

2020 Derecho CDBG-DR Proposed Public Action Plan



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Purpose For Today's Public Hearing

- » The Department of Housing and Urban Development (HUD) has allocated **\$57,566,000** in Community Development Block Grant – Disaster Recovery (CBG-DR) funds.

- » Today's public hearing will provide residents impacted by the 2020 Derecho an opportunity to:
 - Ask questions about the goals of the CDBG-DR funding.
 - Understand the proposed programs and budget amounts.
 - Provide comments regarding the Draft Public Action Plan and proposed programs.

- » An opportunity to ask questions and provide comments will follow this presentation.
 - Comments will be accepted both orally and in writing.

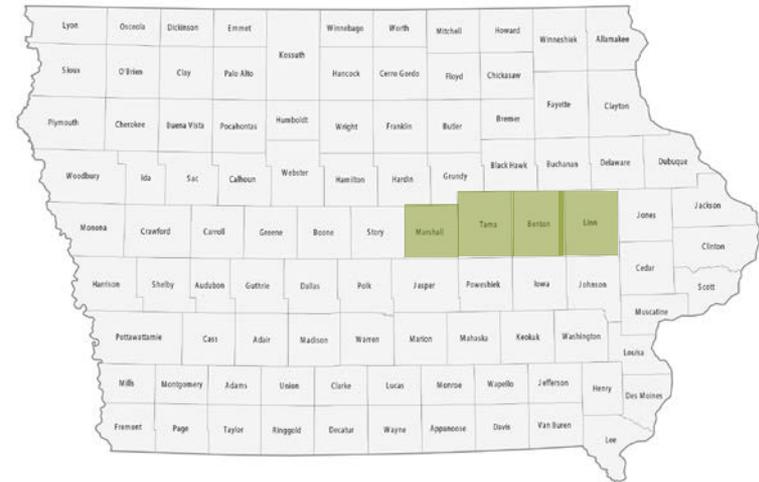
2020 CDBG-DR Grant Breakdown

- **Allocation:** \$57,566,000
- **MID Areas:** At least **80% of funds** must be used in the HUD most impacted and distressed (MID) areas.
- **Mitigation Set-Aside:** additional amount of **15% for mitigation** activities that increase resilience to disasters and reduce long-term risk
- **National Objective:** at least **70% of the funds** must be spent on activities benefiting LMI residents and areas
- **Grant Duration:** IEDA has **6 years** to expend the funds from when HUD signs its grant agreement with Iowa
- **Public Action Plan Objective:** Use the funding for new construction of affordable housing, rehabilitation, tree planting, and public facility improvements

Refer to the Federal Register notice ([87 FR 6364](#)) for more details.

MID Areas and Mitigation Set-Aside

- 80% of funds (\$46,052,700) must be spent in HUD-MID Areas (**Linn County**)
- 20% of funds (\$11,513,200) must be spent in State-MID Areas (**Marshall, Tama, & Benton counties**)
- 15% of funds (\$7,508,653) must be spent on mitigation set-aside activities for future natural disasters



National Objective

70% of funds:

- » Must benefit persons of Low-Moderate Income (LMI) households or areas at or below 80% Area Median Income
 - To qualify as an LMI household the total household income would need to be at or below the threshold for 2022 (refer to chart).
- » The remaining 30% of CDBG-DR funds can be used for Urgent Need (UN)
 - for those persons/areas that are over the 80% AMI income levels.

County	1-person 80%	2-person 80%	3-person 80%	4-person 80%	5-person 80%	6-person 80%
Cedar Rapids Metro (Linn)	\$50,050	\$57,200	\$64,350	\$71,500	\$77,250	\$82,950
Benton	\$50,400	\$57,600	\$64,800	\$72,000	\$77,800	\$83,500
Marshall	\$44,200	\$50,500	\$56,800	\$63,100	\$68,150	\$73,200
Tama	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350

DRAFT ACTION PLAN OVERVIEW

2020 CDBG-DR DRAFT Action Plan

Proposed Action Plan Activities – May 2022

Project	Program	Budget Allocation	HUD MIDs (80%)	State MIDs (20%)	% of Allocation	Maximum Award	National Objective	Estimated Outcome
Housing	New Resilient, Affordable Single-Family Housing	\$18,826,561	\$15,061,249	\$3,765,312	32.7%	\$100,000 per unit	LMI Housing	160 units
	Infrastructure to Support Housing	\$10,137,379	\$8,109,903	\$2,027,476	17.6%	Up to \$70,000	LMI Area	160 units
	Owner-Occupied Rehabilitation	\$2,500,000	\$2,000,000	\$500,000	4.3%	\$24,999 per unit	LMI Housing or Urgent Need	85 units
	New Housing – Rental	\$18,223,760	\$14,579,008	\$3,644,752	31.7%	\$75,000 per unit	LMI Housing	200 units
Infrastructure	Tree Canopy and Tree Replanting Program	\$3,000,000	\$3,000,000	\$0	5.2%	\$600 per tree	LMI Area or Urgent Need	4,500 trees
	Generators for Critical Facilities	\$1,500,000	\$1,200,000	\$300,000	2.6%	\$50,000	LMI Area or Urgent Need	30 generators
Planning	Planning	\$500,000	\$500,000	\$0	0.9%	N/A	N/A	N/A
Administrative	Administrative	\$2,878,300	\$2,878,300	\$0	5.0%	N/A	N/A	N/A
TOTAL BUDGET		\$57,566,000	\$47,328,460	\$10,237,540	100.0%			

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Housing – Rental & Owner-Occupied Developer Incentives

\$47,187,700

- Funds the construction of **new affordable and resilient** single-family houses and multifamily buildings.
- Competitive applications to IEDA through local municipality (**City, County, and Tribes**). Applications will be scored and ranked.
- For **owner-occupied housing units**, the incentive is **\$100,000 per** any development project, located in eligible areas. All sold units can also utilize a CDBG-DR down-payment assistance.
- For multifamily rental housing, the incentive is **\$75,000 per rental** housing unit located in eligible areas. All rental units are subject to HUD's 65% HOME rent limits for the LMI tenants for the term of affordability
- All units must have access and connection to municipal utilities including water and sewer, no projects dependent on wells and/or septic systems will be eligible. **Up to \$70,000** will be awarded for infrastructure needs per housing unit.

Program	Budget	HUD-MID	State-MID
New Resilient Affordable Housing	\$18,826,561	\$15,061,249	\$3,765,312
Infrastructure in Support of Housing	\$10,137,379	\$8,109,903	\$2,027,476
New Housing – Rental	\$18,223,760	\$14,579,008	\$3,644,752

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Owner-Occupied Rehabilitation

\$2,500,000

- Funds the **repair of homes** impacted by the 2020 Derecho and still needing assistance to address deficiencies.
- Municipalities will apply for properties to receive non-substantial rehabilitation assistance.
- Homeowners cannot receive more assistance than exceeds **50% of their home's pre-disaster market value**
- Homeowners can be either low-to-moderate income (LMI) or over-income (Urgent Need)
- Non-substantial rehabs will need to **comply with the HUD CPD Green Building Retrofit Checklist**, compliance will be managed through the Iowa Green Streets program.
- Affordability period of 5 years for less than \$15,000 in rehab: 10 years for \$15,000-40,000.
- Assistance not exceeding **\$24,999 per property**

Program	Budget	HUD-MID	State-MID
Owner-Occupied Rehabilitation	\$2,500,000	\$2,000,000	\$500,000

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Tree Canopy and Tree Replanting Program

\$3,000,000

- Funds will assist with the **removal of tree stumps and promote replanting activities.**
- Trees will be removed or replanted only on public property or the **public right of way.**
- Estimating an average **\$600 per tree** planted in eligible areas.
- Restricted to Linn County for the first year.
- The entire assistance will be treated as mitigation that serves to protect the natural areas and prevent future storm flooding

Program	Budget	HUD-MID	State-MID
Tree Canopy and Tree Replanting Program	\$3,000,000	\$3,000,000	\$0

2020 CDBG-DR DRAFT Action Plan

Generators for Critical Facilities

\$1,500,000

- Funds the installation of generators that are fixed to non-governmental buildings (fire dept., community centers, shelters, schools, etc.)
- Communities have indicated the need for a solution to the prolonged power outage from the derecho and lack of accessible power sources.
- Estimating **\$50,000 per generator** installed.
- Generators will allow critical public facilities to stay open and operating while providing services to the community, such as climate controlled shelter, phone charging, food refrigeration, medical prescription storage, etc.

Program	Budget	HUD-MID	State-MID
Generators for Critical Facilities	\$1,500,000	\$1,200,000	\$300,000

CITIZEN PARTICIPATION

Citizen Participation

» Public Comment Period:

- IEDA will be hosting the public comment period between **May 5, 2022 and June 5, 2022**.
 - Deadline to submit Public Comments is Sunday, June 5th 11:59pm
- The plan will be available in English & Spanish on our website:
 - www.iowaeda.com/disaster-recovery/cdbg-derecho
- Please email your comments to Disaster@IowaEDA.com or mail your comments to:
Steven Stransky, Disaster Recovery Team Lead
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1963 Bell Ave., Suite 200
Des Moines, IA 50315

» Citizen Complaints:

- The State will provide a written response to every citizen complaint within 15 working days of receipt of complaint.

Questions?

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