

2019 CDBG Application Workshop Downtown Revitalization Program

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Program Overview

CDBG Downtown Revitalization Program

- » Awarded on annual basis; allocation in 2019 likely much the same
 - » On average, about 5-6 projects per year; 52 funded since 2010
 - » Projects must meet HUD's CDBG National Objective of Elimination of Slum and Blight
 - » Requires significant coordination between business owners, architects, and grant administrator
 - » Ideally results in highly visible outcomes, but S & B most important
- *Buildings with first floor residential not eligible**



Impactful Photo Examples (1)



Impactful Photo Examples (2)



Impactful Photo Examples (3)



2019 Application Cycle

- » Give Yourself Time, Typically at least 5-6 month process
- » Due date is May 2019; so time to go is now!
- » All applications submitted through IowaGrants.gov
- » Remember:
 - **New:** *Minimum of 8 Buildings/Addresses for an award of \$500,000*
 - **New:** *Minimum of 6 Buildings/Addresses for an award of < \$500,000*
 - No additional (non-grant) construction allowed on project buildings from **date of submittal** until end of project contract.....typically, 2.5 - 3 years!
 - Prioritization of slum and blight factors required
 - Only fronts and readily visible sides qualify; rear facades very rarely
 - 2019 may be unusually competitive

Developing A Project

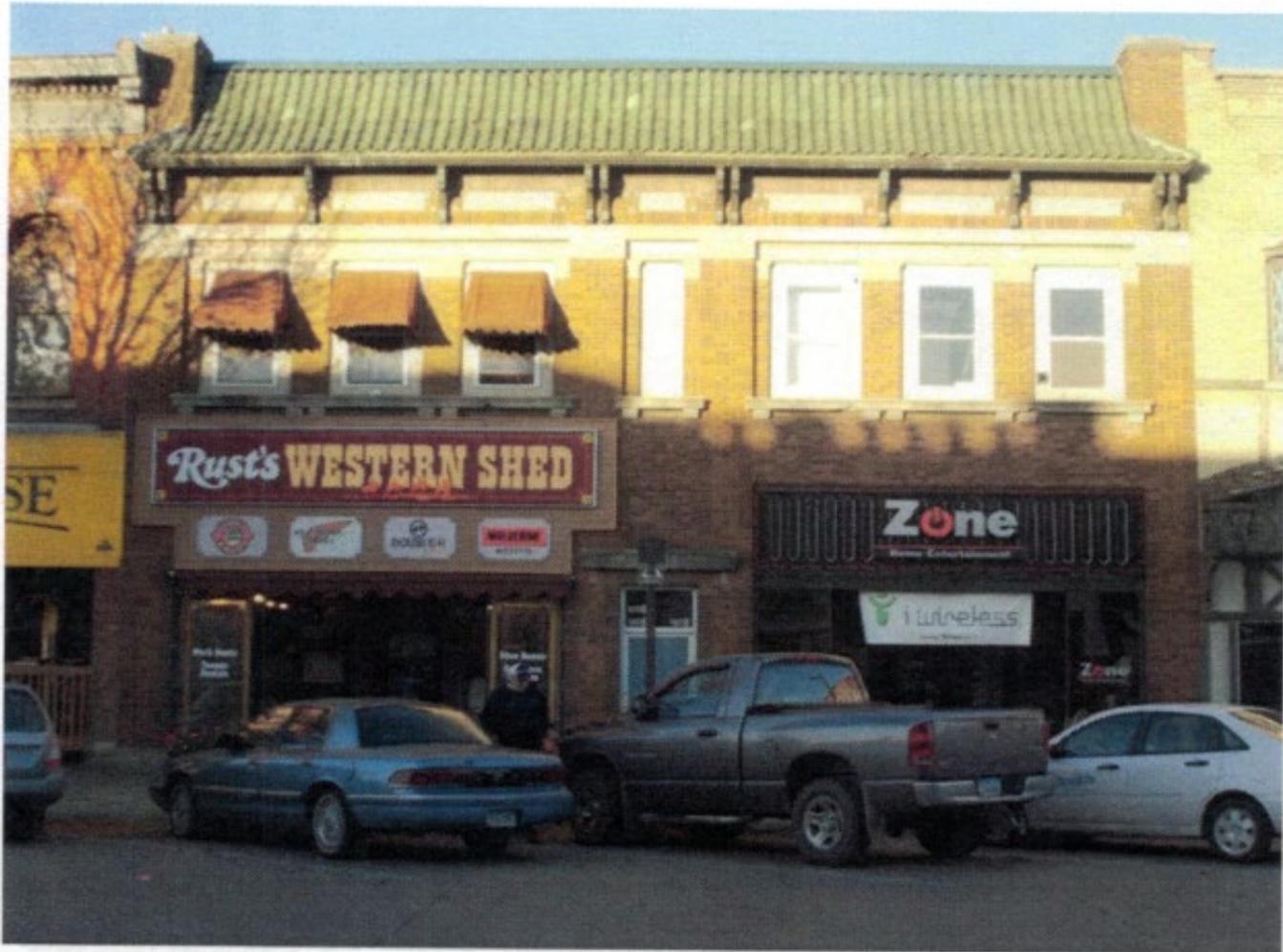
- » Applicants need to work with architects from early on
 - Project experience very important
 - Procure architects in advance of an award – but do not sign final design/construction contract until the project is awarded funding
 - Remember procurement regulations: Secure ALL phases at once
 - Application preparation *is* a pre-award cost that cannot be reimbursed
- » Provide property owners with realistic expectations
- » Architect needs to reference DTR Green Streets Criteria in specs
- » Obtain a commitment letter from property owners, (can still change mind)
- » Can call on IEDA during process

SLUM & BLIGHT NATIONAL OBJECTIVE

THIS IS BLIGHT:



But This Is Also Blight - “Light”



Meeting Slum and Blight National Objective

- » *Step 1:* Define the target or project area– area must meet the definition of Slum & Blight to be eligible
- » *Step 2:* 25% or more of the buildings in entire area must be in fair to poor condition
- » *Step 3:* The designated area must meet the requirements of Iowa Code Chapter 403:
 - Resolution adopted by City within 2 years preceding application, states:
 - One or more slum, blighted or economic development areas exist
 - The rehabilitation, conservation, redevelopment, development, or a combination thereof, of the area is necessary in the interest of the public health, safety, or welfare of the residents of the municipality

Meeting Slum and Blight National Objective

- » **In vast majority of cases in Iowa we are talking “Blight Light”**
- » Identify and describe deteriorating building components
- » Provide descriptive photos by element
- » CDBG funds can only be used for buildings properly classified as in Fair or Poor condition
- » So, Four Main Components
 - Select downtown area with 25% + blighted buildings
 - Basic inventory form for each/all buildings in Slum and Blight Area
 - Detailed Slum and Blight form for project buildings
 - City resolution meeting Iowa Code 403 and specific area identified (attach map to resolution)

Slum & Blight Documentation

- » Slum & Blight summary form incorporated into the project information section in IowaGrants
- » Individual building details section in IowaGrants will require following for every building in target area:
 - General individual building description
 - Façade front picture and overall rating
- ❖ CDBG funded buildings will ALSO need to provide:
 - Itemized scope of work and cost details
 - Several building pictures: storefront, doors, windows, stairs, foundation, etc. with a priority ranking for each
 - Photos focused on slum and blight items

Individual Building Detail on lowagrants.gov

» **Summary: For CDBG funded buildings.....**

- Make sure to have a picture for EACH blighted element
- Make sure to have a priority ranking for EACH element
- Make sure to have provided descriptions and clear photographs of deteriorating conditions for EACH element
- Make sure to propose improvements to areas of the buildings that you have ranked worst – address the worst first
- No first floor residential usage
- Often can't get to all elements or all buildings

Good Pictures for Front Facade: Must Include One for ALL Buildings in project Area



Front Façade Picture: entire height and width of building

Bad Pictures for Front Façade



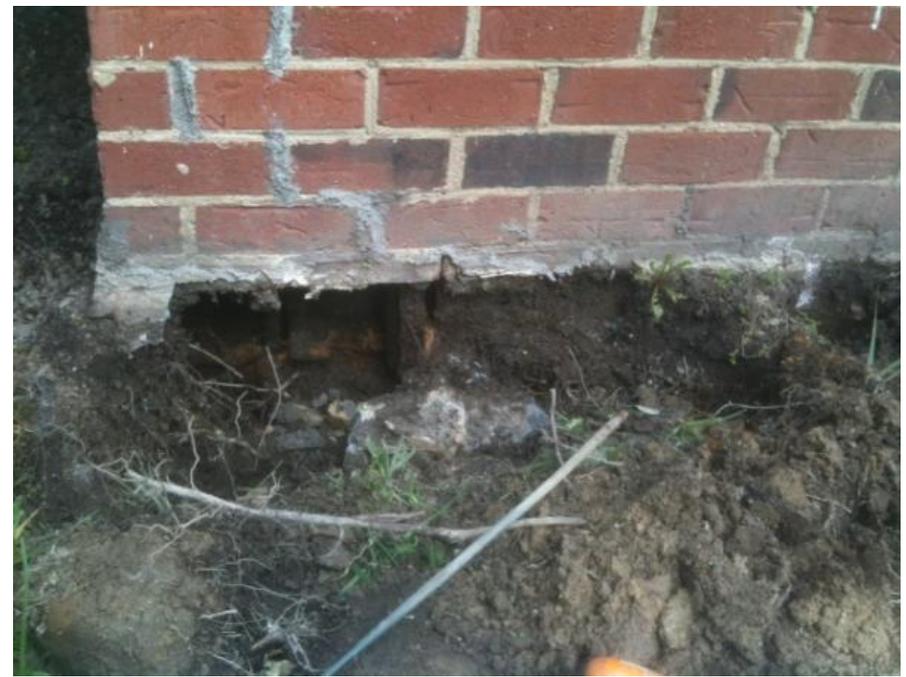
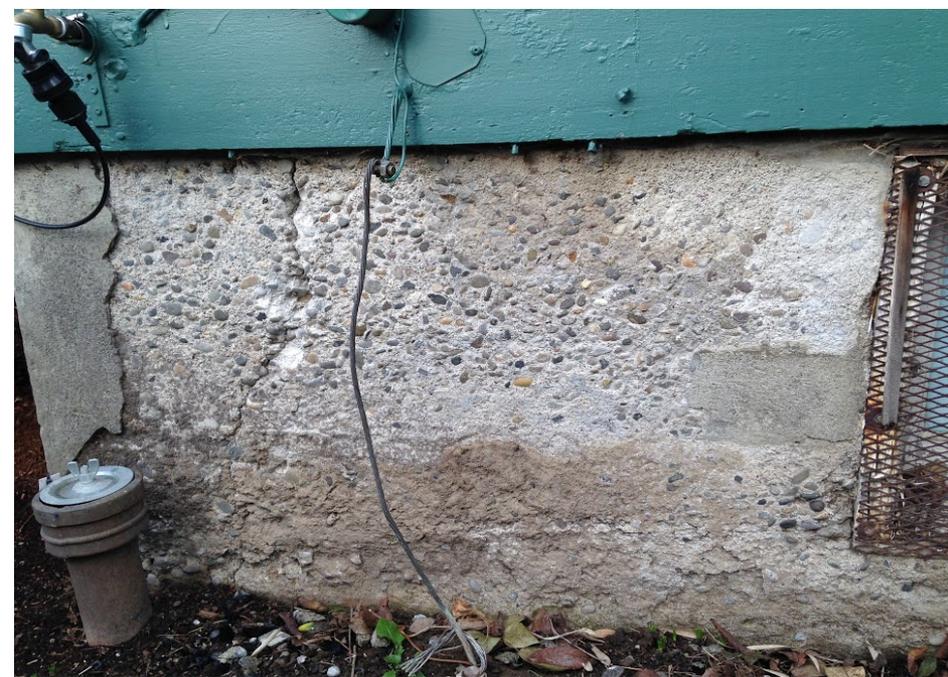
Shows only a portion of the front façade of these buildings

Good Pictures for Documenting Fair & Poor Conditions on Potential CDBG project buildings



Category Picture: Storefront

Good Pictures for documenting Fair & Poor conditions on potential CDBG project buildings



Category Picture: Foundation

Good Pictures for documenting Fair & Poor conditions on potential CDBG project buildings



Category Picture: Windows

Good Pictures for documenting Fair & Poor conditions on potential CDBG project buildings



Category Picture: Masonry; Exterior Wall

Incomplete Written Description Examples

» Exterior Walls & Surfaces

- Brick in bad shape all over building. Lots of tuck-pointing called for.
- Looks like there has been some water damage.
- Wall could use repainting.

» Windows

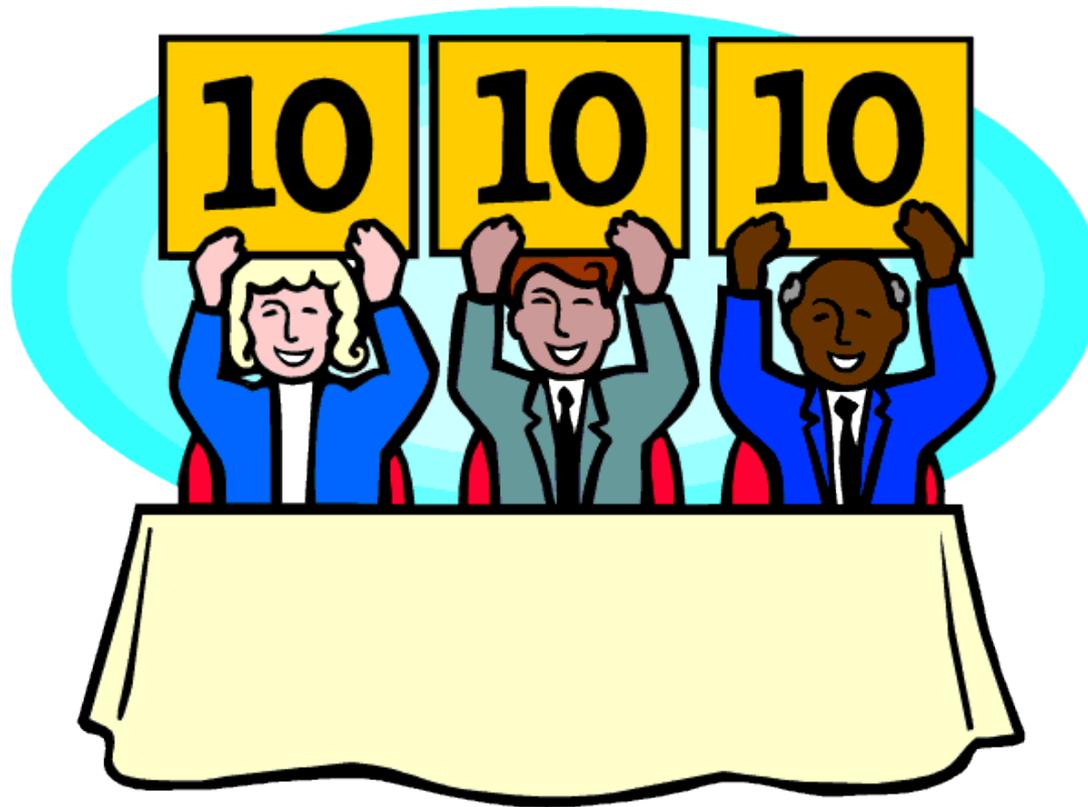
- Several windows either broken, missing or probably can't be opened.
- Some windows may not be weather tight.
- Window frames need work.

» Doors & Entry Ways

- Front door is in bad condition.
- Recessed entrance way looks old and dirty.
- Signage dated.

» **MUST GET A CLOSE LOOK & GIVE SOME DEGREE OF DETAIL**

2019 Scoring Priorities



Anticipated 2019 Scoring Criteria

- » 8 scoring factors or categories; all equally weighted
- » Each criteria scored on a 1 to 5 scale. Maximum of 40 points for a “perfect” application
- » Criteria will, among other things, reflect meeting the national objective (slum and blight)
- » Applications scoring less than 25 points will likely not be funded
- » Applications are evaluated by three persons; scores are averaged
- » Geographic distribution across the State is not a factor

Ten Aspects of the 'Perfect' Application:

- » First Tier Environmental Review Complete
- » Signed agreements with business owners with some money in escrow
- » Architect conditionally procured through final design and construction
- » Work activities address clear majority of Fair & Poor buildings, and most individual blighting factors on each building
- » A logical, compact target area
- » Other sources of committed matching funds equaling 55% or more of total project (over 36% is competitive) / property owners are *typically* responsible for 20-25% of cost
- » Line item bid estimates including deductible alternatives
- » Agreement on budget numbers throughout application
- » A clear administrative plan outlining management responsibilities
- » Demonstrated local support

2019 Applications

Scoring Criteria:

- » Degree to which the proposed activity is appropriate for CDBG
- » Degree to which CDBG funds will be leveraged by other funds
- » Degree of impact the activity will have on the elimination of slum and blight in the target area. This score will calculate # of facades/ total number of facades in target area; the higher the percentage, the betterso smaller area has an advantage with this criteria. **If a 'second phase' target area, you basically cannot overlap.**
- » Degree to which the proposed scope of work addresses identified contributing factors to slum and blight on individual buildings
- » Degree to which the scale and scope of the project is appropriate for the CDBG program timeframe (3 years)
- » Degree of community involvement with the proposed downtown revitalization efforts
- » Degree to which the project meets or exceeds Green Streets criteria
- » Degree to which the project is ready to proceed

Cost Estimate Preparation

- » Accuracy is vital to a project meeting goals
- » *Average* building cost may be approaching **\$60,000** next year
- » Err on the high side, but within reason
- » CDBG funds can only be used for buildings properly classified in fair or poor condition so costs should rarely be “minimal”
- » Keep in mind that historic preservation standards may increase costs
- » Make sure that the property owner is “on board” with final cost estimates
- » Beware of unexpected or “hidden” costs
 - Asbestos testing or removal
 - Structural problems not readily visible
 - Removal of special wastes

Don't Forget LBP Applicability Costs

- » For residential spaces, basically same rules as for the housing rehabilitation program
 - Affects residential units in a mixed use building
 - Requires testing and interim controls on any residential units for all areas in which painted surfaces will be disturbed
 - Does NOT apply to commercial portion of the structure
 - Applicable residential units are **either occupied or readily occupiable**
 - Hard costs cannot exceed \$24,999 unless building is historic
 - The \$24,999 is considered per residential unit
 - It is acceptable to subtract out costs that are specifically for commercial improvements, however common spaces must be included 50/50
 - This situation not likely to occur – but could

Role of Historic Preservation



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Historic Preservation Items

- » Be aware of your community's historic/cultural assets as well as any existing districts or local rehabilitation guidelines
- » DTR encourages historic preservation practices
- » If funded, survey and evaluation of all project properties will be required as part of environmental review (Section 106)
- » Any buildings deemed potentially eligible for national register must be rehabbed in accordance with Sec. of Interior Standards
- » Scope of work to be reflected in bid specs for historic buildings must go through IEDA review
- » Allow time for this review in your overall project timeframe before bidding
- » **Contact Ann Schmid of IEDA staff for info and assistance with process: ann.schmid@iowaeda.com or (515) 725-3078**

The Role of Property Owners



Property Owner Involvement

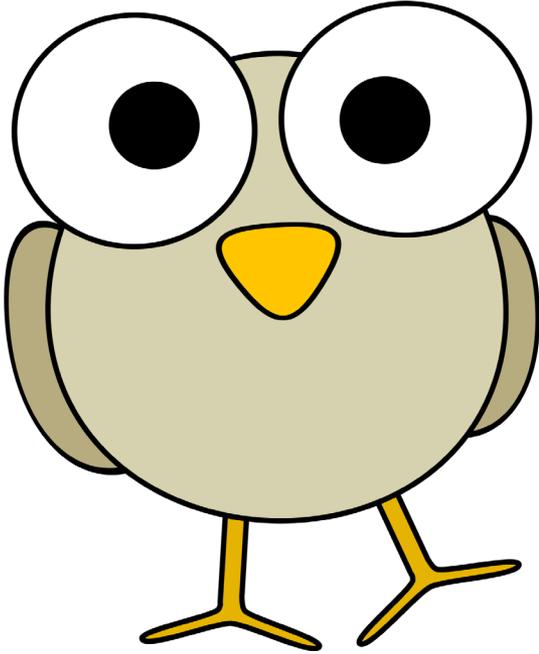
» Main Features of Best Commitment Letter for Application:

- Acknowledgement of total cost estimate
- Acknowledgement of financial contribution (percentage of total estimated *final* cost or a not to exceed figure is best)
- Acknowledgement of applicability of federal requirements such as: historic review; prevailing wage and “no other construction work” (emergency or maintenance work OK)
- Acknowledgement of intent to sign an easement agreement & construction terms agreement if awarded funds
- **New: Easement term reduced from 7 years to length of grant period – no more than three years total (unless specifically extended)**
- Acknowledgement that slum and blight are highest priority
- **This letter does not legally bind the property owner**

Tips on Communication with Property Owners

- » Don't promise property owners inclusion as a proposed project until you know budget and have assessed all blight
- » Circulate commitment letter templates early on & discuss cash match
- » Do not expect construction to begin in 2019; plan on first half 2020
- » If funded, there will be an easement and construction terms agreement for them to sign
- » Convey federal requirements, including that:
 - City will hire architect and contractor and will direct those services
 - Davis Bacon prevailing wages will apply
 - All work subject to Secretary of Interior Standards, (unless not historic)
 - Entire building subject to federal requirements

Questions



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