

State of Iowa – Action Plan, Amendment #1 Non-Substantial

As the State staff have been finalizing our program guidelines and started to populate DRGR with Eligible Activities and National Objectives, the State of Iowa realized that as proposed, some activities would not meet a National Objective on their own, as such some activities need to be separated and others merged to better align with HUD eligible Activities and National Objectives.

The Method of Distribution as stated in the July 2020 Action Plan, approved by HUD on August 7, 2020 is as follows (note a rounding error resulted in the actual total of the funding by activity to be over the allocation by two dollars):

Proposed Program Budget Summary

Program	Funding by Program	%	Activity	Funding by Activity
Housing	\$72,555,750	75%		
			Buyout – FEMA Match (35%)	\$25,394,513
			Buyout – All CDBG (14.862%)	\$10,783,236
			Demolition / Clearance (.138%)	\$100,127
			Developer Housing Incentive (33%)	\$23,943,398
			Infrastructure in Support of Housing (14%)	\$10,157,805
			Down Payment Assistance (3%)	\$2,176,673
Infrastructure	\$19,154,718	19.8%	CDBG-DR Stormwater Infrastructure	\$19,154,718
Planning	\$193,482	0.20%	Land use planning	\$193,482
Admin	\$4,837,050	5%	IEDA Staff, Recipient Grant Administration, and Professional Services Contracts to assist with grant administration.	\$4,837,050
	\$96,741,000	100%	Total Funds Allocated	\$96,741,000

We will split this between rental and single family

We will merge this into the Single Family New Construction

Due to rounding errors, the activities on this table sum to \$96,741,002 (this will be corrected with this amendment)

After further consideration it seems that in order for the Housing Incentive for the construction of new Single Family Housing to be funded as an eligible activity, it needs to be combined with Down Payment Assistance to ensure that an LMI buyer is the beneficiary of the new housing. As such the State of Iowa proposes the following modification the Action Plan: Split the “Developer Housing Incentive” into “Construction of New Housing with Down payment Assistance” and “Construction of Rental Housing.” This also requires merging “Down Payment Assistance into Construction of New Housing for Single Family housing. Furthermore, the rounding error above is corrected in these final numbers, maintaining the original *Funding by Program* numbers but correcting the *Funding by Activity* numbers. The changed rows are marked with arrows below:

Program	Funding by Program	%	Activity	Funding by Activity	Activity Type DRGR	National Objective
Housing	\$72,555,750	75%				
			Buyout – FEMA Match (35%)	\$25,394,513	Buyout of Residential Properties	LMI & UN
			Buyout – All CDBG (14.862%)	\$10,783,236	Buyout of Residential Properties	LMI & UN
			Demolition / Clearance (.138%)	\$100,127	Clearance and Demolition?	SB
			Infrastructure in Support of Housing (14%)	\$10,157,805	Construction/reconstruction of streets	LMI
			Construction of New Housing with Down payment Assistance for Homeowners	\$15,000,000	Construction of new housing	LMI
			Construction of Rental Housing	\$11,120,069	Affordable Rental housing	LMI
Infrastructure	\$19,154,718	19.8%	CDBG-DR Stormwater Infrastructure	\$19,154,718	rehabilitation/reconstruction of public improvements?	LMI
					Acquisition, construction, reconstruction of public facilities?	
Planning	\$193,482	0.20%	Land use planning	\$193,482	Planning	
Admin	\$4,837,050	5%	IEDA Staff, Recipient Grant Administration, and Professional Services Contracts to assist with grant administration.	\$4,837,050	Administration	
	\$96,741,000	100%	Total Funds Allocated	\$96,741,000		

IEDA considers this change non-substantial as the State will still be offering the same programs described in the Action Plan, there is no change in beneficiaries, and all changes in funding are within the Housing Program, therefore there is no trigger of the definition of Substantial Amendment in the Action Plan. Please review these changes and the State will incorporate them into our Published Action Plan prior to making awards for funding.