

**2021**

**Community Development  
Block Grant – Coronavirus  
(CDBG - CV)  
Application Workshop**

June 30, 2021

**IOWA**  
economic development

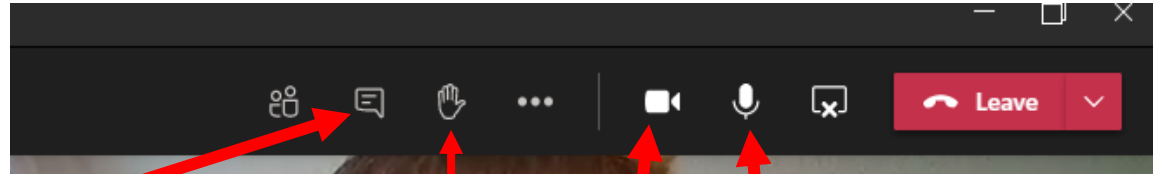
# Teams Meeting Format

This meeting will be recorded and posted to our website.

Questions may be submitted through the Chat feature.

At the end of the presentation, we will review questions, publish the question for the group to see and answer the questions.

If the Q&A system doesn't work for you, please email questions to:  
[Sarah.Plowman@IowaEDA.com](mailto:Sarah.Plowman@IowaEDA.com)  
and I will respond after the event.



Use the Camera and microphone icons to control your personal settings.

Please turn off your microphone until after the presentation. There will be time for questions and discussion at the end.

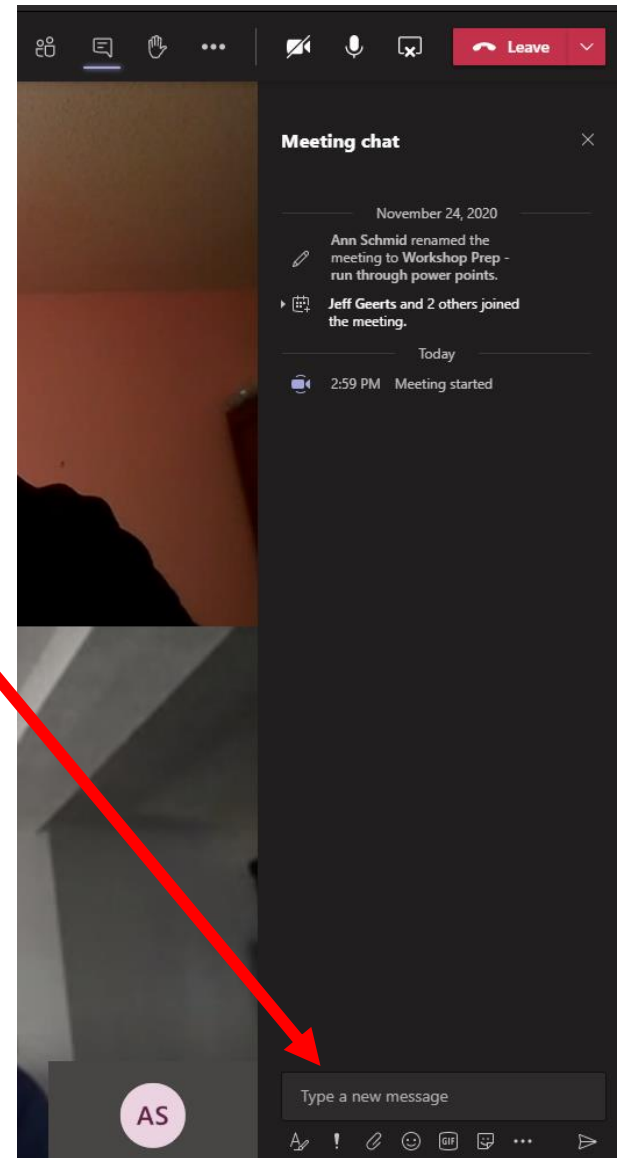
After the presentation, you can use the Raise Hand feature to ask a question, or the chat box.

# Teams Meeting Format

Questions may be submitted through the Chat feature.

Type Question in the Chat box and click enter to send chat comment. This will be seen by all attendees to the meeting.

If you need to send a private question, send an email to [Sarah.Plowman@IowaEDA.com](mailto:Sarah.Plowman@IowaEDA.com) and I will respond after the event.



# Today's Agenda

- » CDBG Program updates:
  - Section 3 training
  - Application Manual
  
- » CDBG-CV Program Details:
  - Program overview
  - Eligible activities
  - Duplication of benefits requirements
  - How to apply/application requirements
  - Review and awards

# **CDBG Program Updates**

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# Section 3 updates

- » Section 3 is HUD's legislative directive for providing preference to public housing residents and low-income residents of the local community and the businesses that substantially employ these persons, for new employment, training and contracting opportunities resulting from HUD-funded projects.
- » Section 3 applies to projects/activities involving housing (construction, demolition, rehabilitation) or other public construction—i.e., roads, sewers, community centers, etc.

# Section 3 updates

- » HUD has revised the Section 3 rule. This will impact
  - Contract language
  - How employees are counted (hours worked vs. new hires)
  - What contractors/ recipients must report to IEDA
  
- » IEDA has been working with our consultant to update all Section 3 guidance and forms in light of the new rule.
  
- » IEDA hosted a virtual training on June 24. Slides and a recording of the meeting have been posted: [www.iowaeda.com/cdbg/training-resources/](http://www.iowaeda.com/cdbg/training-resources/)

# CDBG Application manual- NEW

- » IEDA has created a new application manual. Includes application deadlines, instructions for applying, scoring criteria and specific program requirements.
- » Wanted to provide a resource for applicants that included program policies, resources and instructions.
- » CDBG Application Manual will be updated to include CDBG-CV information and will be available on the IEDA website:  
<https://www.iowaeda.com/cdbg/management-guide/>



# **CDBG-CV: Program Details – Program Overview**

# Program Overview

- » Iowa received approximately \$31 million in CDBG-CV funding as part of the federal CARES Act.
- » States must use these funds to prevent, prepare for and respond to COVID-19.
- » A portion of these funds may be used in entitlement communities; IEDA has contracted with most entitlements for a portion of these funds already.
- » Approximately \$21 million will be available to non-entitlements for COVID related activities/ projects.

# Program Overview

The CDBG-CV grant is subject to the rules and regulations of the annual CDBG program grants.

- » Every CDBG project must meet a national objective:
  - Benefit to low- to moderate-income persons (70% of allocation)
  - Slum & blight elimination
  - Urgent need
  
- » Eligible Applicants
  - All cities under 50,000 population
  - All counties
  - City or county on behalf of non-profit entity

# Program Overview

Exceptions unique to the CDBG-CV grant:

- » Eliminates the public services cap for coronavirus-related activities.
- » Prohibits duplication of benefits.
- » Requires all funds to be drawn down by July 20, 2023.

# **CDBG-CV: Program Details – Eligible Activities**

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# Eligible Program Activities

» The following types of projects are allowable:

- Public facilities/ public spaces
- Public Wi-Fi/ broadband access
- Microenterprise assistance
- Housing conversion
- Commercial façade improvements
- Food bank/ food program assistance
- Daycare assistance

# Eligible Program Activities

## Public Facilities/ Public Spaces

### » Eligible activities include:

- Expansion/ improvements to public gathering/ meeting spaces and public buildings: public schools, community centers, libraries, & outdoor public areas.
- Water and/ or sewer improvements in a downtown area.
- Storm water improvements in a downtown area (tied to Iowa Green Streets).

### » Examples – Preventing COVID-19 spread via:

- Expansion of public space for outdoor seating and activities/ social distancing.
- Improvements in ventilation/ HVAC in public facilities (schools, senior centers).
- Reconfiguration/expansion to reception areas/ meeting spaces to improve social distancing.

# Eligible Program Activities

## Public Facilities/ Public Spaces

- » At least 51% of project beneficiaries must be LMI individuals.
- » Maximum award per project is \$500,000.
- » Funds may not be used for operations or maintenance, nor for buildings used for general conduct of government.
- » Water/ sewer projects have additional requirements.
- » Applicants must document all matching funds at time of application.



# Eligible Program Activities

## Public Wi-Fi/ Broadband Access

### » Eligible activities include:

- Expansion of Wi-Fi in public meeting/ gathering spaces.
- Expansion of broadband infrastructure to increase access by LMI households.

### » Examples – Preparing for a resurgence of COVID-19 via:

- Provision of public Wi-Fi access throughout a downtown commercial area.
- Installation of broadband infrastructure to LMI households.

# Eligible Program Activities

## Public Wi-Fi/ Broadband Access

- » At least 51% of project beneficiaries must be LMI individuals.
- » Maximum award per project is \$500,000.
- » Funds may not be used for operations or maintenance, nor for buildings used for general conduct of government.
- » Applicants must demonstrate site control, and document all matching funds, at time of application.

# Eligible Program Activities

## Microenterprise Assistance

- » Eligible activities include:
  - Assistance to a microenterprise for working capital, equipment, building improvements, and related costs necessary to sustain and expand a microenterprise.
  
- » Examples – Responding to COVID-19's effect on the economy via:
  - Assistance to a microenterprise for working capital necessary to hire new staff.
  - Assistance to a microenterprise for physical repairs to its building.

# Eligible Program Activities

## Microenterprise Assistance

- » Microenterprise is a business with 5 or fewer employees, one or more of whom is the owner.
- » A microenterprise receiving funding must:
  - Be owned by a LMI individual, OR
  - Create LMI jobs as a result of the project.
- » Maximum award per project is \$50,000 as a forgivable loan.
- » Applicants must document all matching funds at time of application.

# Eligible Program Activities

## Housing Conversion

- » Eligible activities include:
  - Construction and development of existing space into new housing units.
  
- » Examples – Preventing spread of COVID-19 and responding to COVID-19's effects on housing and the economy via:
  - Conversion of empty building space into apartments to reduce housing overcrowding and meet local demands for housing.

# Eligible Program Activities

## Housing Conversion

- » At least 51% of all rental units to be made available to and occupied by LMI tenants. Additionally, CDBG funds must be proportional to LMI units in the project.
- » Maximum award per project is \$500,000, for a maximum of 7 units.
- » Project developer must be for-profit entity (owns or will own building).
- » Projects with 4 or more units must include broadband infrastructure.

# Eligible Program Activities

## Housing Conversion

- » Maximum/gross rent limits may not exceed most current HOME Program 65% rent limits.
- » Projects must utilize a licensed architect and/or engineer.
- » Prior to application, applicants will determine the development team.
- » Applicants must a) identify all properties included in project and b) document site control at time of application.
- » Projects must meet environmental review requirements.

# Eligible Program Activities

## Commercial Façade Improvements

- » Eligible activities include:
  - Financial assistance to commercial businesses for building façade improvements.
  
- » Examples – Responding to COVID-19's effects on the economy via:
  - Improvements to multiple downtown building facades in a community.



# Eligible Program Activities

## Commercial Façade Improvements

- » Projects must meet HUD's slum and blight national objective.
- » Maximum award per project is \$50,000 per building façade.
- » Historic buildings/ properties must complete a Section 106 review.
- » Funds may not be used for buildings used for general conduct of government.
- » Applicants must demonstrate site control, and document all matching funds, at time of application.

# Eligible Program Activities

## Commercial Façade Improvements

- » Property owners may not have a conflict of interest as defined by HUD.
- » No other work on the building may be conducted from time of application and closure of grant.
- » Façade work on occupied or occupiable upper story residential units is subject to federal Lead Based Paint regulations.

# Eligible Program Activities

## Food Bank/ Food Program Assistance

- » Eligible activities include:
  - Assistance to a local food bank/ food program addressing food insecurity.
  
- » Examples – Preparing for a resurgence of COVID-19 via:
  - Purchase of additional food to meet increased demand.
  - Purchase of additional equipment necessary to accommodate increased service.

# Eligible Program Activities

## Food Bank/ Food Program Assistance

- » At least 51% of project beneficiaries must be LMI persons.
- » Maximum award per project is \$100,000.
- » Applicants must demonstrate the project is in response to a new or increased level of service.
- » Funds cannot be used a) for general operating costs or b) to replace current state or local funding already received by the non-profit.
- » Applicants must document all matching funds at time of application.

# Eligible Program Activities

## Daycare Assistance

- » Eligible activities include:
  - Assistance to a daycare program/ facility.
  
- » Examples – Responding to COVID-19's effects on the economy via:
  - Purchase of equipment/ supplies tied to increased demand as parents transition back to work.
  - Funding to assist with training new staff hired in response to increased demand.

# Eligible Program Activities

## Daycare Assistance

- » LMI requirements:
  - Non-profit facilities: at least 51% of project beneficiaries must be LMI persons.
  - For-profit facilities: must be creating new jobs, of which 51% to be filled by LMI persons.
  
- » Maximum award per project is \$100,000 for a non-profit facility and \$85,000 per FTE job created for a for-profit facility.
  
- » Applicants must demonstrate the project is in response to a new or increased level of service.

# Eligible Program Activities

## Daycare Assistance

- » Funds cannot be used a) for general operating costs or b) to replace current state or local funding already received by the non-profit.
- » Applicants must document all matching funds at time of application.

**CDBG-CV:  
Program Details –  
Duplication of Benefits**



# Duplication of Benefits

- » “A duplication of benefits (DOB) occurs when a person, household, business, government, or other entity receives financial assistance from **multiple sources for the same purpose**, and the total assistance received for that purpose is **more than the total need for assistance.**” ~ *HUD DOB Quick Guide*
- » Layering of funds is acceptable if funds from different sources are applied to distinct costs and/or do not supersede the total need.
- » Order of assistance does not apply; CDBG-CV does not have to be the “payer of last resort.”

# Duplication of Benefits

## IEDA DOB Policy Overview:

1. Review possible sources of DOB offered through local, state, and federal assistance programs.
2. Beneficiaries sign DOB certification form and subrogation agreement.
3. Determine that requests are “reasonable & necessary” per 2 CRF 200.
4. Assess a) the amount of need, b) the calculation of additional assistance, and c) the calculation of unmet need.
5. Award funding with a payback clause such that if DOB is identified at any time, the funds must be repaid.

**CDBG-CV:  
Program Details –  
Application, Review, Awards**

# How to Apply

- » CDBG-CV will have an open application window. Applications will be accepted and reviewed as funds are available.
- » Applications are available tomorrow (July 1) at [www.iowagrants.gov](http://www.iowagrants.gov)
- » **If an application is incomplete it will NOT be reviewed.** Complete means all required information is provide in the application AND all required attachments are uploaded with the application.
- » Environmental Reviews ready for publication may be included with the application to expedite the process.

# Application Requirements

## All CDBG-CV applications must include:

- » Community Development and Housing Needs Assessment  
*(revised in 2020- refer to guidance on website)*
- » Minority Impact Statement
- » Federal Assurance Signature Page
- » Applicant/Recipient Disclosure/Update Form
- » Acknowledgement and adoption of DOB policy

# Application Requirements

- » Public Hearing Documentation
  - Notice, Signed Minutes and Proof of Publication or Affidavit of Posting
- » Resolution committing matching funds, if applicable
- » Documentation of other funding sources
- » Target Area Map, if applicable
- » Any program specific items- Administration plans, Green Streets information, etc.

# Procurement Reminders

- » Applications must meet State of Iowa procurement standards/ requirements. Please refer to Procurement Policy included in the 2020 CDBG Management Guide.
- » Consultants/ COGs may not be involved with procurement of services if they plan to bid on those services (applicable to all service providers).
- » Sample RFP templates & publication documents are available on the IEDA website.
- » Please refer to FAQ on procurement requirements and contact IEDA with specific questions.

# Application Evaluation Criteria

- » Applications will be reviewed on a first come, first serve basis.
- » Incomplete applications will NOT be reviewed.
- » Each application will be reviewed against a pre-determined set of criteria.
- » Critical criteria include:
  - CDBG-eligible activity
  - Meets national objective
  - Strong coronavirus tieback
  - Application completion
- » Full evaluation criteria review sheet will be posted to IEDA website.



# Awards and Timelines

- » Review time will take ~30-45 days for complete applications.
- » The IEDA Community Investments Team will make funding recommendations to the IEDA Director who provides final approval.
- » Award decisions are made on an ongoing basis as applications are submitted.
- » All awarded projects **must** be completed, and all funds drawn down, prior to July 20, 2023.

# Final Reminders

- » CDBG Application Manual updated with CDBG-CV information will be available on the IEDA website:  
<https://www.iowaeda.com/cdbg/management-guide/>
  
- » For more detail, please see the CDBG-CV Federal Register Publication Notice FR-6218-N-01.
  
- » For further information, please reach out with questions to:
  - Sarah Plowman, CDBG-CV Project Manager
  - [Sarah.plowman@iowaeda.com](mailto:Sarah.plowman@iowaeda.com)
  - 515-348-6213

# Questions?

## Thank You!

We look forward to great applications...

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