

Red Tape Review Rule Report (Due: September 1, 2025)

Department Name:	IEDA	Date:	6/5/25	Total Rule Count:	6
IAC #:	261	Chapter/ SubChapter/ Rule(s):	Chapter 23	Iowa Code Section Authorizing Rule:	Iowa Code section 15.108(1)“a.”
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

To describe the authority’s procedures for administering and awarding Community Development Block Grant funds.

Is the benefit being achieved? Please provide evidence.

Yes, the authority is able to administer and award these funds.

What are the costs incurred by the public to comply with the rule?

Local governments that wish to apply for funds may incur costs associated with drafting the application and providing additional information, if additional information is needed.

What are the costs to the agency or any other agency to implement/enforce the rule?

Authority staff time is required to prepare and submit plans to HUD, review and award applications, and manage funded projects to ensure compliance.

Do the costs justify the benefits achieved? Please explain.

No additional costs are imposed by the rules chapter beyond the authority’s statutory obligations described in 24 CRF Part 570.

Are there less restrictive alternatives to accomplish the benefit? ☐ YES ☒ NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

No less restrictive alternatives were identified.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes, this chapter contains unnecessary language, as further described below.

23.2 Definitions: Contains unnecessary language.

26.3 Annual action plan: Contains unnecessary language.

26.4 Allocation of funds: Contains unnecessary language.

26.5 Requirements for funding: Contains unnecessary language.

23.6 Award and administration: Contains more restrictive language than necessary.

RULES PROPOSED FOR REPEAL (list rule number[s]):

None.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

CHAPTER 23

IOWA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

261—23.1(15) Purpose. The primary purpose of the community development block grant program is the development of viable communities by providing decent housing and suitable living environments and expanding economic opportunities, primarily for persons of low and moderate income.

261—23.2(15) Definitions. When used in this chapter, unless the context otherwise requires:

“*Annual action plan*” means the annual plan required and approved by the U.S. Department of Housing and Urban Development that outlines the state’s processes and procedures for distribution of CDBG funds. The annual action plan is available on the authority’s website.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Authority’s website*” means the information and related content found at opportunityiowa.gov and may include integrated content at affiliate sites.

“*CDBG*” means community development block grant.

“*Citizen participation plan*” means the plan required and approved by the U.S. Department of Housing and Urban Development that describes the state’s process for including citizen participation in development of its consolidated plan and annual action plan. The citizen participation plan is available on the authority’s website.

“*Consolidated plan*” means the five-year plan required and approved by the U.S. Department of Housing and Urban Development that establishes goals and objectives for the state’s CDBG program. The consolidated plan is available on the authority’s website.

“*HUD*” means the U.S. Department of Housing and Urban Development.

“*Management guide*” means the administrative reference manual published by the authority for each

program year. The management guide is available on the authority's website.

"Program year" means the annual period beginning January 1 and ending December 31.

"Recipient" means a local government entity awarded CDBG funds under any CDBG program.

261—23.3(15) Annual action plan. The authority will prepare a CDBG annual action plan for submittal to and approval by HUD. The plan will provide a description of the activities and programs that will take place during the year to meet goals established in the consolidated plan.

23.3(1) The authority will follow the state's citizen participation plan during the development of the annual action plan. A draft annual action plan will be available on the authority's website for 30 days for public review and comment. The authority will hold a public hearing during the comment period to collect public input on the plan prior to its submittal to HUD.

23.3(2) The annual action plan will include the proposed CDBG program funding allocation.

261—23.4(15) Allocation of funds. Upon approval by HUD, the authority will allocate CDBG funds among programs or activities described in the state's most recent annual action plan, which may include, but not be limited to, the following:

1. Housing assistance.
2. Water and sewer improvements.
3. Community facilities improvements.
4. Opportunities and threats fund.
5. Neighborhood revitalization activities.

261—23.5(15) Requirements for funding. Applications for funds under any of the program-allocated funds pursuant to rule 261—23.4(15) shall meet the minimum criteria described in subrules 23.5(1) through 23.5(3).

23.5(1) Proposed activities shall be eligible, as authorized by Title I, Section 105 of the Housing and Community Development Act of 1974, as amended, and as further defined in 24 CFR Part 570. References in this subrule are to the laws as in effect [effective date of this rulemaking].

23.5(2) Proposed activities shall address at least one of the following three objectives:

a. Primarily benefit low- and moderate-income persons. To address this objective, 51 percent or more persons benefiting from a proposed activity must have incomes at or below 80 percent of the area median income as defined by HUD.

b. Aid in the prevention or elimination of slums and blight. To address this objective, the application must document the extent or seriousness of deterioration in the area to be assisted, showing a clear adverse effect on the well-being of the area or community and illustrating that the proposed activity will alleviate or eliminate the conditions causing the deterioration.

c. Meet an urgent community development need. To address this objective, the applicant must certify that the proposed activity is designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community and that are recent in origin or that recently became urgent; that the applicant is unable to finance the activity without CDBG assistance and that other sources of funding are not available.

23.5(3) Applicants shall certify their compliance with federal requirements applicable to the CDBG program.

261—23.6(15) Award and administration. The authority may negotiate award amounts, terms and conditions prior to making any award under the program. Recipients will comply with requirements and instructions set forth in the applicable CDBG management guide.

These rules are intended to implement Iowa Code section 15.108(1) "a" and 24 CFR Part 570.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	0
Proposed word count reduction after repeal and/or re-promulgation	274
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	2

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.