

State of Iowa –2019 CDBG-DR Action Plan, Amendment 5, Non-Substantial

The State of Iowa is proposing to make several non-substantial changes to the program budgets. This change is necessary as the larger FEMA Match Buyout projects are closing with returned funds, and the need to increase support for underway new housing projects increase amid inflationary construction prices for the time of application.

See the table below for the approved program budget summary:

Proposed Program Budget Summary

Program	Funding by Program	%	Activity	Funding by Activity
Housing	\$90,468,676	93.52%		
			Buyout – FEMA Match (8.00%)	\$7,754,627
			Infrastructure in Support of Housing (46.63%)	\$42,184,092
			Construction of New Housing with Down Payment Assistance for Homeowner (34.00%)	\$30,759,822
			Construction of Rental Housing (10.80%)	\$9,770,135
Infrastructure	\$2,692,304	2.78%	CDBG-DR Stormwater Infrastructure	\$2,692,304
Planning	\$710,256	0.73%	Land use planning	\$710,256
Admin	\$2,869,764	2.97%	IEDA Staff, Recipient Grant Administration, and Professional Services Contracts to assist with grant administration.	\$2,869,764
	\$96,741,000	100%	Total Funds Allocated	\$96,741,000

See below for the proposed changes in Amendment 5.

Proposed Program Budget Summary

Program	Funding by Program	%	Activity	Funding by Activity
Housing	\$90,074,972	93.11%		
			Buyout – FEMA Match	\$6,910,467
			Infrastructure in Support of Housing	\$43,332,851
			Construction of New Housing with Down Payment Assistance for Homeowner	\$29,125,724
			Construction of Rental Housing	\$10,705,930
Infrastructure	\$3,086,008	3.19%	CDBG-DR Stormwater Infrastructure	\$3,086,008
Planning	\$710,256	0.73%	Land use planning	\$710,256
Admin	\$2,869,764	2.97%	IEDA Staff, Recipient Grant Administration, and Professional Services Contracts to assist with grant administration.	\$2,869,764
	\$96,741,000	100%	Total Funds Allocated	\$96,741,000

Change 1: Allow for 100% Down Payment Assistance

Interest rates have increased substantially since HUD’s approval of the State’s 2019 CDBG-DR Action Plan in 2020. At present, the State allows for up the provision of down payment assistance of up to 50% of the required down payment for qualified LMI buyers of incentivized for-sale homes. The State is proposing increasing this maximum to 100% of the required down payment plus closing costs. This will also align with the State’s 2020 CDBG-DR new housing for-sale program.

Steven Stransky

From: Wilkerson, Jo A <Jo.A.Wilkerson@hud.gov>
Sent: Tuesday, February 28, 2023 7:25 PM
To: Steven Stransky
Cc: Hayley Crozier
Subject: HUD Acknowledgement - Iowa 2019 CDBG-DR - Amendment 5

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Dear Steven,

This email serves as acknowledgement of the Action Plan Amendment (APA) 5 Non-Substantial for the State of Iowa's 2019 CDBG-DR grant. The purpose of APA 5 is to make non-substantial changes to the program budget. The budget change is necessary because the FEMA Match Buyout projects are closing with returned funds, and there is demonstrated need to increase support for new housing projects due to increase in construction prices.

The changes in the program budget are:

- Reduce funding by \$844,160 for the FEMA Match Buyout Program
- Increase funding by \$1,148,759 for Infrastructure in Support of Housing
- Reduce funding by \$1,634,098 for the Construction of New Housing with Down Payment Assistance for Homeowners Program
- Increase funding by \$935,795 for Construction of New Rental Housing Program

The budget changes will allow for the State to increase the provision of down payment assistance of up to 100% (from 50%) of the required down payment plus closing costs for qualified LMI buyers of incentivized for-sale homes. Currently, the State allows for the provision of down payment assistance for up to 50% of the required down payment for qualified LMI buyers of incentivized for-sale homes. This change will align with the State's 2020 CDBG-DR new housing for-sale program.

HUD acknowledges that the APA is non-substantial in accordance with the requirements in the State's 2019 Action Plan. The State will be offering the same program in the Action Plan, there is no change in beneficiaries, and the amount being reallocated between existing programs is less than \$5 million.

This acknowledgement of the APA 5 will also be uploaded in DRGR.

Thank you.

Jo Ann Wilkerson

Jo Ann Wilkerson
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From: Steven Stransky <Steven.Stransky@IowaEDA.com>
Sent: Monday, February 27, 2023 1:07 PM
To: Wilkerson, Jo A <Jo.A.Wilkerson@hud.gov>
Cc: Hayley Crozier <Hayley.Crozier@IowaEDA.com>
Subject: <External Message> Iowa 2019 CDBG-DR - Amendment 5

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Good afternoon, Jo Ann.

See the attached documentation for Iowa's Amendment 5 (non-substantial) to the 2019 CDBG-DR Action Plan. Let me know if you have any questions.

Sincerely,

STEVEN STRANSKY | Disaster Recovery Team Lead
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