Illinois Finance Authority/Climate Bank

NOTICE FOR FUNDING OPPORTUNITY

Illinois Climate Pollution Reduction Grant: Stretch Code Adoption Grant

CSFA# **560-03-3635**

Issued: **June 15, 2026**

Due Date: **December 31, 2026**

Applications will be accepted and reviewed on a rolling basis through December 31, 2026, subject to the availability of program funds.

Illinois Finance Authority (IFA), in its capacity as the Illinois Climate Bank (ICB), issues this **NOTICE OF FUNDING OPPORTUNITY (NOFO)** to announce the opening of the fourth round of competition for grants under the Illinois Climate Pollution Reduction Grant (CPRG) Stretch Code Adoption Grant.

This NOFO will **not** commit the State of Illinois or IFA/ICB to any contracts for any supplies or services or any grant or funding awards. All costs associated with responding to this NOFO are at the applicant's expense.

This NOFO constitutes a Request for Proposals. With this NOFO, IFA/ICB invites eligible entities to apply for funding under this program through www.grants.illinois.gov/portal in compliance with the terms of this NOFO by the indicated deadline. Responses misdirected or otherwise received late, or corrupted or not legible files, may not be reviewed. Please submit your applications via the Euna system. The Project Narrative, described below, shall not exceed ten (10) total pages in length in Microsoft Word (.docx) or readable PDF format, and should be uploaded to the Euna system. Submission via Euna is the only acceptable method of delivery. Fax, mail, and courier delivery shall not be accepted, unless special accommodation is granted by the IFA/CB. Responses misdirected or otherwise received late, or corrupted or not legible files, may not be reviewed.

Proprietary information: Any information obtained in response to this NOFO may be used by the IFA/ICB and the State of Illinois for program planning on a non-attribution basis. All submission materials become State property and will not be returned. The State will accept requests from any interested party to keep the information in its submission confidential and will agree to confidentiality, if reasonable, in accordance with state and federal laws and regulations. Any material within a response to this NOFO identified as confidential must be clearly marked and will be handled in accordance with

applicable rules and regulations. Any response marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse. The State may publicly post a summary of the responses received.

Contact for inquiries:
Claire Brinley, IFA/ICB Vice President, Climate Bank Programs
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email: climatebank@il-fa.com

UNIFORM NOTICE OF FUNDING OPPORTUNITY (NOFO)

Summary Information

	Data Field	
1.	Awarding Agency Name:	Illinois Finance Authority (IFA), in its capacity as the Illinois Climate Bank (ICB)
2.	Agency Contact:	Claire Brinley, climatebank@il-fa.com, 312-651-1319
3.	Announcement Type:	Initial announcement X Modification of a previous announcement
4.	Type of Assistance Instrument:	Grant
5.	Funding Opportunity Number:	IFA-CPRG-08
6.	Funding Opportunity Title:	Illinois Climate Pollution Reduction Grant: Stretch Code Adoption Grant
7.	CSFA Number:	560-03-3635
8.	CSFA Popular Name:	Stretch Code Adoption Grants
9.	Assistance Listing (formerly CFDA Number):	Enter "not applicable" if Source of Funding does not include Federal or Federal pass-through funds
10.	Anticipated Number of Awards:	Up to 32
11.	Estimated Total Program Funding:	$6,500,352
12.	Award Range	Up to $1,000,000
13.	Source of Funding:	X Federal or Federal pass-through □ State □ Private / other funding
14.	Cost Sharing or Matching Requirement:	□ Yes X No
15.	Indirect Costs Allowed Restrictions on Indirect Costs	X Yes □ No X Yes □ No If yes, provide the citation governing the restriction: US EPA General Terms and Conditions, Sec. 18; Assistance Amendment between IL Finance Authority and US EPA (limiting budget to 10% de minimis rate).
16.	Posted Date:	June 15, 2026

17.	Application Range:	Applications will be accepted until December 31, 2026, subject to availability of program funds.
18.	Technical Assistance Session:	Session Offered: X Yes □ No Session Mandatory: □ Yes X No Session will be recorded and made available at: https://illinoisclimatebank.com/financing-programs/local-governments-nonprofits/stretch-building-code-adoption-support/

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NOFO

A. Program Objectives

NOFO Purpose: Illinois Finance Authority (IFA), in its capacity as the Illinois Climate Bank (ICB), invites project proposals under Illinois' award for the Illinois Climate Pollution Reduction Grant (CPRG): Stretch Code Adoption Grant Program (Program). With this NOFO, IFA/ICB invites eligible entities interested in applying for funding under this program to file their application proposals in compliance with the terms of this NOFO.

IFA/ICB reserves the right to revise any part of this NOFO by issuing addendum(s) at any time. Issuance of this NOFO, or subsequent addendum(s), if any, does not constitute a commitment by IFA/ICB or the State of Illinois to fund any project. In addition, IFA/ICB may cancel this NOFO at any time, without incurring any liability from responders or potential responders.

Illinois Stretch Code Adoption Overall Objectives: In July 2024, Illinois was announced as one of the recipients of an award under the Climate Pollution Reduction Grant program, created by the Inflation Reduction Act. The U.S. Environmental Protection Agency (US EPA) awarded $430,251,378 to the State of Illinois to implement a variety of programs over the five-year grant period (2024-2029)**.** Stretch Code Adoption Grants are one of these programs.

The 2023 Illinois Stretch Energy Code, established under 20 ILCS 3125/55, took effect on January 1, 2025. Illinois developed this stretch code as part of its broader efforts to improve energy efficiency, reduce greenhouse gas emissions, and align with the state's ambitious climate goals. By adopting a stretch energy code, municipalities have the opportunity to exceed the baseline statewide energy efficiency requirements.

ICB anticipates the release of a 2026 Illinois Stretch Energy Code by the Capital Development Board (CDB) later this year. The 2026 Stretch Code will include changes to the target dates for the site energy index standards. Projects under this grant program may target adoption of either the 2023 Stretch Code or the 2026 Stretch Code, once released.

Illinois pursued the development of stretch energy codes to provide a framework for implementing advanced energy-saving measures in new construction and retrofits. The code integrates progressive energy efficiency standards that go beyond the statewide minimum by focusing on enhanced insulation, high-performance heating and cooling systems, and improved building envelope requirements. By doing so, Illinois aims to reduce energy consumption in the building sector, a significant contributor to greenhouse gas emissions, while simultaneously lowering utility costs for residents and businesses.

The Stretch Building Code Grant Program is designed to facilitate the adoption, implementation, and enforcement of the Illinois Stretch Energy Code by supporting municipalities with the necessary resources to navigate this process. The program will provide financial support for education, community engagement, and technical assistance to ensure that municipalities are well-equipped to integrate a stretch code into their regulatory frameworks. Over the five-year program period, the goal is to have 90 municipalities adopt the 2023 or 2026 Illinois Stretch Energy Code, contributing to statewide emissions reductions and greater energy efficiency in both new and existing building stock.

Through this grant program, municipalities will receive funding that enables these municipalities to better understand stretch codes, determine local impacts, support community engagement, and develop implementation plans. The program aims to streamline the process by offering resources for internal capacity-building, public engagement efforts, and technical training for staff responsible for code enforcement.

Applicants are not required to commit to stretch code adoption but must make a good faith effort to consider adoption of the stretch code. Funding is not contingent on successful adoption of a stretch code. Successful applicants will not be penalized if a stretch code is not adopted during the grant period.

Municipalities may apply individually for funding of up to $200,000 each. Municipalities may also collaborate to submit group applications for funding of up to $1,000,000 for groups of five or more municipalities.

Subaward Objectives: These grants will support municipalities in adopting and implementing the 2023 or 2026 Illinois Stretch Energy Code.

IFA/ICB will select projects that support four core objectives: Municipal Awareness and Capacity Building, Community Engagement and Education, Incremental Code Modernization, and Emissions Reductions and Energy Efficiency Improvements**.** The set of metrics and strategies described below will be used to effectively track whether investments achieve State and programmatic goals.

Illinois' investment decisions in selecting projects under this program are guided by the "Climate and Equitable Jobs Act" (CEJA) and the stakeholder input received which shaped the Stretch Code Adoption Plan published on the IFA/ICB's website. IFA/ICB will assess the effectiveness of objectives highlighted here, through the Program implementation. Specifically, the State will assess whether the objectives established under this Program have resulted in expanded stretch code adoption and greenhouse gas emission reductions.

Municipal Awareness and Capacity Building

Objective: Enhance the ability of municipalities to adopt and implement the 2023 or 2026 Illinois Stretch Energy Code by providing funding for education, training, and internal capacity development. This will ensure that municipalities have the knowledge, resources, and administrative processes necessary to successfully integrate a stretch code into their building regulations.

Intended Outcomes: Municipalities will develop the internal knowledge and resources needed for stretch code adoption and implementation. These efforts are expected to lead to increased adoption of the selected stretch energy code.

Metric: Grant recipients will track the number of municipal staff and local council members trained on the selected stretch code, including the number of training sessions and workshops held. The program will track the number of municipalities adopting the 2023 or 2026 Illinois Stretch Energy Code, the extent of staff and city council education within funded municipalities, and the number of city councils passing resolutions to adopt a stretch code, as a measure of effectiveness of capacity-building efforts.

Community Engagement and Education

Objective: Support municipalities in conducting outreach and education efforts to inform residents, businesses, and stakeholders about the stretch code under consideration and its benefits, ultimately increasing public understanding and acceptance.

Intended Outcomes: Municipalities will conduct effective community outreach to increase awareness and acceptance of stretch code adoption. Municipalities will identify and address public questions and concerns related to stretch code adoption.

Metrics: The grant recipient will track the number and type of community engagement activities. The grant recipient may need to provide a summary of the engagement key findings and outcomes.

Incremental Code Modernization

Objective: Based on stakeholder feedback, it became evident that many municipalities require additional support in updating base codes before they can realistically adopt stretch energy codes. The objective is to consider municipalities that present a clear and structured plan for a staged approach, including updates to base codes and a timeline for future stretch code adoption.

Intended Outcomes: Municipalities requiring preliminary updates to base codes will develop structured plans and roadmaps for stretch code adoption. Municipalities will integrate incremental code updates that align with statewide energy efficiency goals. A phased approach will ensure that municipalities can successfully implement stretch code requirements over time.

Metrics: The successful implementation of base code updates will be measured by the number of municipalities that adopt these updated codes, as well as the percentage of those municipalities that subsequently proceed with successful stretch code adoption.

Emissions Reductions and Energy Efficiency Improvements

Objectives: Support the long-term reduction of greenhouse gas emissions and improvements in energy efficiency through widespread stretch code adoption while ensuring municipalities commit to sustained energy efficiency goals and measurable emissions reductions that align with the overall state goals set by CEJA.

Intended Outcomes: Stretch code adoption will lead to measurable reductions in energy use and greenhouse gas emissions, contributing to statewide climate goals. Municipalities will demonstrate a commitment to long-term energy efficiency by integrating the stretch code into their regulatory framework and planning for future energy-saving initiatives.

Metrics: Ongoing energy efficiency improvements in funded communities, measured against CEJA's site energy index benchmarks, and assessments of greenhouse gas and other emissions reductions resulting from stretch code implementation. Grantees will also estimate the square footage of new buildings expected to be covered by a stretch code and the actual square footage of buildings built or renovated under a stretch code during the performance period.

B. Funding Information

This award is utilizing federal funds. The total funding available for distribution for the second year of the program is $6,500,352. The ultimate allocation may differ from this target allocation based on the finalized amounts of awarded projects.

- Expected amounts of individual State awards: Municipalities may apply individually for awards of up to $200,000 each. Alternatively, municipalities may collaborate to submit applications for funding of up to $1,000,000 for groups of five or more municipalities.
- Anticipated start dates and periods of performance for new awards: Fall/Winter 2026 and Winter 2027, 1-3 years. All grant activities must be completed by September 30, 2029.
- Type of assistance instrument that may be awarded to successful applications: Grant.
- Cost match requirement: None.
- Indirect costs allowed? Based on applicants annually negotiated indirect cost rate agreement (see below for further information).

New rounds of funding will be available at least annually. Depending on demand, additional funding cycles may be introduced within a given year.

C. Eligibility Information

Proposed projects must meet the grant requirements described below.

Eligible Entities

Only municipalities defined in the Energy Efficient Building Act (20 ILCS 3125/1) as any city, village, or

incorporated town, are eligible to apply. Any entity that is not defined as a municipality is not eligible to apply. Applicants included in the SAM.gov Exclusion List and status on the Illinois Stop Payment List will not be eligible for an award. Please note that there is no restriction on the use of consultants to prepare applications, so long as a municipality is the prime applicant. Municipalities that opt to submit collaborative applications must identify one lead applicant to submit the joint application in Euna.

Geographic Priority

Only municipalities as defined in the Energy Efficient Building Act (20 ILCS 3125/1) as any city, village, or incorporated town in Illinois are eligible for this funding. Priority will be given to municipalities that meet one or more of the following criteria:

a. One or more census tracts designated as Equity Investment Eligible Communities under CEJA. These include the Restore, Reinvest, and Renew (R3) Program's R3 Areas map, which includes areas where residents have historically been excluded from economic opportunities, as evidenced by rates of child poverty, unemployment, gun injuries, and incarceration, among other factors; or
b. Municipalities that have not yet adopted the Illinois Stretch Energy Code.

Existing Electrical, Mechanical, and Other Codes

Through the stakeholder process, IFA/ICB learned that a key barrier to the adoption and implementation of the Illinois Stretch Code is the need to update electrical and other codes. The 2023 Stretch Energy Code requires at least the following base codes:

- 2017 National Fire Protection Association 70 National Electrical Code (NEC)
- 2018 I-Codes (International Residential Code and International Building Code)

The 2026 Stretch Energy Code, when released, may require additional or different base codes. Consequently, to be eligible for this funding, applying municipalities must either:

a. Have base codes in place that enable the selected 2023 or 2026 Stretch Energy Code; or
b. Propose updating base codes, in addition to other required activities.

Eligible Activities

Subawards to eligible entities under this award can be used for projects that demonstrate an intention and plan to adopt the 2023 or 2026 Illinois Stretch Code, align with statewide goals, or implement base code updates as a strategic step towards full stretch code adoption. Eligible activities may include the following:

- **Staff Time for Education and Training** – Funding can be used to cover staff time for understanding the Illinois stretch codes, including participation in training sessions, workshops, and internal municipal discussions.

- **Municipal Leadership and City Council Education** – Support for internal education efforts to inform policymakers, city councils, and other municipal leaders about the selected stretch code and its implications. Funding may cover costs related to preparing and delivering educational materials or sessions for elected officials and senior municipal leadership regarding the 2023 or 2026 Illinois Stretch Energy Code.
- **Community Outreach and Public Engagement** – Execution of outreach initiatives to educate residents, developers, and key stakeholders on the benefits of stretch codes and address public concerns. Funding may support staff time or consultant costs associated with designing and conducting outreach events, public meetings, or communications to educate residents, developers, and other stakeholders.
- **Hiring External Consultants or Organizations** – Contracting with external experts to provide technical training, policy guidance, and support for stretch code adoption and implementation.
- **Acquisition of Educational and Training Materials** – Procurement of materials and resources needed for municipal staff, city councils, and real estate professionals to understand and promote the selected stretch code.
- **Staged Code Modernization and Incremental Updates** – Support for municipalities in developing a structured, phased approach to updating base codes, such as electrical and mechanical codes, before full stretch code adoption. Funds may support staff time or consultant services to review existing codes, identify necessary updates, and draft phased modernization plans aligned with the selected stretch code.
- **Technical Assistance for Code Compliance and Implementation** – Assistance in reviewing and aligning existing permitting and enforcement processes with stretch code requirements.
- **Contractor and Industry Professional Training** – Development and facilitation of training programs to ensure local construction and renovation professionals are prepared to comply with stretch code requirements.
- **Capacity Building for Municipal Code Enforcement** – Support for municipalities in improving code enforcement infrastructure, ensuring proper implementation of stretch code provisions.
- **Long-Term Planning and Adoption Strategy Development** –Funding may support staff time, external consultants, or technical assistance to develop multi-year roadmaps, adoption timelines, and strategic plans that align local policies with municipal or regional energy goals and support long-term stretch code implementation.
- **Tracking and Reporting of Energy Savings and Emissions Reductions** – Establishing systems for municipalities to measure and report on the energy efficiency and environmental impact of stretch code adoption. Grants may fund internal staff time, tracking systems and software, or consultant support to measure and report energy use, emissions reductions, and project impacts.
- **Cost-Benefit Analysis to Support Stretch Code Adoption** – Funding may be used to conduct studies or analyses that evaluate the cost differential between the 2023 or 2026 Illinois Stretch Energy Code and current base codes, as well as the projected benefits to homeowners or building occupants through reduced utility bills or energy usage. These analyses may support municipal decision-making and public education.

- **Cohort Meetings and Regional Collaboration-** Funding may be used to support staff time or coordination efforts for participating in cohort-style peer learning, regional working groups, or collaborative planning meetings with other municipalities working toward stretch code adoption.

Non-eligible activities: A subaward to an eligible entity under this grant Program **may not** be used for:

- Activities that do not support the adoption and implementation of the 2023 or 2026 Illinois Stretch Energy Code, or if necessary, facilitating base code updates;
- Equipment purchases or rental;
- Activities that support measures, activities or projects outside the boundaries of the ten EPA regions;
- Costs of acquiring "intangible property," as defined in 2 CFR 200.1, or
- Lobbying activities or union organizing

Indirect Cost Rate

To charge indirect costs to a grant, the applicant(s) must have an annually negotiated indirect cost rate agreement (NICRA). There are three types of NICRAs:

Federally Negotiated Rate. Organizations that receive direct federal funding, may have an indirect cost rate that was negotiated with the Federal Cognizant Agency. Illinois will accept the federally negotiated rate. The organization must provide a copy of the federally negotiated NICRA.

State Negotiated Rate. The lead organization may negotiate an indirect cost rate with the State of Illinois if they do not have a Federally Negotiated Rate. If an organization has not previously established an indirect cost rate, an indirect cost rate proposal must be submitted through State of Illinois' centralized indirect cost rate system no later than three months after receipt of a Notice of State Award (NOSA). If an organization previously established an indirect cost rate, the organization must annually submit a new indirect cost proposal through CARS within six months after the close of the grantee's fiscal year.

De Minimis Rate. An organization that has never negotiated an indirect cost rate with the Federal Government or the State of Illinois is eligible to elect a de minimis rate of 10% of modified total direct

cost (MTDC)[1]. Once established, the De Minimis Rate may be used indefinitely. The State of Illinois must verify the calculation of the MTDC annually in order to accept the De Minimis Rate.

All grantees must complete an indirect cost rate negotiation or elect the De Minimis Rate to claim indirect costs. Indirect costs claimed without a negotiated rate or a De Minimis Rate election on record in the State of Illinois centralized indirect cost rate system may be subject to disallowance.

D. Application Submission Information

Contact to Request Application Package and Accommodations.

The full application is available through the www.grants.illinois.gov/portal. If any assistance is needed in accessing application materials or submitting application due to limited Internet access or other limitations, the potential applicant(s) should email climatebank@il-fa.com or schedule time with the Illinois Climate Bank Support Desk. Support sessions can be scheduled using this link.

Submission Approach

This NOFO is a competitive process to solicit project applications from interested entities to meet the funding objectives of this program. This process has been designed to reduce the burden on entities seeking to apply for funding and ensure alignment on funding objectives with respondents.

1. **Initial application window.** The initial application process will provide respondents with an accessible, easy-to-navigate method for outlining their proposed project to IFA for selection.
2. **Candidate selection.** IFA will evaluate projects submitted under the application process on their likelihood and ability to meet program objectives, as described further in Section E below. Based on a review of applications, projects will be identified for funding and award.

Unique Entity Identifier (UEI), SAM.gov & GATA registration

To submit an application, the lead applicant must register and pre-qualify through the Grant Accountability and Transparency Act (GATA) Grantee Portal, www.grants.illinois.gov/portal. Registration and pre-qualification are required annually. Selected applicants must also register with the federal SAM.gov and must have a Unique Entity Identifier (UEI) assigned in theSAM.gov. Applicants included in the SAM.gov Exclusion List and status on the Illinois Stop Payment List will not be eligible for an award.

[1] MTDC is defined at 2 CFR 200.1.

The Grantee Portal alerts the entity alerts of "qualified" status or informs how to remediate a negative verification (e.g., missing UEI Unique Entity Identifier assigned inSAM.gov, not in good standing with the Secretary of State). Inclusion on the SAM.gov Exclusion List cannot be remediated.

Application Content and Format

NOTE: Applicants selected for funding under this Program will be subject to the terms and conditions of the Illinois Climate Pollution Reduction Grant (FAIN 00E03862) and US EPA's General Terms and Conditions, as they apply to subgrantees.

Mandatory Forms & Attachments

All project submissions must include the following mandatory forms and attachments:

a. Uniform State Grant Application (accessible through the Euna application);
b. Project Narrative (as described below);
c. Budget using the Uniform Budget Template (accessible through the Euna application);
d. Timeline & Deliverables (reference in this NOFO as Attachment A, available at the IFA/ICB website).

Project Narrative

The applicant(s) must submit a Project Narrative, in Microsoft Word or a readable PDF format, of up to 10 pages in 11- or 12-point font. The narrative must describe the proposed project in sufficient detail and must align with the information provided in Attachment A. It should include the following information:

Applicant's information and qualifications:

a. Lead applicant's name, type, and contact person (name, title, phone, email and address).
b. A brief description of the applicant's background and any relevant experience, including with similar codes and permitting-related projects and/or working with other federal and state awards.
c. Indicate if the applicant or applicants have been debarred or are a suspended entity.
d. If more than one entity is involved in the proposed project, describe each entity involved and provide name and contact information for each entity's project lead.

Project Description:

a. **Project Location**: Indicate the municipality or municipalities proposing to adopt the 2023 or 2026 Illinois Stretch Code and, if needed, facilitating code updates. Indicate whether at least

one Census tract within the municipalities' jurisdiction is marked as an R3 Area on the R3 Areas map, if applicable.

b. **Facilitating Codes Upgrades**: Complete this section only if the proposed project includes efforts to upgrade base codes to facilitate the adoption of the 2023 or 2026 Illinois Stretch Energy Code. If applicable, identify which codes are currently in use and which codes the applicant(s) will seek to adopt and implement in place of the current codes. Then, describe the process by which the municipality will leverage those updated base codes to implement the stretch code under consideration.

c. **Project Description.** Provide a detailed narrative of the proposed project, outlining the activities to be undertaken to adopt and implement the 2023 or 2026 Illinois Stretch Energy Code or align with statewide energy efficiency goals through necessary code upgrades in addition to the metrics that the project will be able to track. The project narrative should be supported by completed Attachment A which outlines a clear breakdown of project tasks and expected completion timelines.

   Refer to the list of eligible activities in Section C and describe any additional activities necessary to support code adoption, including phased base code upgrades where applicable. Clearly identify any prior work completed within your jurisdiction related to stretch code adoption or code modernization, along with the outcomes of those efforts. If applicable, explain how this project builds upon previous work to further progress toward stretch code adoption.

   Additionally, provide an assessment of any barriers to stretch code adoption and implementation, including challenges related to staffing, technical expertise, or community engagement. Describe how the proposed activities will address these barriers and lead to measurable outcomes. The project description should also include estimated metrics tied to each project task, quantifying expected outcomes such as the number of municipal staff trained, community engagement events held, base code updates completed, or buildings expected to be constructed or renovated under a stretch code.

d. **Community Scale**. Applicants must describe the scale of their community and the potential for new construction or renovation that could fall under a stretch code, including any estimates of building square footage based on current development patterns, housing goals, or zoning capacity.

e. **Workforce Benefits.** If the proposed project includes a workforce training component, describe who will be trained (for example, permitting staff, installation contractors, others?), how they will be trained and other details.

f. **Funding Objectives**: Describe how implementing a stretch code and, if needed, facilitating codes upgrades, can reasonably be expected to create benefits including those described in Section A above, particularly for communities identified by the R3 Areas map, if applicable. Describe how the proposed project meets any or all of the Program Objectives outlined in

Section A above, and the applicant's ability to demonstrate compliance with the highlighted metrics.

g. **Project timeline**: Applicants must provide a high-level project timeline outlining major tasks, milestones, and expected completion dates using the template provided in Attachment A. Tasks must align with the proposed budget and the total grant amount requested.

h. **Project costs breakdown**. Respondents should fill out the budget in their application response through the www.grants.illinois.gov/portal and the quarterly cost breakdown in Attachment A. All expenditure must be allowable, allocatable, and reasonable in accordance with the applicable federal cost principles. For more information, see 2 CFR Part 200 Subpart E - Cost Principles as well as applicable provisions of 2 CFR Part 1500.

i. **Performance measurement.** Grantees will be responsible for ensuring all reporting requirements associated with the federal funding are met. This includes providing timely and accurate reporting to the Climate Bank in compliance with all federal and programmatic obligations. The Climate Bank will ensure that reporting processes are adjusted as necessary to meet updated or additional requirements issued by U.S. EPA. Reporting will include, but is not limited to, project financial and activity report, and assistance in developing sample project case studies.

   Reporting will include semi-annual reports to assist the Illinois Climate Bank in showing progress on achieving this program's purpose. These semi-annual progress reports will be due to US EPA within 30 calendar days of the end of the semi-annual reporting period. Consequently, to allow time to compile reports from multiple grantees, reports may be due to the Climate Bank within as few as three days of the end of the semi-annual reporting period, which run from October 1 to March 31 and from April 1 to September 30 of each year.

   Grant recipients will track the impact of stretch code adoption through the metrics identified in the funding opportunity and as may be additionally requested by IFA/ICB. Grant recipients will also be required to submit quarterly financial reports.

j. **Funding Compliance Requirements.** In responding to this NOFO, applicants must acknowledge compliance with the requirements related to this US EPA subaward:
   i. **Title VI of the Civil Rights Act and other Federal statutes and regulations** prohibiting discrimination in Federal financial assistance programs apply, including provisions protecting free speech, religious liberty, public welfare, and the environment per 200 CFR 200.300(a), as well as regulations, including 2 CFR 200.300(b) prohibiting discrimination based on sex, sexual orientation, or gender identity.

ii. **Consultant Cap**. Grant funds available for salary paid to individual consultants is limited to the maximum daily rate for Level IV of the Executive Schedule.[2]

iii. **Management Fees**. Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable.[3]

iv. **Foreign Work and Materials**. IFA must obtain written consent from US EPA prior to awarding a subaward that will be performed in a foreign country. Alert the IFA in the proposal if any portion of the project will be performed in a foreign country.[4]

v. **Reporting Executive Compensation.** Certain subrecipients receiving federal funding may be required to report executive compensation. For more information, refer to US EPA General Terms and Conditions, section 15.3 and 15.4.[5]

vi. **Conflicts of Interest**. Applicants must have systems in place to address, resolve, and disclose conflicts of interest and must disclose conflicts of interest to IFA, as described in US EPA's Conflicts of Interest policy.[6]

vii. **Utilization of Disadvantaged Business Enterprises**. US EPA requires that subrecipients make good faith efforts to utilize Disadvantaged Business Enterprises when procuring services and supplies, and retain documentation of doing so. The specific six good faith efforts can be found at 40 CFR Section 33.301(a)-(f).

viii. **Other Ineligible Activities**. Certify that the requested funding will not be used to encourage or support political activities such as the collection and dissemination of information related to potential, planned, or pending legislation or directly or indirectly support or oppose union organizing.[7]

ix. **Refreshments**. IFA has not received advance permission from US EPA to fund light refreshments or meals served at meetings, training workshops, or outreach events. Thus, applicants may not use funds from this grant for these purposes.[8]

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[2] For more information, see US EPA General Terms and Conditions, effective October 1, 2024, Section 8.7.

[3] US EPA General Terms and Conditions, effective October 1, 2024, Sec. 9.

[4] US EPA General Terms and Conditions, effective October 1, 2024, Section 8.11.

[5] US EPA General Terms and Conditions, effective October 1, 2024, Sec. 15.3, 15.4.

[6] US EPA General Terms and Conditions, effective October 1, 2024, Sec. 23.2.

[7] US EPA General Terms and Conditions, effective October 1, 2024, Sec. 13 (union organizing) and Sec. 45 (lobbying).

[8] See US EPA General Terms and Conditions, effective October 1, 2024, Sec 35.

x. **Procurement Standards.** The procurement standards in 2 CFR Part 200, including those requiring competition when the subrecipient acquires goods and services from contractors (including consultants), and Domestic preferences for procurements at 2 CFR 200.322 will apply to grant awardees.

E. Review and Selection Criteria

Minimum Requirements: To be eligible for funding, the proposed project must be located in Illinois, be submitted by an eligible entity, and propose eligible activities, as described in Section C above.

Selection Criteria: Applications will be reviewed competitively. IFA/ICB will evaluate projects for selection based on the following criteria, at a minimum:

- **Feasibility and Readiness:** The extent to which the applying municipality demonstrates that it has the capacity to implement the proposed activities and has policies in place, or a willingness to put policies in place, to adopt and implement an Illinois stretch code and facilitating codes updates, if needed.
- **Quality and Clarity of Proposed Activities**: A clear, detailed, and structured plan of activities that are designed to accomplish the program's objectives.
- **Municipal Awareness and Capacity Building:** The extent to which the proposed project will increase the municipality's ability to adopt a stretch code, including training municipal staff and leadership, creating internal processes, and setting policies that enable adoption and implementation.
- **Community Engagement and Education:** The degree to which the proposed project incorporates public outreach efforts to inform residents, businesses, and stakeholders about the selected stretch code, address public concerns, and encourage community participation in decision-making.
- **Incremental Code Modernization:** The extent to which the proposed project includes a structured and realistic plan for phased base code updates (if required), including a clear timeline and framework that leads to full stretch code adoption.
- **Emissions Reductions and Long-Term Energy Efficiency Improvements:** The expected impact of the proposed activities on increasing energy efficiency, reducing greenhouse gas emissions, and ensuring alignment with Illinois' long-term climate and energy goals.

Project Benefits Assessment: A successful project must score at least 30 points out of a maximum of 50 points. The selection criteria will be evaluated as follows:

Program Objectives Category	Maximum Points	Poor	Fair	Strong
Feasibility and Readiness	5	1-2 points	3 points	4-5 points
Quality and Clarity of Proposed Activities	10	1-3 points	4-7 points	8-10 points

Municipal Awareness and Capacity Building	10	1-3 points	4-7 points	8-10 points
Community Engagement and Education	10	1-3 points	4-7 points	8-10 points
Incremental Code Modernization	10	1-3 points	4-7 points	8-10 points
Emissions Reductions and Energy Efficiency Improvements	5	1-2 points	3 points	4-5 points
Total Points	**50**			

Each category will be evaluated in the Poor, Fair, or Strong bracket based on the description of the benefits in the project application and the likelihood of the applicant's ability to achieve them because of the proposed project activities and to successfully measure these benefits.

IFA/ICB may exercise discretionary prioritization in awarding grants based on geographic considerations, as well as other priority factors outlined in Section C.

F. Award Administration Information

Schedule

IFA/ICB reserves the right to deviate from this schedule at any time and without notice.

Activity/Event

Public Notice of Rolling Applications	June 15, 2026
Deadline for Receipt of Rolling Applications:	December 31, 2026, subject to the availability of program funds

Anticipated Announcement and Award Notices

Applicants will be notified of the selection decision within 30 days after the deadline for application submission.

Projects may require review and approval from the Illinois Environmental Protection Agency (IEPA) and the U.S. Environmental Protection Agency (EPA). **NOTE:** Any notice of selection is not an authorization to begin performance of the project or incur costs. Costs incurred before entering into a subaward agreement with the IFA/ICB will not be recoverable.

Reporting

The awarded projects will be required to report project metrics semiannually. IFA/ICB may post these reports on the IFA's public website. In addition, the applicant(s) will be required to submit financial reports quarterly throughout the life of the project. For awards to multiple municipalities, applicants must designate a lead municipality that will be responsible for collecting project metrics and financial reporting information and reporting to IFA/ICB on behalf of the entire group.

State Awarding Agency Contact(s)

Contacts for questions and assistance: climatebank@il-fa.com

Other Information

No Funding Commitment. The State is not obligated to make any award as a result of this NOFO. This NOFO will **not** commit the State of Illinois or IFA/ICB to any contracts for any supplies or services or any grant of funding awards. All costs associated with responding to this NOFO are at the applicant's expense.

Confidential and Proprietary Information: Any information obtained in response to this NOFO may be used by the IFA/ICB and the State of Illinois for program planning on a non-attribution basis. All submission materials become State property and will not be returned. The State will accept requests from any interested party to keep the information in its submission confidential and will agree to confidentiality, if reasonable, in accordance with state and federal laws and regulations. Any material within a response to this NOFO identified as confidential must be clearly marked and will be handled in accordance with applicable rules and regulations. Any response marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse. The State may publicly post a summary of the responses received.

Appeal Process: IFA/ICB will follow the appeal process under 44 ILL. Adm. Code 7000.350. IFA/ICB intend to give the applicants that were not selected in this round of solicitation sufficient opportunities to develop their application further, and resubmit their projects in the future rounds of project solicitations as they open.