

Grantee: Iowa

Grant: B-08-DN-19-0001

January 1, 2021 thru March 31, 2021 Performance

Grant Number: B-08-DN-19-0001	Obligation Date: 03/19/2009	Award Date: 03/19/2009
Grantee Name: Iowa	Contract End Date:	Review by HUD: Submitted - Await for Review
Grant Award Amount: \$21,607,197.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$21,607,197.00	Estimated PI/RL Funds: \$3,799,723.00	
Total Budget: \$25,406,920.00		

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

The Neighborhood Stabilization Program (NSP) provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline in value of neighboring homes. In an attempt to target these funds to communities with the greatest need, the following factors were employed to determine eligibility. Again using data provided by HUD, Block Groups were selected that met two criteria: they had a Foreclosure Risk Score of 9 or 10, and the Block Group in its entirety met the LMMI criteria. (They are Low, Medium or Moderate Income eligible if more than 50 percent of the households in the Block Group are below 120 percent Area Median Income – the NSP eligibility level.) Using these two criteria resulted in a list that includes 361 Block Groups in 98 different communities. These 98 communities (approximately 10 percent of all communities in the state) will be considered eligible to submit a Plan and apply for NSP funding.

Distribution and and Uses of Funds:

The State of Iowa plans to allocate NSP resources to communities with the greatest need, and that have the interest and administrative capacity to operate the program. The State has determined that the most appropriate way to address these goals is to provide funding directly to Entitlement Communities, and have a competitive application process for the Non-Entitlement Communities. To determine an appropriate division of funding between the entitlement communities and the non-entitlement communities, the State proposes using a three-part formula. The three factors would include # of foreclosures, # of distressed/high-risk neighborhoods, and number of sub-prime loans. For the entitlements, the average of the three measures would be 38% (# of foreclosures) + 71% (distressed/high risk neighborhoods) + 45% (# of subprime loans). (38% + 71% + 45%) / 3 equals 51%. Using this figure of 51% to the Entitlement Communities, and 49% to the Non-Entitlements would result in the following: State Administration Up to \$864,287 (4% of the total award) Entitlement Communities \$10,579,231 Non-Entitlement Communities \$10,163,679 Total Funding \$21,607,197 A. Entitlement Allocation The allocation among the Entitlement Communities only has been calculated using the following formula: Number of Estimated Foreclosures in the community (weighted 60%), percent of sub-prime loans in the community (weighted 20%), and Foreclosure Risk (20%). After allocating the funds according to this formula and eliminating any allocations of less than \$250,000, the following totals are derived: Des Moines \$3,935,474 Davenport \$1,547,741 Cedar Rapids \$1,193,337 Council Bluffs \$1,184,874 Sioux City \$1,158,426 Waterloo \$850,570 Dubuque \$444,328 West Des Moines \$264,481 TOTAL \$10,579,231 If any of the eight Entitlement Cities above decide not to accept the funding, that amount will be allocated instead to the Non-Entitlement portion of the funding available to them by competitive application. B. Non-Entitlement Allocation As noted earlier, \$10,164,359 will be allocated for usage by non-entitlement communities, through competitive application.

Definitions and Descriptions:

Housing Rehabilitation Standards

All newly constructed multi-family and single-family housing must meet all locally adopted and enforced building codes, standards and ordinances. In the absence of locally adopted and enforced building codes, standards and ordinances, the requirements of the State Building Code apply.

All multi-family housing activities involving rehabilitation must meet all locally adopted and enforced building or housing codes, standards or ordinances. In the absence of locally adopted and enforced building or housing codes, standards or ordinances, the requirements of the State Building Code apply.

The State Building Code (Department of Public Safety) has adopted the International Building Code and related publications.



All single-family housing activities involving rehabilitation must meet all locally adopted and enforced building or housing codes, standards or ordinances. In the absence of locally adopted and enforced building or housing codes, standards or ordinances, the requirements of the Iowa Minimum Housing Rehabilitation Standards apply (all communities with a population of less than 15,000). Communities with populations of 15,000 or greater are required by state law to adopt a housing code.

5. Abandoned Property

A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

6. Foreclosed Property

A property "has been foreclosed upon" at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

Low Income Targeting:

At least 25% of the funds must go to benefit households at 50% or lower Area Median Income (AMI). To meet this statewide requirement, and because HUD excludes administrative funds from the calculation, cities will be required to show that at least 26% of the funds they receive will be used to benefit households at 50% or lower AMI. If communities have difficulty meeting this requirement IEDA will consider reducing the %. However, this would mean another community would need to complete more than 26% to make certain that the 25% set aside is met. As of 2017, the State is exceeding the set aside requirement.

Acquisition and Relocation:

It is anticipated that some demolition and/or conversion of low- and moderate-income dwelling units will occur. It is understood that, although the "one-for-one" replacement requirement has been waived for the NSP program, the proposed activities should mitigate such losses to the extent possible.

Public Comment:

Comment #1: Targeting Criteria A comment was received from a community that having a targeting rule of no more than 25 percent of a community's Census Tracts might be unreasonable. In some cases, Census Tracts might be very small, and in other cases very large, so that using Census Tracts only for this rule might be unfair or inconsistent from one community to the next. Response: To address this potential concern, the Draft Plan has been revised to make clear that an acceptable alternative method of targeting would be the percentage of the community, by area, rather than strictly using a percentage of Census Tracts. For communities of 10,000 – 49,999 population, and for Entitlement Communities, this Final Plan allows the targeting to be up to 25% of the entire community, by area. Comment #2: Clarification of holding costs A comment was received from a community that believed that in the current real estate market, holding costs may be a significant portion of their total NSP funds. "While we are of the understanding that holding costs can be used as a delivery cost, we would like to see more detail in the plan as to what constitutes a holding cost and how these costs can be accounted for." Response: The Department will request additional guidance from HUD on this issue. Additional information will hopefully be available and provided to communities through the application process and/or other means of technical assistance. Comment #3: Commitment definition A comment was received from a community that while the program rules state that funds need to be committed within 18 months, there is no clear definition of what commitment means. "Without this, we are unsure if we are required to complete all property acquisition within 18 months, have properties identified within 18 months, or simply to have an idea of where we would like to acquire property." They would like the state plan to address what the definition of commitment should be. Response: The state's current understanding is that property acquisition would not be required within the 18 month period, but that property identification would be. Additional clarification on this issue will also be sought, and provided to communities as the state obtains more information on this subject. Comment #4: Iowa Green Streets criteria A comment was received from a community that was concerned with the requirement that Iowa Green Streets criteria will be applied to all new construction projects. "Entitlement cities are unaware of the Iowa Green Streets requirements and how these requirements and will impact the cost of development. From our experiences working with non-profit housing developers, we have learned that green requirements need to be well defined. Another concern with green development is the cost. Depending on the specific requirements, "green" can increase costs by as much as 20%-30%, which makes affordability increasingly difficult." Response: A manual outlining the guidelines and requirements for Iowa Green Streets can be found on the Department's website at <http://www.iowalifechanging.com/community/downloads/green-criteria08.pdf>. The Department recognizes that while "green" can increase costs initially, long-term sav

Public Comment:

ings can actually increase affordability. Comment # 5: A comment was received from a non-profit organization asking that the Plan "Ensure that the needs of low income elderly residents are a designated priority in plans for neighborhood stabilization." Response: Although the program regulations require that the funds be targeted to Low, Moderate, and Middle Income households, nothing in the program goals or regulations indicate an intent to prioritize e

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$25,401,491.00
Total Budget	\$0.00	\$25,401,491.00
Total Obligated	\$0.00	\$25,401,491.00
Total Funds Drawdown	\$0.00	\$25,401,491.00
Program Funds Drawdown	\$0.00	\$21,601,768.00
Program Income Drawdown	\$0.00	\$3,799,723.00
Program Income Received	\$0.00	\$3,799,723.00

Total Funds Expended	\$0.00	\$25,401,491.00
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
Audubon	\$ 0.00	\$ 322,162.00
Des Moines	\$ 0.00	\$ 4,499,154.00
Dubuque	\$ 0.00	\$ 917,083.00
Eldora	\$ 0.00	\$ 814,185.00
Fort Dodge	\$ 0.00	\$ 1,478,512.00
Guthrie Center	\$ 0.00	\$ 720,059.00
Hamburg	\$ 0.00	\$ 637,448.00
Iowa Department of Economic Development	\$ 0.00	\$ 864,287.00
Jefferson	\$ 0.00	\$ 1,033,495.00
Knoxville	\$ 0.00	\$ 922,216.00
Marshalltown	\$ 0.00	\$ 534,357.00
Boone	\$ 0.00	\$ 727,037.00
Oelwein	\$ 0.00	\$ 1,197,880.00
Ottumwa	\$ 0.00	\$ 850,250.00
Perry	\$ 0.00	\$ 1,073,364.00
Shenandoah	\$ 0.00	\$ 914,336.00
Sioux City	\$ 0.00	\$ 1,147,081.00
Waterloo2	\$ 0.00	\$ 838,404.00
Burlington	\$ 0.00	\$ 938,720.00
Cedar Rapids	\$ 0.00	\$ 1,193,337.00
Corning	\$ 0.00	\$ 446,070.00
Council Bluffs	\$ 0.00	\$ 1,184,874.00
Creston	\$ 0.00	\$ 351,618.00
Davenport	\$ 0.00	\$ 1,795,562.00
Davenport1	\$ 0.00	\$ 0.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	.00%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$.00	\$.00	\$.00
Limit on Public Services	\$.00	\$.00	\$.00
Limit on Admin/Planning	\$.00	\$2,098,995.00	\$2,098,995.00
Limit on Admin	\$.00	\$2,098,995.00	\$2,098,995.00
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$6,351,730.00		\$9,399,782.00

Overall Progress Narrative:

All Contracts are closed. Waiting for HUD to close grant.



Project Summary

Project #, Project Title

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
08-NSP-A FinancingMech, 08-NSP-A FinancingMech	\$0.00	\$150,000.00	\$150,000.00
08-NSP-B Acq/Rehab, 08-NSP-B Acq/Rehab	\$0.00	\$12,762,330.00	\$11,346,508.00
08-NSP-D Demolition, 08-NSP-D Demolition	\$0.00	\$4,239,240.00	\$3,581,807.00
08-NSP-E Redevelop, 08-NSP-E Redevelop	\$0.00	\$6,155,611.00	\$4,574,882.00
08-NSP-LocalAdm, NSP-LocalAdm	\$0.00	\$1,234,708.00	\$1,084,284.00
08-NSP-StateAdmin, NSP State Admin	\$0.00	\$864,287.00	\$864,287.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



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Grant Number: B-11-DN-19-0001	Obligation Date:	Award Date:
Grantee Name: Iowa	Contract End Date:	Review by HUD: Submitted - Await for Review
Grant Award Amount: \$5,000,000.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$5,000,000.00	Estimated PI/RL Funds: \$5,994,904.00	
Total Budget: \$10,994,904.00		

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

I. Program Background The funds awarded under this notice to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned.

II. Allocation of Funding Within Iowa The State of Iowa plans to allocate NSP3 resources to communities with the greatest need and have the administrative capacity to operate the program as demonstrated by successful use of their NSP1 funding.

III. Distribution of Funds – In order to qualify for funding through the NSP3, the communities must each prepare and submit to IDED an NSP Application for Funding that describes their proposed use of funds, that gives priority consideration to their areas of greatest need, and that proposes activities that are consistent with this Plan and with NSP regulations as published by HUD. Communities are encouraged to work with or through non-profit organizations as appropriate.

Eligible Activities IDED will make NSP3 funds available for the following statutorily eligible activities. NSP funds are eligible to:

- a. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.
- b. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
- c. Establish land banks for homes that have been foreclosed upon.
- d. Demolish blighted structures. e. Redevelop demolished or vacant properties. HUD has waived the one-for-one replacement, but requires documentation on the number of units that will be produced. IDED will seek to provide NSP funds with the maximum authorized flexibility while adhering to HUD mandated restrictions.

IDED will also advise and provide technical assistance to all of its applicants regarding these requirements. The eligible activities outlined in this Action Plan for NSP3 funds are subject to change based upon HUD's approval of this Action Plan, and/or changes issued to the NSP Notice or interpretation of the Notice as clarified on the HUD website for this program: <http://www.hud.gov/nsp>.

IV. Distribution of Funds – Application The maximum amount that can be applied for by a community is \$1 million. The communities are encouraged to work with or through non-profits or other entities as appropriate. The communities will be allowed up to six percent of the awarded funds for administrative purposes. The communities of Des Moines, Waterloo, Sioux City, Council Bluffs, Davenport, Burlington, Perry, Oelwein, Cedar Rapids, Boone, Guthrie Center, Shenandoah and Fort Dodge are eligible to submit and application based upon their needs score and successful implementation of NSP1.

Targeting Proposed activities by the non-entitlement communities must be targeted as follows: Communities of 1,000 population or less – entire community is eligible Communities of 1,000 – 9,999 population – no more than 50 percent of the community by area Communities of 10,000 – 50,000 – no more than 25 percent of the community by area The applications will be rated on the following factors: • Need (35 points) – Measured by foreclosure risk s

Summary of Distribution and Uses of NSP Funds:

core • Impact (25 points) – Measured by the expected effectiveness of the proposed activities to effect stab

How Fund Use Addresses Market Conditions:

Communities that apply to IEDA will need to demonstrate that their proposed activities relate to the major causes of foreclosure/abandonment in each neighborhood and the most effective way(s) to address the deterioration and encourage redevelopment. Recognizing that neighborhoods do not necessarily coincide with Census Tract boundaries, the Community may extend their activities slightly beyond the selected Census Tract boundaries if the area is identified as meeting the



State of Iowa minimum NSP needs score of 13.

Ensuring Continued Affordability:

The majority of rental projects occurred in entitlement communities that have robust rental affordability monitoring programs. The other rental projects were rented to individuals that meet the definition of limited clientele. For Single family developments or rehabilitation projects a 5 year lein is placed on the property.

Definition of Blighted Structure:

A blighted structure, as defined in federal regulations, is one that “exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.” This might include, but is not limited to, any of the following:

- <!--[if !supportLists]-->a) <!--[endif]--> Any premises which because of physical condition or use is regarded as a public nuisance at common law, or has been declared a public nuisance in accordance with local housing, building, plumbing, fire or related codes;
- <!--[if !supportLists]-->b) <!--[endif]-->Any premises which because of physical condition, use or occupancy is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, excavations, and unsafe structures;
- <!--[if !supportLists]-->c) <!--[endif]-->Any dwelling which, because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by the housing code of the municipality, has been designated by the department responsible for enforcement of the code as unfit for human habitation;
- <!--[if !supportLists]-->d) <!--[endif]-->Any structure which is a fire hazard, or otherwise dangerous to the safety of person or property;
- <!--[if !supportLists]-->e) <!--[endif]-->Any structure from which utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that property is unfit for its intended use;
- <!--[if !supportLists]-->f) <!--[endif]-->Any unoccupied property which has been tax delinquent for a period of at least two years; or
- <!--[if !supportLists]-->g) <!--[endif]-->Any property which is vacant but not tax delinquent, which has not been rehabilitated within one year of receipt of notice to rehabilitate from the appropriate code enforcement agency.

Definition of Affordable Rents:

NSP-assisted units will carry rent and occupancy restriction requirements. The rents will be set in order that individuals pay no more than 30 percent of their gross income for rent, including utilities or the applicable fair market rents for the area less any utility costs paid by the tenants, whichever is lower.

Housing Rehabilitation/New Construction Standards:

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All multi-family housing activities involving rehabilitation must meet all locally adopted and enforced building or housing codes, standards or ordinances. In the absence of locally adopted and enforced building or housing codes, standards or ordinances, the requirements of the State Building Code apply.

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The Iowa Green Streets criteria will apply to new construction activities undertaken through the NSP program.

Vicinity Hiring:

Section 3 regulations will be followed.

Procedures for Preferences for Affordable Rental Dev.:

To the greatest extent feasible NSP funds will be combined with other affordable rental programs to make certain that 25% of the funds are expended for 50% LMI households.

Grantee Contact Information:

Leslie Leager, Iowa Economic Development Authority
leslie.leager@iowaeda.com or 515-725-3071

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$6,030,780.00
Total Budget	\$0.00	\$6,030,780.00
Total Obligated	\$0.00	\$6,030,780.00
Total Funds Drawdown	\$0.00	\$6,030,780.00
Program Funds Drawdown	\$0.00	\$4,941,654.00
Program Income Drawdown	\$0.00	\$1,089,126.00



Program Income Received	\$0.00	\$1,089,126.00
Total Funds Expended	\$0.00	\$6,030,780.00
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
Burlington	\$ 0.00	\$ 732,038.00
Council Bluffs	\$ 0.00	\$ 662,500.00
Davenport	\$ 0.00	\$ 775,044.00
Des Moines	\$ 0.00	\$ 1,160,246.00
Iowa Economic Development Authority	\$ 0.00	\$ 200,000.00
Shenandoah	\$ 0.00	\$ 6,080.00
Sioux City	\$ 0.00	\$ 1,000,000.00
Waterloo2	\$ 0.00	\$ 1,494,872.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$10,993,804.51	\$.00	\$.00
Limit on Public Services	\$750,000.00	\$.00	\$.00
Limit on Admin/Planning	\$500,000.00	\$548,023.00	\$548,023.00
Limit on Admin	\$.00	\$548,023.00	\$548,023.00
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$2,748,726.00		\$2,154,265.00

Overall Progress Narrative:

All Contracts are closed. Waiting for HUD to close grant.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
11-NSP-B Acq/Rehab, 11-NSP-B Acq/Rehab	\$0.00	\$953,297.00	\$880,325.00
11-NSP-D Demolition, 11-NSP-D Demolition	\$0.00	\$446,578.00	\$446,578.00
11-NSP-E Redevelop, 11-NSP-E Redevelop	\$0.00	\$4,082,882.00	\$3,136,528.00
11-NSP-LocalAdm, 11-NSP-LocalAdm	\$0.00	\$348,023.00	\$278,223.00
11-NSP-StateAdmin, 11-NSP-StateAdmin	\$0.00	\$200,000.00	\$200,000.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

