



Downtown Revitalization (DTR) Grant Administration Workshop Session

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Agenda for the DTR Breakout Session

- 25-DTR Lifecycle
- Upon Award
- Roles & Expectations
- Environmental/Historic Review/Slum & Blight Assessment
- CDBG Requirements
- Project Progress: Claims, Monitoring
- Project Changes
- Closeout

25-DTR Lifecycle

- Anticipated start date 4/1/25 (?)
- Initial steps
 - IEDA Contract
 - Admin Plan (IEDA contract condition)
 - Kickoff communication with key stakeholders
- Environmental/Historic Review
 - Tier I ERR first
 - Tier II Section 106 – include final design // Slum & Blight assessment
- Bidding (within one year of award!)
 - Publish bid notice in newspaper (IEDA contract condition)
 - Follow Iowa Code Chapter 26



25-DTR Lifecycle

- Construction / Project progress
 - Upload recorded signed Easements (IEDA contract condition)
 - Upload signed construction terms agreements (IEDA contract condition)
 - Follow CDBG regulations (lead-based paint, radon, BABA, Davis-Bacon, etc.)
 - Submit claims
 - Communicate with IEDA about project changes
 - Complete project monitoring
- Closeout requirements
 - All compliance forms completed
 - Final outstanding monitoring items provided to IEDA
 - Final contract amendments approved
 - Labeled “before/after” photos in “Required Uploads”
 - Final claim submitted
 - Closeout letter sent from IEDA to Recipient
- Anticipated end date 3/31/28 (?)



Upon Award

- IEDA contract with Recipient
 - Review / sign / return
- Grant administration contract
 - Execute, if not done already, and upload
 - *Remember procurement*
- Architect contract
 - Finalize and sign contract for final design/construction management
 - Include “Subject to ROF” language
- CDBG required policies
 - 6 policies + Procurement Compliance Certification + ERR Acknowledgement
 - Policies current within the past 5 years
 - See Appendices 1 & 2 of the CDBG Management Guide



Upon Award

- New this year: Kickoff Meetings
 - Within first month of award
 - In-person: at City Hall and then walking tour of participating buildings
 - Goals include:
 - Putting faces to names
 - High-level project timeline (i.e., “25-DTR Lifecycle”)
 - Key front-end reminders for project success
 - Q&A from all parties
 - Walking tour: get a sense of what is biggest needs, highest hopes, etc.
 - All parties required (city / project manager, grant administrator, architect, building owners)

Roles & Expectations



- DTR Administrative Plan (Appendix 7 of the Management Guide)
- Note: You can customize this Plan!
 - Just sent to IEDA for review/approval before executing it.
- Goals of the Plan:
 - Oversee compliance with the City's contract in relation to IEDA and CDBG regulations
 - Avoid delays due to responsibilities being shared by too many individuals and the resulting confusion on who executes what step
 - Avoid delays due to a responsibility not clearly identified with a particular person or position
 - Keep an open flow of communication between all affected parties
 - Mitigate any disagreements/misunderstandings between parties that may arise
 - Keep the right people informed on matters pertaining to their responsibilities

Roles & Expectations

City: _____

- ✓ Assume ultimate responsibility for the overall grant project, as the HUD designated Responsible Entity in accordance with 24 CFR 58.
- ✓ Monitor project timeliness to ensure project goes out to bid within a year of contract start date (for DTR projects) or within 30 days of completing the Tier II review (for CV projects).
- ✓ Monitor and provide information on deletion/substitution of properties. In the event of the contract performance measure changing (total number of buildings) an amendment must be requested of IEDA.
- ✓ Ensure property owners are refraining from any other prohibited work on their building that is not a part of the CDBG façade project.
- ✓ Review sample Easement Agreement and Construction Terms Agreements with city legal counsel. Once executed, oversee to ensure compliance.
- ✓ Communicate with property owners on any proposed change orders during construction, including how it may impact the property owner's financial contribution, as well as timing changes resulting from the potential of re-opening Section 106 consultation, (if applicable).
- ✓ Review/ approval of change orders as the contract with the general contractor specifies.
- ✓ Monitor and collect property owner's financial participation share.
- ✓ Provide Council review and approval of invoices prior to submittal of a claim to IEDA or have a Council-approved written policy outlining an alternative process for approving bills.

Roles & Expectations

Grant Administrator: _____

- ✓ Act as liaison with IEDA staff.
- ✓ Determine if initial survey work is required for the evaluation of properties in the project area for listing on the National Register of Historic Places. If such services are needed, work with the City to procure a consultant who meets the Secretary of the Interior's Professional Qualification Standards for Historian and/or Architectural Historian to survey the project area and generate Iowa Site Inventory Forms for participating properties.
- ✓ Contact IEDA Historic Preservationist on Section 106 related questions. Compile Section 106 Submittals including cover letters, Iowa Site Inventory Forms, etc. Submit construction documents to IEDA Historic Preservationist and Project Manager for simultaneous 106 and slum and blight review.
- ✓ Ensure that procurement, bidding and contracting all follow the most recently issued federal provisions/requirements.
- ✓ Monitor compliance with federal labor standards, including but not limited to: wage rate determination request to IEDA, completing contractor clearance forms for all contractors/subcontractors as soon as contractor is selected, and weekly payroll processing and contractor employee interviews.
- ✓ Maintain an up-to-date project budget with contingencies and alternates including the review of any post-construction change orders as they may impact budget.
- ✓ Monitor project timeliness.
- ✓ Maintain a list of properties, addresses and owners on IowaGrants.gov
- ✓ Coordinate all amendment requests to IEDA
- ✓ Review and approve contractor pay requests prior to submittal to the city and sending to IEDA for a claim.

Roles & Expectations

Architect: _____

- ✓ Maintain services contract pricing in accordance with CDBG requirements. Use a lump sum or not to exceed amount for all expenses, not based on a percentage of construction cost, not adding percentage onto expenses.
- ✓ Have the documentation to know if properties in the project area are listed on or eligible for listing in the National Register of Historic Places and adhere to work specifications and historic preservation guidelines when applicable.
- ✓ Receive input from property owners about the design for their building, including their priorities for improvements and their capacity to supply a monetary match.
- ✓ Provide updates on cost estimates and property owner general priorities as well as feedback received on designs to grant administrator and or city.
- ✓ Complete final designs and cost estimates in a timely manner to ensure project goes out to bid within one year of the contract start date.
- ✓ Provide designs and construction documents to grant administrator for submittal to IEDA.
- ✓ Review & preliminary approval of contractor pay requests.
- ✓ Review & preliminary approval of change orders.
- ✓ Provide on-site construction supervision (a certain number of on-site visits for this purpose may be assigned in the contract).
- ✓ Provide any design and construction documents to grant administrator for submittal to IEDA for any significant changes in scope of work that occur at any point after initial Section 106 or slum & blight review.
- ✓ Final inspection and sign-off on properties prior to payment.

Roles & Expectations

Property Owners: List maintained on IowaGrants.gov

- ✓ Respond to city or their designee regarding status of participation in the program, as well as timely responsiveness with architects and others.
- ✓ Review and Sign Easement Agreement and Construction Terms Agreement prior to construction.
- ✓ Avoid conducting any other work on the building that is not a part of the CDBG façade project, (unless permission is granted by city beforehand).
- ✓ Review & approval of work write up, design renderings and cost estimates
- ✓ Review & approval of change orders, particularly those affecting owner's financial commitment.

Roles & Expectations

General Contractor: To be determined through procurement

- ✓ **Oversee all subcontractors' compliance with labor standards and other provisions** Gather and submit information for Sub-Contractor Clearance forms as soon as contract is awarded.
- ✓ **Submit weekly payroll reports to grant administrator along with other required documentation to comply with labor standards.**
- ✓ **Communicate with grant administrator and subcontractors regarding schedule for the purposes of on-site contractor interviews and/or building inspections.**
- ✓ **Coordinate with City regarding any parking, motor vehicle traffic or bicycle or pedestrian travel disruptions.**
- ✓ **Coordinate with property owner to minimize business disruptions.**

Roles & Expectations

Project Manager designated by the City: _____

- ✓ Communicate to all property owners on the status of design, timeframes, and accomplishments; both to those with buildings being worked on and owners in the target area as a whole.
- ✓ Communicate with property owners about their participation in the project, and to what level.
- ✓ Resolve complaints involving property owner, contractor, architect, etc.
- ✓ Serve as project liaison with local organizations such as city council; main street board; historic preservation commission; chamber of commerce; downtown merchants, etc.

Roles & Expectations

- “3x4” First year progress meetings
 - Three meetings, approximately every four months
 - IEDA and grant administrator at all; open invite to City
 - Loop in architect and Admin Plan’s Project Manager
 - Timelines, project management, early compliance, troubleshooting, staying on the same page re: expectations and status of project
- Property owner feedback
 - Three surveys
 - Dual goal to manage expectations and to improve the program for them as beneficiaries



Environmental/Historic Review

- DTR follows a “tiered” environmental/historic review
 - Tier I: Environmental Review
 - Tier II: Section 106 Historic Review
 - Separate, but concurrent with 106 is the “slum & blight / final design” review and approval process
- Full, in-depth training on our website
- No “choice limiting action” may be taken until IEDA formally releases funds; examples:
 - Property acquisition or transfer
 - Rehabilitation
 - Conversion
 - Lease
 - Repair
 - Bid solicitation
 - Construction
 - Demolition (Deconstruction)

Environmental (Tier I) Review

1. Define/describe the project
2. Determine level of review
 - most DTRs are “Categorically Excluded, Subject To 58.5” (CEST)
3. Collect data and documentation
4. Complete Statutory Checklist
5. Make environmental determination
 - “impact” or “no significant impact”
6. Publish or disseminate public notices
 - sign findings BEFORE you publish
 - local comment period of 7 days
7. Submit “Request for Release of Funds and Certification” to IEDA
 - signed by Recipient AFTER the local comment period
8. Wait for Release of Funds (“ROF”) letter from IEDA
 - follows a State comment period of 15 days

Section 106 (Tier II) Review

1. Initiate Section 106 Review process
 - may need to conduct historical survey (should be current within past five years)
 - determine if the undertaking has the potential to affect cultural resources
2. Identify and evaluate historic properties
 - most DTR buildings are historic
 - identify the “Area of Potential Effects” (APE) – the area in which the undertaking has the potential to directly or indirectly affect any historical and/or archaeological resources
 - identify and evaluate resources including any downtown districts within the APE to determine if they are listed on, or are eligible for listing on, the National Register of Historic Places (NRHP)
3. Assess effects
 - in consultation with interested parties, determine how the project will affect any eligible or listed resources: “No Historic Properties Affected,” “No Adverse Effect,” or “Adverse Effect”
4. Resolve adverse effects
 - if the project will result in an Adverse Effect, draft a Memorandum of Agreement (MOA), which outlines agreed upon measures to avoid, minimize, or mitigate the Adverse Effect

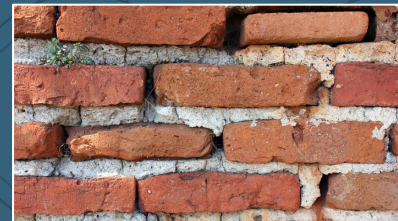
Slum & Blight Assessment

- HUD National Objective
- What blight is...

And what it isn't...

- Deterioration/dilapidation
- Decay
- Broken, damaged
- Missing
- Environmental contamination
- Rusted, peeling, flaking, crumbling
- Structural issues
- Public health and safety concern (faulty wiring, falling plaster)
- “Approaching end of useful life”
- Energy inefficient
- “Outdated/non-historic paint scheme/design”
- Old
- Ugly
- “Likely to...”
- Anticipated/future blight
- Slipcovers

- Three stages of documentation:
 1. Application: Photos/descriptions of elements, ranked
 2. Slum & Blight Assessment: Review/approval of final design that addresses those items in that ranked priority order
 3. Closeout: Final “before/after” photos, labeled, added to IowaGrants



Slum & Blight Assessment

- IEDA Programmatic Approval
 - Final design aligns with application prioritization
 - We address blight – ideally all
 - Document light blight well
- Conversation and negotiation
- Light blight v. heavy blight



Let's take a short break...



CDBG Regulations

- Next Up: Going out to bid
- Double check requirements and review budget
 - Procurement
 - Radon
 - Lead-Based Paint
 - BABA
 - Davis-Bacon/Prevailing Wage
 - Section 3
- Don't forget about contract conditions, too



Code of Federal Regulations

A point in time eCFR system

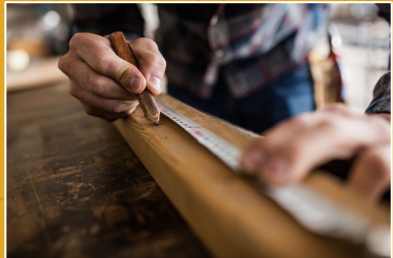


Procurement & Contracts

- Remember the little things: asbestos, radon, lead-based paint
- Subcontractors are only exempt from procurement rules, not:
 - Contractor clearance
 - Signed agreements
- Property owners who are professional contractors cannot work on their own buildings
- Don't forget about single-source approval requests!

Section 3, BABA, and Davis-Bacon

- Section 3 usually does not apply to DTR, unless:
 - Multiple addresses (sharing walls) with same person, AND
 - Over \$200,000 of CDBG award will be spent on those addresses
- BABA and Davis-Bacon *do* apply
 - BABA: Iron & steel, construction materials, manufactured products
 - Davis-Bacon: any construction over \$2,000
- Best practices?



Lead-Based Paint Applicability

- For residential spaces, same rules apply as for the housing rehabilitation/upper story programs:
 - Affects residential units in a mixed-use building (i.e., second floor apartments)
 - Applicable residential units must be *either occupied or readily occupiable*
 - 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
 - Hard costs cannot exceed \$24,999 unless building is historic
 - The \$24,999 is considered per unit
 - It is acceptable to subtract out costs that are specifically for commercial improvements, but common spaces must be prorated



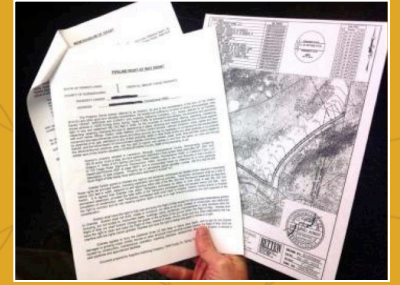
Lead-Based Paint and Tenants

- Up-front notification
 - EPA pamphlet, testing/risk assessment, and proposed work
- Occupant & worker protection
 - Containment of workspaces and protection of belongings
 - OSHA standards and worksite preparation
- Temporary relocation
 - Causes: children under 6, utilities shut off 8+ hours, containment not possible in key spaces, lack of access, etc.
 - Uniform Relocation Act (URA) and covering costs
- Clearance testing
 - Entails cleaning, dust-wipe sampling, lab analysis, and report
- Developing a LBP data tracking system for DTR

Contract Condition Clearance Documents

- DTR Administrative Plan (already done)
 - “6.6(l) Administration Plan (DTR Only)”
- Bid Notice/Publication Affidavit
 - “6.6(l) Bid Solicitation Requirement” – newspaper publication affidavit
- Façade Easement Agreement
 - “6.6(h) Façade Easements” – one PDF of all easements
 - City-owned buildings are exempt
- Construction Terms Agreement
 - “6.6(l) Construction Restrictions” – one PDF of all agreements

Façade Easement Agreement



- What it does
 - Defines what constitutes the “façade”; gives legal permission for entry
 - Property owners’ maintenance agreement with City for improvements
 - Outlines how subsequent changes to façade are handled
- How and when it’s created
 - Can be minimally tailored locally but IEDA must approve changes
 - Signatures on easement must be notarized and the document recorded at County, provide evidence of recorded document to IEDA
 - Must be created/submitted after bids but prior to first construction draw
- See Appendix 7 of the CDBG Management Guide for template

Construction Terms Agreement

- What it does
 - Confirms owner's acceptance of the scope of work
 - Identifies owner's financial arrangement and responsibility
 - Can be used to lay out the process for contract change orders
 - Acknowledges city/contractor's right of property access
 - Prohibits any other construction work on the building during the grant period (excepting emergency or routine maintenance)
- How and when it's created
 - Must be submitted after bids but prior to first construction draw
- See Appendix 7 of the CDBG Management Guide for a sample Construction Terms Agreement template

Project Progress

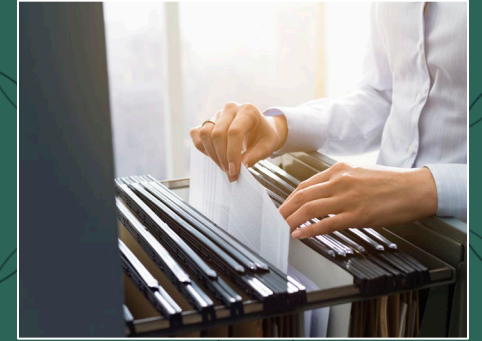


- Communicate with key parties
 - City / project manager / Main Street / economic development
 - Building owners: no additional work; answer questions
 - Contractors and subs: employee interviews, lead-based paint/URA, etc.
- Utilize IowaGrants
 - Compliance forms: additional contractor clearance, wage rate determinations, wage restitution, and annual Section 3
 - Other uses: updated signatory forms, correspondence
 - Submit claims

Claims

- Status Detail form – fill out every time, include all participating addresses
- BABA applies for “25-DTR” projects!
- If a pay-app includes a new sizable change order, I’ll ask to see it
- Once you hit 30% expended, encouraged to schedule the Status of Funded Activities (SOFA) hearing
- A claim over 50% will not be processed without SOFA materials in IowaGrants
- Final activity claim will not be paid before outstanding monitoring items are submitted and cleared.

Monitoring Overview



- Hybrid online/in-person format
- Scheduled between 30-50% drawdown; requires “SOFA” hearing
- Documentation checklist is in IowaGrants “Site Visit” tab – upload by deadline pre-visit for IEDA review
- On the day of the visit:
 - Grant administrator and a city rep is required; elected officials and building owners are invited
 - City Hall for discussion / further review
 - Walking tour of construction progress
- Any issues, with timeframe for correction, will be provided to City and grant administrator

Monitoring Tips and Reminders

- All agreements in writing with CDBG language (includes subs)
- Do the elective fair housing action early
- Have at least one labor interview per wage category (and sub)
- Don't forget supplemental Davis-Bacon documentation:
 - “Other deductions” employee authorization/acknowledgement
 - Written authorizations to sign payrolls if not owner/officer
 - Apprenticeship documentation
- Bring with you: change orders, lien waivers, ERR documentation
- Don't forget: IEDA conducts Annual Risk Assessments which may trigger additional monitoring
- Developing survey for building owners re: on-going experience and problem resolution

Project Changes?

- If a building drops (and if a replacement is added)...
 - Eventually reflected via “Project Revision” contract amendment in IowaGrants – change of performance measure
 - New additions must: be located within the target area, demonstrate slum and blight, and need a Section 106 approval
 - No new additions after construction has begun
- Reminder: Claim Status Detail should be current throughout the life of the project
- Transfers of ownership need new construction terms agreements

Project Changes?

- If the funding *sources* change, provide notice to IEDA
- If the overall budget *amount* changes...
 - If match percentage changes (up/down) by >5%, and/or
 - If you fall below the 6 or 8 address threshold, then:
 - Requires “Budget Amendment” in IowaGrants
- Match cannot fall below the range in which you scored:
 - Less than 25%
 - 26-35%
 - 36-45%
 - 46-55%
 - Over 55%



Project Changes?

- If there are change orders...
 - Small dollar amount/minor adjustments within an approved façade element will probably not require any additional approval or notification
 - Any change to an historic element should be approved by Robert Jonet prior to execution so that you do not run into an adverse effect, prematurely ending the project!
 - Any change to scope (e.g., removing a component addressing blight, adding a new scope component) needs IEDA Project Manager approval to confirm that the project will still sufficiently address blight
- If you need more time, that would be a “Project Revision” amendment

Closeout

- Incur all costs prior to contract end date
- Submit all required documents in IowaGrants prior to contract end date:
 - Submit final Section 3 in “Compliance Forms”
 - Ensure that any/all outstanding monitoring items are submitted!
 - Upload PDF of final “before/after” photos (labeled)
- Submit final claim within 60 days of contract end date
 - Be sure there are no further costs to come prior to submitting final drawdown (i.e., punch list items)
 - Cannot have an unused match balance!
- City will receive a final letter from IEDA when it is closed

Additional Resources

- Website migration!
<https://opportunityiowa.gov/community/community-infrastructure/cdbg-resources>
- CDBG Management Guide (updated annually)
- Previous trainings – slides and recordings
- “CDBG Program Guidance and Related Resources”

Any Questions?





THANK YOU

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