

## Amendment 2- Non-Substantial

February 9, 2023

The State of Iowa is submitting Amendment 2, a non-substantial amendment, to HUD for its 2020 CDBG-DR program. This amendment is being submitted based on reviews of submitted applications for the new housing construction programs. The State is also making a few technical corrections to ensure programs operate efficiently in addressing unmet needs from the derecho.

This amendment is non-substantial as it does not meet the 2020 Derecho CDBG-DR Action Plan definition of a substantial amendment. That definition is as follows:

*A change to this Action Plan is considered substantial if it meets the following criteria:*

- *A change in program benefit or eligibility criteria,*
- *The addition or deletion of an activity*
- *The allocation or reallocation more than \$5 million or greater of a program budget, and*
- *A proposed change to an adopted method of distribution*

### Proposed Changes

See the proposed changes to the Action Plan in the table on the following page:



Section	Description
2.2.2	Clarified the definition of Fair Market Rents to be the HOME 65% Rent Limits and updated figures displayed in the Action Plan for the HUD MID and State MID Areas
4.10.1.1	Allowing for an increase in the maximum sales price beyond \$175,000 when financial resources are paired to ensure the home is affordable to LMI households.

**Table 49: Program Budget**

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	\$20,772,308	\$16,768,317	\$4,003,991	36.0%	\$125,000 per unit	LMI Housing	125 units
	Infrastructure to Support Housing	\$4,047,384	\$4,047,384	\$0	0.70%	Up to \$70,000	LMI Area	57 units
	Owner-Occupied Rehabilitation	\$2,500,000	\$2,500,000	\$0	4.3%	\$50,000 per LMI unit	LMI Housing or Urgent Need	50 units
	New Housing – Rental	\$19,868,008	\$17,093,008	\$2,775,000	34.5%	\$90,000 per unit	LMI Housing	209 units
Infrastructure	Tree Canopy and Tree Replanting Program	\$5,500,000	\$4,400,000	\$1,100,000	9.6%	\$1,000 per tree	LMI Area or Urgent Need	5,239 trees
	Generators for Critical Facilities	\$2,000,000	\$1,300,000	\$700,000	3.5%	\$100,000	LMI Area or Urgent Need	20 generators
Administrative	Administrative	\$2,878,300	\$2,302,640	\$575,660	5.0%	N/A	N/A	N/A
<b>TOTAL BUDGET</b>		<b>\$57,566,000</b>	<b>\$48,411,349</b>	<b>\$9,154,651</b>	<b>100.0%</b>			

Reallocation:

- \$1,237,540 from the Infrastructure to Support Housing State MID to New Housing-Rental HUD Mid.
- \$130,468 from the Infrastructure to Support Housing HUD MID to New Housing-Rental HUD MID.
- \$768,317 from the Infrastructure to Support Housing HUD MID to New Resilient, Affordable Single-Family Housing HUD MID.
- \$3,991 from the Infrastructure to Support Housing HUD MID to New, Resilient Affordable Single-Family Housing State MID.

Estimated Outcomes:

- Reduction of for-sale housing from 137 units to 125 units due to increase in down payment assistance to maximum award of 20% down payment to support housing units amid higher interest rates
- Reduction of units for infrastructure in support of housing from 88 units to 57 units
- Increase of units for rental housing from 194 units to 209 units



## Steven Stransky

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**From:** Wilkerson, Jo A <Jo.A.Wilkerson@hud.gov>  
**Sent:** Monday, February 13, 2023 6:05 PM  
**To:** Steven Stransky  
**Subject:** Acknowledgement 2020 CDBG-DR Non-Substantial Amendment 2

Dear Steven,

This email serves as acknowledgement of Action Plan Amendment (APA) 2 – Non-substantial for the State of Iowa 2020 CDBG-DR grant. This acknowledgement will also be submitted through DRGR.

The purpose of the APA 2 is to make the following changes to the 2020 Action Plan:

### **Section 2.2.2**

Clarified the definition of Fair Market Rents to be the HOME 65% Rent Limits and updated figures displayed in the Action Plan for the HUD MID and State MID areas.

### **Section 4.10.1.1**

Allowing for an increase in the maximum sales price beyond \$175,000 when financial resources are paired to ensure the home is affordable to LMI households.

In addition, APA 2 reallocates funds from Infrastructure to Support Housing to New Housing-Rental and New, Resilient Affordable Housing-Single Family Housing in the HUD and State MID areas. The reallocation is being made in response to the State's reviews of submitted applications for the new housing programs. The reallocation includes:

- \$1,237,540 from the Infrastructure to Support Housing State MID to New Housing-Rental HUD MID
- \$130,468 from the Infrastructure to Support Housing HUD MID to New Housing-Rental HUD MID
- \$768,317 from the Infrastructure to Support Housing HUD MID to New Resilient, Affordable Single-Family Housing HUD MID
- \$3,991 from the Infrastructure to Support Housing HUD MID to New, Resilient Affordable Single-Family Housing State MID

The estimated outcomes for the reallocation of funds are:

- Reduction of for-sale housing from 137 units to 125 units due to increase in down payment assistance to maximum award of 20% down payment to support housing units
- Reduction of units for infrastructure in support of housing from 88 units to 57 units
- Increase of units for rental housing from 194 units to 209 units

HUD acknowledges that the APA 2 is non-substantial in accordance with the requirements in the State's 2020 Action Plan. The State is not changing a program benefit or eligibility criteria; adding or deleting an activity; allocating or reallocating more than \$5 million or greater of a program budget; or proposing a change to an adopted method of distribution.

Thank you.

Jo Ann

Jo Ann Wilkerson  
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**From:** Steven Stransky <Steven.Stransky@IowaEDA.com>  
**Sent:** Thursday, February 9, 2023 4:02 PM  
**To:** Wilkerson, Jo A <Jo.A.Wilkerson@hud.gov>  
**Subject:** <External Message> 2020 CDBG-DR Non-Substantial Amendment

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Hi, Jo Ann.

Our housing application round for the grant just closed and I've submitted a non-substantial amendment through DRGR. Here's an attachment that also outlines what we've proposed in the amendment. Please let me know of any questions.

Sincerely,

**STEVEN STRANSKY** | Disaster Recovery Team Lead  
**IOWA ECONOMIC DEVELOPMENT AUTHORITY**  
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