State award and use that determination as a basis for making a Federal pass-through or State award to another applicant.

4. Submission Dates and Times.

All applications and all required documentation shall be submitted electronically to OppZoneNofo@illinois.gov and must be received no later than 5:00 p.m. on May 7, 2020. The Department reserves the right to issue a reduced award, or not to issue any award.

If the application packet and supporting documents include files that are too large to send via standard email, applicants may use the CMS data sharing link (<https://filet.illinois.gov/filet/pimupload.asp>) which allows large files to be shared to Illinois employees. Applicants must confirm receipt of the application and documents by contacting OppZoneNofo@illinois.gov.

Electronic submissions including links to documents stored in Google Docs or other cloud-based servers are not allowed.

5. Intergovernmental Review, if applicable.

N/A

6. Funding Restrictions.

Funding is available for bondable expenditures as described in the Build Illinois Bond Act (30 ILCS 425/1, *et seq.*) and as permitted by the DCEO Bondability Guidelines. The Department will not permit expenditures for indirect costs, overhead or administrative expenses.

Successful applicants are eligible to receive reimbursement for allowable grant-related expenses only after the grant has been awarded and agreement been executed. Pre-award costs incurred will not be eligible for reimbursement.

7. Other Submission Requirements.

Applications for projects not located within an Opportunity Zone will not be considered.

E. Application Review Information.

1. Criteria.

Grant proposals will be reviewed on a competitive basis. Each proposal will be scored on a 100-point scale. The Department shall consider the following criteria when evaluating the application submittal: **Capacity**, **Quality**, and **Need**.

Capacity (53 points) related criteria that is reviewed speaks to the project's internal components and will include:

- Makeup of the project team, inclusive of resumes that demonstrates experiences in projects located within low to moderate income (LMI) areas and familiarity with government programs

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- Methods of control that are in place to ensure compliance with the Federal Opportunity Zone program, DCEO's grantee requirements and the stated goals of this Notice of Funding Opportunity
- Project readiness
- Creation of any jobs associated with the project

Quality (28 points) related criteria has to do with the project's ability to draw clear links to statewide, regional, and local priorities and will consider:

- The application's alignment with the Governor's 5-year economic plan's goals and focus industries. The applicant must specify which parts of the project that align with the specific points in the economic plan.
- Evidence of support of the local community in which the proposed project is taking place
- Evidence of project alignment with regional priorities and other ongoing projects
- Positive financial impact on the local community

Need (19 points) related criteria that is reviewed addresses why the applicant/project requires the use of state funds and may include:

- Community need and enhancement
- Financial need of the applicant

Applicants are encouraged to submit documentation that supports any of the above-mentioned criteria.

2. Review and Selection Process.

Applications will be graded using the Merit Review Process and scored on the criteria specified in Section E.1. The Department will designate an Evaluation Committee to grade each application received for this funding opportunity. The final score of each Committee member will be calculated and an average of all scores will be the final applicant score. Each applicant will then be ranked by their score. Applicants may utilize the appeal process as stated in the Merit Based Review policy available in the Resource Library at www.grants.illinois.gov.

Additional consideration may also be given to projects located outside of the Chicago Metropolitan Statistical Area (MSA).

The Merit Based Review process is subject to appeal. However, evaluation scores cannot be appealed. The appeal must be submitted in writing to the Department within 14 calendar days after the date that the grant award notice has been published. The written appeal shall include the name and address of the appealing party, the identification of the grant and a statement of reasons for the appeal. Appeals can be submitted to ***CEO.Accountability@illinois.gov***.

3. Anticipated Announcement and State Award Dates, if applicable.

The Department reserves the right to issue a reduced award, or not to issue any award. Awards will be announced no sooner than 30 days following the end of the application window.

F. Award Administration Information

1. State Award Notices.

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After completion of the Merit Review Process, the Notice of State Award (NOSA) will be submitted to the awarded grantee. The NOSA will specify the funding terms and specific conditions resulting from the pre-award risk assessments. The NOSA must be approved in the GATA Portal by an authorized representative of the grantee organization. The NOSA is not an authorization to begin performance or incur costs. Unsuccessful applicants will be notified after the acceptance of the NOSA.

2. Administrative and National Policy Requirements.

Grant Award Payment

The grant agreement will specify the payment terms and the payment schedule pursuant to cash management requirements as stated in 44 Ill. Admin. Code 7000.120. The Department reserves the right to determine the appropriate payment structure on a project-specific basis.

3. Reporting.

Periodic Performance Report (PPR) and Periodic Financial Report (PFR)

Grantees funded through this NOFO are required to submit in the format required by the Grantor, at least on a quarterly basis, the PPR and PFR electronically to their assigned grant manager. The first of such reports shall cover the first three months after the award begins. Pursuant to 2 CFR 200.327, Periodic Financial Reports shall be submitted no later than 30 calendar days following the period covered by the report. Pursuant to 2 CFR 200.328, Periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. Any additional reporting requirements will be disclosed in the NOSA.

Grantees are required within 60 calendar days following the end of the period of performance to submit a final closeout report in the format required by the Grantor (See 2 CFR 200.343).

Monitoring

Grantees funded through this NOFO are subject to fiscal and programmatic monitoring visits by the Department in accordance with 2 CFR 200.336. They must have an open-door policy allowing periodic visits by Department monitors to evaluate the progress of the project and provide documentation upon request of the monitor. Program staff will also maintain contact with participants and monitor progress and performance of the contracts. The Department may modify grants based on performance.

Audit

Grantees shall be subject to Illinois' statewide Audit Report Review requirements. Terms of the Single Audit Act Amendments of 1996 (31 USC 7501-7507), Subpart F of 2 CFR Part 200, and the audit rules set forth under the Grant Accountability and Transparency Act shall apply (See 30 ILCS 708/65(c)).

G. State Awarding Agency Contact(s)

Please direct any questions regarding this NOFO to:

Michael Pomerantz

Email: OppZoneNofo@illinois.gov

NOFO ID: 2367-1334

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H. Other Information, if applicable

N/A