



# Non-Federal Match Program Guidelines

Version 2.0

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## Version History

Version	Date	Summary Description
1.0	January 2026	Original
2.0	March 2026	V2.0 – clarifications, additional Appendix resources



## Non-Federal Match Program

### Purpose

The overarching goal of the program is to support local jurisdictions with infrastructure activities related to recovery. FEMA, through their Hazard Mitigation Grant Program (“HMGP”) and the Project Assistance (“PA”) programs, require the state and local governments to pay a cumulative 25% share of the cost of a project, called the “local share” or “match.” In the aftermath of a disaster, these match requirements can be burdensome on jurisdictions that have been overwhelmed by emergency and recovery work and further weakened by lost government revenues. The Non-Federal Match Program will help alleviate this burden.

In addition to providing the 25% match to HMGP or PA programs, CDBG-DR grants may be used to fund improvements to Hazard Mitigation Grant Program (HMGP) Buyout projects that demonstrate an unmet recovery need remains, that other avenues for funding have been exhausted, and that the project is critical to restoring and making the community more resilient.

### Definitions

- Unit of General Local Government (UGLG):** Any city, county, town, township, parish, political subdivision of a state, or public agency that has the authority to undertake activities eligible for assistance under the Community Development Block Grant (CDBG) program.
- Applicant:** Unit of General Local Government.
- Subrecipient:** A public or private nonprofit organization, or a public agency, that is designated by a Recipient to receive CDBG funds to carry out an eligible activity on behalf of the ULG. **The ‘Applicant’ becomes a Subrecipient from IEDA for any awarded funds.**
- Grant Administrators:** A Grant Administrator (GA) is an individual who has engaged with the Iowa Economic Development Authority (IEDA) for inclusion into the Certified Grant Administrator (CGA) Program for training and certification requirements necessary to administer Community Development Block Grant (CDBG) projects in Iowa. GAs are responsible for ensuring full compliance with federal and state regulations across all phases of a CDBG-funded project. **Applicants can acquire a list of Certified Grant Administrators by contacting IEDA.** Please see [IEDAs CGA Policy and Training Resources](#) for details.
- Grant Administration (CDBG-DR)** Per HUD, Program Administration Costs (PACs) for CDBG-DR are defined as “reasonable general costs (including carrying charges) of grant management that do not include staff and overhead costs directly related to carrying out other CDBG-DR eligible activities” ([CPD Notice 2023-06](#)). **These apply to IEDA staff to administer the grant at the State level.**
- Project Delivery (CDBG-DR)** Per HUD, Activity Delivery Costs (ADCs) for CDBG-DR are defined as “allowable costs incurred for implementing and carrying out eligible CDBG-DR activities. All ADCs must be allocable to a CDBG-DR activity and include direct costs integral to the delivery of the final CDBG-DR assisted activity” ([CPD Notice 2023-06](#)) For CDBG-DR programs, Project / Activity Delivery refers to the implementation-level tasks required to carry out a specific CDBG-DR activity approved in the Action Plan and established in DRGR. Under IEDA’s CDBG-DR

model, nearly all reimbursable work performed by external CGAs is classified as Project / Activity Delivery, **not Grant Administration**.

- **Entitlement Community:** Principal cities of Metropolitan Statistical areas, cities with populations over 50,000 or urban counties with population over 200,000.
- **Low- and Moderate-Income (LMI) individual or household** is one whose income is **at or below 80 percent of Area Median Income (AMI)**, as established annually by the U.S. Department of Housing and Urban Development (HUD).
- **LMI Limited Clientele (LMC)** refers to activities that **directly benefit LMI individuals**, rather than a defined geographic area. Public service activities meet the LMC national objective when they either Document that the persons served are LMI, **or** Serve a population HUD presumes to be principally LMI (such as persons experiencing homelessness).
- **LMI Community:** A Low- and Moderate-Income (LMI) Community is a geographic area—usually a Census block group, Census tract, or other defined service area—in which at least 51% of the residents are low- and moderate-income persons, defined as those whose household incomes are at or below 80% of Area Median Income (AMI).
- **Recipient:** Iowa Economic Development Authority (IEDA), as the receiving entity of the HUD program funds on the behalf of the state of Iowa.
- **Vendor:** Any contractor or consultant hired by the Applicant / ULG or the Subrecipient to perform services or provide products to support the proposed project.

Additional definitions can be found in the CDBG Management Guide.

### Administration

This program is administered by the Iowa Economic Development Authority (IEDA). IEDA is a state agency which administers Community Development Block Grant-Disaster Recovery (CDBG-DR) awards issued to the State of Iowa by the U.S. Department of Housing & Urban Development (HUD). Administrative activities are led by the IEDA Disaster Recovery Team Lead and members of both the Disaster Recovery and Federal Programs teams.

### Available Funds

Program	Budget
FEMA Non-Federal Match	\$25,000,000

### Eligible Activities

All activities must be CDBG-DR eligible and approved under a FEMA program. HCDA Section 105(a)1, 2, 4, 9 and 12 are the applicable eligible activities for the program and will include applicable waivers identified in the Allocation Announcement Notice (90 FR 4759) and Universal Notice (90 FR 1754).

Housing and Community Development Act of 1974 (HCDA) Eligible Activities for Program	
Section 105(a)(1)	<p>Acquisition of real property (including air rights, water rights, and other interests therein) which is</p> <ul style="list-style-type: none"> <li>A. blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;</li> <li>B. appropriate for rehabilitation or conservation activities;</li> <li>C. appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;</li> <li>D. to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or</li> <li>E. to be used for other public purposes</li> </ul>
Section 105(a)(2)	Acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements.
Section 105(a)(4)	Clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings).
Section 105(a)(9)	Payment of the non-Federal share required in connection with a federal grant-in-aid program undertaken as part of activities assisted under this title.
Section 105(a)(12)	<p>Activities necessary</p> <ul style="list-style-type: none"> <li>1. to develop a comprehensive community development plan, and</li> <li>2. to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively                             <ul style="list-style-type: none"> <li>i. determine its needs,</li> <li>ii. set long-term goals and short-term objectives,</li> <li>iii. devise programs and activities to meet these goals and objectives,</li> <li>iv. evaluate the progress of such programs in accomplishing these goals and objectives, and</li> <li>v. carry out management, coordination</li> </ul> </li> </ul>
Waiver in Universal Notice (90 FR 1754) III.D.6.b.	The prohibition on assisting buildings for the general conduct of government at 42 U.S.C. 5305(a)(2) and associated regulations at 24 CFR 570.207(a) are waived for non-Federal match. This waiver allows grantees to use CDBG-DR funds as the non-Federal match on any other Federal program providing funds for the construction, reconstruction, and rehabilitation of public improvements or facilities for the general conduct of government. This waiver is subject to the following alternative requirements: grantees are prohibited from using CDBG-DR funds for buildings that do not provide services all year around and for buildings that are used exclusively as emergency operations centers.

## Ineligible Activities

Per [24 CFR 570.207](#), IEDA will not fund the following activities through the FEMA Non-Federal Cost Share program:

Ineligible Activities for General Infrastructure Program	
<b>General government expenses</b>	Expenses required to carry out the regular responsibilities of the unit of the general local government are not eligible for assistance.
<b>Political activities</b>	CDBG funds cannot fund the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.
<b>Purchase of equipment</b>	<p>The purchase of equipment with CDBG funds is generally ineligible.</p> <ul style="list-style-type: none"> <li>○ Construction equipment: The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing or depreciation is eligible. The purchase of construction equipment for use as part of a solid waste disposal facility is eligible.</li> <li>○ Furnishings and personal property: The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.</li> </ul>
<b>Operating and maintenance</b>	<p>Any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Examples of ineligible operating and maintenance expenses are:</p> <ul style="list-style-type: none"> <li>● Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements.</li> <li>● Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.</li> </ul>

## National Objectives

### **For HMGP Buyout:**

Low-to moderate income limited clientele (LMC) or Low- to moderate-income area benefit (LMA). To qualify for the LMC national objective, the HMGP buyout program will be limited to LMI persons and acquiring their property for more than fair market value.

### **For FEMA PA:**

Low- to moderate-income area benefit (LMA) and Urgent Need (UN) national objectives. The Urgent Need national objective will only be used when an LMI national objective cannot be achieved through the project, but the project has demonstrable recovery or mitigation of public infrastructure benefits within the HUD- or grantee-identified MID.

**For all instances with an LMI National Objective is used, the Income Survey Report will be required to be provided at the time of application to demonstrate the legitimacy of the LMI / LMA status.**

Urgent Need (UN) national objective may be used when the HMGP buyout activity addresses conditions that pose a serious and immediate threat to the health or welfare of the community, the conditions originated from the declared disaster, and the grantee demonstrates that no other financial resources are available to meet the need. The UN national objective will only be applied when the project cannot feasibly meet an LMI national objective, but the buyout provides measurable, disaster-related risk reduction, public safety benefits, or mitigation outcomes within the HUD- or grantee-identified Most Impacted and Distressed (MID) areas.

## Eligible Applicants

All entities that are eligible for FEMA PA and FEMA HMGP may be eligible for the FEMA Non-Federal Match Program. These entities include, but are not limited to:

- Local governments;
- State agencies and authorities;
- Public schools (K-12);
- Universities;

Other local program applicants eligible to receive federal recovery funds, including eligible private nonprofit organizations.

## Eligible Areas

CDBG-DR funding will be provided to HUD-identified MID areas: **Cherokee County, Clay County, Sioux County and Woodbury County**. The State-identified MID Areas are **Buena Vista, Lyon and Pottawattamie Counties**. As needs are identified, IEDA may provide funding to other state-identified MID areas that were also impacted.

## Citizen Participation

All Applicants, including Units of Local Government and Subrecipients, must ensure meaningful access to program information and services for individuals with Limited English Proficiency (LEP) in accordance with Title VI of the Civil Rights Act of 1964 and HUD's LEP Guidance (72 FR 2732). This obligation is reinforced through IEDA's own planning documents. The State of Iowa Citizen Participation Plan, which is incorporated into the State's Consolidated Plan, requires that program materials and public hearings be made accessible to non-English speakers, including by providing translators and written translations upon request and ensuring that approved Consolidated Plan documents are available "in a manner accessible to non-English speakers or those with disabilities." In addition, IEDA maintains a formal Language Access Plan, which describes the reasonable steps required under HUD's LEP framework—such as the Four-Factor Analysis—and affirms that both IEDA and its subrecipients must provide meaningful language assistance so LEP individuals can access CDBG-funded programs and services. **Applicants may either adopt IEDA's Language Access Plan or develop their own HUD-compliant Language Access Plan that meets Title VI and Executive Order 13166 requirements.**

- **IEDA Citizen Participation Plan:**
  - <https://opportunityiowa.gov/media/6807/download?inline>
- **IEDA Language Access Plan:**
  - <https://opportunityiowa.gov/media/6834/download?inline>

## Public Hearing Requirement

According to IEDAs Action Plan and Citizen Participation Plan, applicants are required to solicit public feedback on the projects for which they are applying for funding by holding a public hearing. According to Iowa Code 362.3, the notice of the public hearing should be published or posted for review no less than 4 days and no more than 20 days prior to the hearing. If awarded, applicants will be required to host an additional public hearing before closing out the project.

Public hearings can be held in conjunction with other public meetings. The meeting notice should be posted in a newspaper of general circulation. The public hearing must include discussion of the following:

- How the need for the activities was identified;
- How the proposed activities will be funded and the sources of funds;
- The date the CDBG application will be submitted;
- The requested amount of federal funds;
- The estimated portion of federal funds that will benefit low-and moderate-income persons;
- Where the proposed activities will be conducted;
- Plans to minimize displacement and the unit of general local government's anti-displacement and relocation plans required under § 570.488;
- Plans to assist persons actually displaced; and
- The nature of the proposed activities.

Applicants will be required to provide proof of the public hearing in the application including:

- A copy of the public hearing notice;
- Meeting minutes, including comments and responses;

During the project construction, the applicant must conduct at least one status of funded activities (SOFA) hearing that covers the following minimum points:

- A general description of accomplishments to date;
- A summary of expenditures to date;
- A general description of the remaining work;
- A general description of changes made to the project budget, performance targets, activity schedules, scope, location, objectives or beneficiaries.

## Exception Policy

IEDA will consider exceptions to the program guidelines on a case-by-case basis. All exceptions must be submitted in writing with the application and include a justification. Exceptions should enhance the benefit to LMI households or areas. Exceptions cannot violate federal, state, or local laws or regulations. Exceptions must still meet HUD's requirements for necessary and reasonable, comply with federal

accessibility standards, and accommodate a person with disabilities if applicable. A written response will be authorized in writing to the applicant upon approval or denial of the application requesting an exception.

## Application for Assistance

Eligible entities will firstly apply to FEMA/HSEM through an application process for funding to the Hazard Mitigation Planning Grant (HMGP) Program or FEMA-Project Assistance (FEMA-PA) Program for the 75% base funding. The portion of funds applied as CDBG-DR 25% match for any project must meet CDBG-DR eligibility requirements in addition to the requirements of the federal and state agency administering the HMGP or FEMA-PA programs.

Entities will then apply to IEDA via <https://www.iowaGrants.gov> for up to the 25% CDBG-DR non-federal share match for FEMA PA and HMGP. Applications for Match funding will be open cycled, reviewed, and approved as submitted to IEDA.

## Application Workshops & Application Windows

### HMGP / Buyout - Demo Grants

- Application Workshop scheduled for [January 15<sup>th</sup> 2026](#);
- Application Window schedule for Round #1 will be [2/04/26 – 6/01/26](#)
  - o [The Application window may be extended as needed to accommodate Applicants for the Buyout & Demo Program!](#)

### FEMA-PA / Infrastructure Grants

- Application Workshop scheduled for [April 4th 2026](#);
- Application Window schedule for Round #1 will be [5/01/26 – 8/01/26](#)

## Application Criteria

LMI communities will be prioritized for funding, as 70% of all funding must be allocated to LMI beneficiaries in the disaster-affected area. During the review of projects, IEDA will assess projects on the following criteria:

- National Objective: use of the LMI benefit national objective criteria.
- HUD Requirements: determine if the costs can be made HUD eligible.
- Funding Threshold: determine if the match amount is worth pursuing.
- Funding Leverage: other available funding options for local match.
- Benefit: document the needs stated by the impacted community.
- Quality Control: assess the quality of documentation to justify the local match.
- Commitment: determine if the final Project Worksheet (PW) amount and project cost is settled.
- Resiliency Measures: assess if there are mitigation activities being undertaken.

### *Required Application Documentation*

Only applications that have been coordinated with HSEM will be reviewed and awarded. Additionally, HUD requires that communities demonstrate compliance with the various plans and citations to Iowa's [Action Plan for this Disaster # 4796](#). To accomplish this, IEDA has reorganized the Monitoring process by front-loading many data collection efforts to streamline the project administration & implementation post-award. In addition to the HMGP or FEMA-PA applications, the following uploads are required for successful submission:

#### **Standard CDBG & CDBG-DR Application Documents required for scoring:**

- Notification of Funding Availability (NOFA):
  - *Affidavit and Copy of Public Hearing Publication, Public Hearing Minutes with 9 Points, Resolution Authorizing the CDBG Application*
- [HUD Form 2880 – Applicant Disclosures](#);
- [HUD Form 424-B Federal Assurances form](#);
- [Required Acknowledgement of Environmental Review Requirements](#);
- [Residential Anti-Displacement & Relocation Assistance Plan \('RARA'\)](#);
- [Prohibition of Excessive Force Policy](#);
- [Equal Opportunity Policy](#);
- [Code of Conduct](#);
- [Procurement Policy](#);
- [2 CFR 200 Competition Certification of Compliance](#);
- [Affirmative Fair Housing Policy](#);
- Community Development Housing Needs Assessment;
  - ***Must be current to within the last year & presented at a public meeting.***
- Language Access Plan;
- Project Budget and Match Worksheet;
- LMI Income Survey Report (if no ACS data demonstrates LMI/LMA status);
- Project Team Identification (See below);
- Project Delivery Staffing Plan, that identifies all participating GA members;

#### **Buyout – Demo Program Specific Application Documents Required for scoring:**

- ***Full HMGP Application, including:***
  - ***Settlement Statement (HUD-1), FEMA Offer Letter, Appraisal, Official HMA Property Settlement Sheet***
- Approved Long Term Maintenance Plan (Example In Appendix);
- Property Owner Voluntary Participation Form (FEMA Form FF-206-FY-21-124 **from HMGP App**);
- Duplication of Benefits (DOB) Worksheet (Example In Appendix);
- Title and Ownership Documentation;
- Appraisal and Just Compensation Documents;
- Summary Table of Participating Properties;
- Disaster Areas Risk Reduction Map;

#### **FEMA-PA / Infrastructure Specific Application Documents Required for scoring:**

- **Full FEMA-PA Application;**
- Engineer of Record Preliminary Engineering Report / Facilities Plan;

- Iowa DNR Preliminary Engineering Report / Facilities Plan;
- Iowa DNR Construction Permit Application;
- Copy of municipal utility rates / ordinances;
- Detailed cost estimates, with FEMA concurrence (BCA);
- Proposed Plans & Specifications (if available);
- Operations & Maintenance Plan (if available);
- Map of utility service area, to include flood locations;

### *Project Team Identification*

Applicants will be required to submit a detail of the proposed project team with their application. The plan will indicate clearly who will be providing what supportive roles to the applicant. The details will include designation of the project team including, including their roles and responsibilities. All must be contractually established (except municipal staff). These include, but not limited to:

- Chief Elected Official (CEO) – oversee City’s contractual obligations to the project and all project contractors / vendors
- Municipal Admin Lead – oversee the financial matters
- Local Counsel – represent the applicant interests for all contractual / acquisition matters
- Architect/Engineer – develop plans and assure that contractor builds to plans
- Grant Administrator – oversee all state / federal funding compliance elements that apply to the project, IowaGrants data entry, City team liaison
- Labor Compliance Officer – GA-designated member that reviews payrolls and completes interviews

### **Disaster Tieback or Mitigation**

The grant funds will reimburse projects with a tie-back to disaster or projects that mitigate needs associated with the disaster as identified in the Action Plan.

The HMGP & FEMA-PA programs require clear documentation showing a direct disaster related impact as a prerequisite for entry into the program. Using FEMA project worksheets, IEDA assumes that if the eligible applicant received funding and support through the HMGP & FEMA-PA programs, then the project has a tie to the declared disaster.

Additionally, the HMGP & FEMA-PA programs fund projects that reduce, or mitigates, future disaster losses in communities. IEDA assumes that if the eligible applicant received funding and support through the HMGP or FEMA-PA programs, then the project serves a mitigation benefit.

### **Mitigation Design**

All infrastructure will be designed to increase resilience to disasters or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters.

FEMA encourages the restoration of disaster-damaged, publicly owned facilities and the protection of these damaged facilities from future incidents. IEDA will support this effort with program funds that may

be used to rehabilitate damaged systems and/or build new systems that will help protect life and property and reduce suffering and hardship by lessening the impact of future disasters. Any approved grants that involve systems must be brought up to current applicable codes and local ordinances.

## Eligible Programs

### FEMA HMGP MATCH PROJECTS

Hazard mitigation is defined as any sustained action taken to reduce or eliminate long-term risk to people and property from natural hazards and their effects. FEMA’s Section 404 funding can be used to fund structural and non-structural projects, and a facility does not need to be damaged to use these funds. The funding can be combined with 406 PA funding where appropriate. Section 406 hazard mitigation funding is used to provide protection to the parts of a facility that were damaged and Section 404 hazard mitigation funding is used to provide protection to the undamaged parts of the facility.

Iowa is eligible for Hazard Mitigation Grant Program (HMGP) funds under Section 404 of the Stafford Act, as amended. The Iowa HSEM, the applicant for these funds, is inviting applications from eligible sub-applicants, State agencies, local governments, special districts, and federally recognized tribes.

The State and/or eligible sub-applicants may leverage FEMA HMGP funds with CDBG-DR for the following eligible Activity categories:

- Property acquisition of parcels located in hazard-prone areas to permanently convert to perpetual greenspaces;
- Demolition of structures to reduce health and safety risk to residents;
- Project Delivery / Administration for Certified Grant Administrators to implement grant administration activities in IowaGrants and coordinate with IEDA;

The property must be in the floodplain or floodway. HSEM will calculate the financial offer for each property acquisition based on pre-disaster fair market value and appraisal documentation. The subrecipient will proceed with real estate closings and procure contractor(s) for demolition. Subrecipients will follow the HSEM process. After acquisition and demolition the property will be deed restricted in perpetuity, for a use that is compatible with open space, recreational, floodplain and wetlands management practices, or other disaster-risk reduction practices.

### FEMA PA MATCH PROJECTS

FEMA’s Public Assistance Program (PA) provides grants to State, tribal, territorial, and local governments, and certain types of private nonprofits so that communities can respond to and recover from major disasters quickly. Section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act also allows FEMA to fund the hardening of these damaged facilities against future events by providing assistance for hazard mitigation measures during the recovery process, known as Section 406 Mitigation. In Iowa, Iowa Homeland Security and Emergency Management (HSEM) manages the FEMA PA program. Together with FEMA, HSEM evaluates eligibility for FEMA PA. Through the PA Program, FEMA provides grant funding for:

- Emergency protective measures and debris removal (Emergency Work); and

- Permanent restoration of damaged facilities, including cost-effective hazard mitigation to protect the facilities from future damage (Permanent Work).

To facilitate the processing of PA funding, FEMA separates Emergency Work into two categories (A and B) and Permanent Work into five categories (C – G) based on general types of facilities. Category A is eligible under Section 407 for removing debris or wreckage from publicly or privately-owned lands and waters. Category B is eligible under Section 403(a)(3) to address immediate threats to life and property resulting from a major disaster. Categories C – G are eligible under Section 406(a)(1)(A) for the repair, restoration, reconstruction, or replacement of a public facility damaged or destroyed by a major disaster. These categories are shown below and aligned with HUD eligible activities.

FEMA Category	PA Scope	HUD Eligible Activity	Funded?
<b>Category A</b>	Debris Removal	Section 105(a)(4)	Yes
<b>Category B</b>	Emergency Protective Measures	Section 105(a)(9)	Yes
<b>Category C</b>	Roads/ Bridges	Section 105(a)(2)	Yes
<b>Category D</b>	Water control facilities	Section 105(a)(2)	Yes
<b>Category E</b>	Building/equipment	Waiver in Universal Notice (90 FR 1754) III.D.6.b.	Yes, government buildings, no to equipment unless integral to project
<b>Category F</b>	Utilities	Section 105(a)(2)	Yes
<b>Category G</b>	Parks, recreational, and other facilities	Section 105(a)(2)	Yes

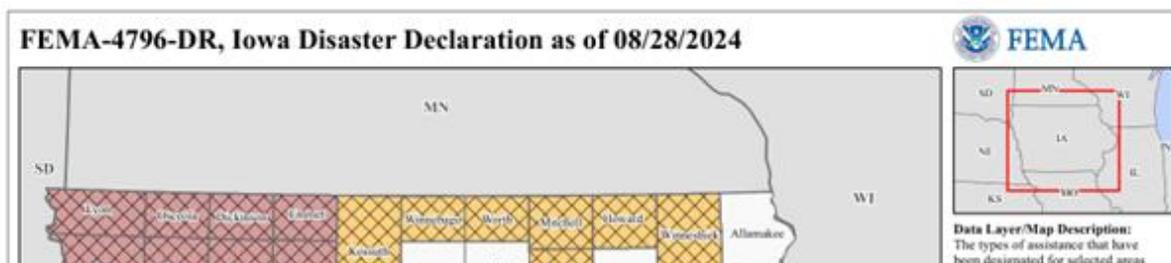
**Of these eligible FEMA-PA category types, the CDBG-DR funds will be prioritized to Categories “D” and “F” for first rounds of funding in 2026. Based on residual funding availability, other categories may be funded under subsequent application rounds that become announced to all eligible communities.**

[IEDA’s Action Plan](#) has made federal funding available to affected government agencies and organizations for emergency work and the repair or replacement of disaster-damaged facilities in the following counties:

- Buena Vista, Cherokee, Clay, Lyon, Pottawattamie, Sioux, Woodbury

As other unmet needs are identified in other communities, IEDA may add additional eligible communities to the State MID list for inclusion.

Figure 2: FEMA-4796-DR, Iowa Disaster Declaration as of 08/28/2024



### *Project Worksheets (PWs)*

A project worksheet (PW) is a compilation of forms used by the FEMA PA Applicant and FEMA to develop projects<sup>1</sup>. The PW package is usually compiled in a set order to ensure uniformity and facilitate efficient review and processing. Some of the forms included are listed below:

- **Project Worksheet Cover:** the primary form used to identify the location, damage description and dimensions, scope of work, and cost estimate for each project.
- **Damage Description and Scope of Work Continuation Sheet:** used to expand on damage quantities and description, scope of work, and cost extensions.
- **Cost Estimating Continuation Sheet:** used to calculate damage costs for large permanent work projects.
- **Special Considerations Questions<sup>2</sup>:** form asks questions about insurance, floodplain, repair/reconstruction, and environmental concerns as it pertains to a facility
- **Time / Equipment records<sup>3</sup>:**
  - Force Account Labor Summary Record ([FEMA Form 90-123](#))
  - Force Account Equipment Summary Record ([FEMA Form 90-127](#))
  - Material Summary Record ([FEMA Form 90-124](#))
  - Rented Equipment Summary Record ([FEMA Form 90-125](#))

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<sup>1</sup> FEMA Disaster Assistance Fact Sheet – [Elements of a Project Worksheet](#)

<sup>2</sup> [Special Consideration Questions – FEMA Form 90-120](#)

<sup>3</sup> FEMA Public Assistance – [Project Formulation SOP](#)

- Contract Work Summary Record ([FEMA Form 90-126](#))
- Fringe Benefit Rate Sheet ([FEMA Form 90-128](#))
- Cost Estimating Format - Large Project Report<sup>4</sup>
- Cost Estimating Format [Spreadsheet](#)

IEDA will review each project worksheet to determine at a minimum the national objective, HUD eligible activity, potential cost(s) that can be funded by CDBG-DR, compliance requirements that will be triggered, and the non-federal share amount. CDBG-DR funds may not be used to expand a project beyond what is approved by FEMA in a PW<sup>5</sup>.

## Matching Requirements

The Non-Federal Cost Share Match Program is guided by the [Stafford Disaster Relief and Emergency Assistance Act, USC 5121](#), the Code of Federal Regulations Title 44 Parts [13.36](#), [13.37](#) and [13.40](#), and the [FEMA Disaster Assistance Guidance 9500 Series](#).

From Section 408(g)(2) of the Stafford Act, Cost Sharing, the language states that the Federal share of the costs eligible to be paid using assistance provided (e.g., FEMA) will be 75 percent and the non-Federal share shall be paid from funds made available by the State.

The updated Universal Notice (90 FR 1754) also states that grant funds may be used to satisfy a match requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the FEMA.

For all match activities, grantees must document that CDBG-DR funds have been used for the actual costs incurred for the assisted project and for costs that are eligible, meet a national objective, and meet other applicable CDBG requirements.

## Flexible Match

Flexible Match looks to streamline the process and minimize the administrative costs related to using CDBG-DR funds to satisfy the local match requirement of the FEMA PA Program. With flexible match, IEDA can choose to apply the CDBG-DR funding to distinct facilities or sites within a FEMA PA project and meet local match requirements at a PW level (see table below using a 75/25 split). All the sites and facilities must still comply with FEMA PA requirements, but only the CDBG-DR assisted portion of the project must comply with CDBG-DR requirements. Applying the Flexible Match concept can reduce the number of facilities or sites within the subaward that must comply with both federal grant program requirements.

IEDA will consider the following questions as they review project worksheets:

- What types of projects and type of work are included in the project?
- What is the project amount and the local match requirement?
- How much CDBG-DR funding is available for match?
- What is the eligible activity for CDBG-DR?
- What national objective is being met?
- Which contracts cover the activity associated with the CDBG-DR assisted portions of the project?

<sup>4</sup> [Cost Estimating Format \(CEF\) For Large Projects Standard Operating Procedure \(SOP\)](#)

<sup>5</sup> [Sample FEMA Project Worksheet](#) – FEMA Form 90-91 (June 2020)

- How will cross-cutting requirements apply to the CDBG-DR assisted portions of the project worksheet?

Project	FEMA Assistance	CDBG-DR Assistance	Total Budget
Project Cost #1	\$42,500	\$57,500	\$100,000
Project Cost #2	\$50,000	\$0	\$50,000
Project Cost #3	\$80,000	\$0	\$80,000
<b>TOTAL</b>	<b>\$172,500</b>	<b>\$57,500</b>	<b>\$230,000</b>

## Project Costs

For this program, contingencies proposed in the application budget must be at least 10%.

- If the project has not yet received Final Design approval from Iowa Department of Natural Resources (IDNR), then the applicant should ensure there is sufficient contingency, but not exceed 25%.
- If IDNR approval for Final Design has occurred, the contingency should not exceed 15%.

As contingencies turn into project costs they will need to be supported with documentation to be claimed. Administrative / Project Delivery cost will not exceed 10% grant award.

CDBG-DR funds are made on a reimbursement basis and therefore, project sponsors and/or their contracted developers must have project financing for the project to pay vendors and other expenses prior to being reimbursed by IEDA. Therefore, IEDA will require the applicants to demonstrate full financing and submit supporting documentation for estimated project costs prior to release of funds.

For construction projects, all trades will utilize the AIA, EJCDC or equivalent standard Payment Applications forms for submitting costs with direct/indirect costs clearly indicated under the “general conditions” or “mobilization” pay item. IEDA will also provide a payment application template upon request.

## Grant Administration & Project Delivery

### Grant Administrators

IEDA will only award applications with a Grant Administrator (GA) identified to perform grant administration services on the behalf of the Applicant / Subrecipient team. All GA’s performing any activity on a project must comply [with IEDA’s Certified Grant Administrator \(“CGA”\) Policy](#) . All Applicants will be required to contract with a GA that appears on IEDA’s CGA list; if the proposed GA is not in the CGA Program, then they must first contact IEDA to be read into the program rules and enter the training cycle for certification.

Iowa law permits local governments to obtain services from a Council of Governments through a Chapter 28E intergovernmental agreement, which is not subject to competitive procurement requirements applicable to private vendors. (<https://www.legis.iowa.gov/docs/ico/chapter/28E.pdf>)

The GA working with the project will be required to maintain an active IEDA Certified Grant Administrator certification. The GA will provide a lump sum estimate for administration in the application for funding. Administration must be substantiated by documentation of costs incurred.

The GA should provide to the Applicant a list of all team members that will participate in the project, and include this in the application, as noted in the Required Application Documents. This list should specifically list individuals that will perform critical cross-cutting functions, such as Environmental Review, Procurement, Federal Labor Standards, Section 3 Reporting, etc.

If a member of a for-profit consulting firm: the proposed CGA must demonstrate that they are NOT performing roles of a design professional (e.g., the project Architect / Engineer of record) and must have a distinct contract for grant administration / project delivery duties apart from any other services – this ensures that an entity is not self-performing compliance checks against itself. If extenuating circumstances are experienced by a Subrecipient in acquiring a CGA, the Subrecipient may formally request a waiver

A full description of anticipated duties and responsibilities of the GA can be found in the CDBG Management Guide. **The maximum reimbursable cost for GA cost is not to exceed 10% total grant award.**

## Project Delivery

According to HUDs definitions of grant administration and project delivery under CPD Notice 2023-06 and under IEDA’s CDBG-DR program structure, IEDA retains responsibility for grant-level administration, while Subrecipients are responsible for implementing approved Activities. Accordingly, external Certified Grant Administrators (CGAs) engaged by Subrecipients function primarily in a Project / Activity Delivery role, rather than as grant-level administrators. Each application must budget for and document CGA fees and other Project / Activity Delivery (Activity Delivery Costs or ADCs). Project / Activity Delivery refers to the eligible costs incurred to implement and carry out a specific grant funded activity approved in the Action Plan and established in DRGR. These costs include all tasks necessary to determine eligibility, complete activity-level regulatory requirements, and bring the activity to completion in accordance with HUD rules and IEDA program guidance.

### Eligible Project Delivery Activities

Eligible Activity Delivery Costs include, but are not limited to, the following when performed for a specific CDBG-DR assisted project:

- **Grant Administrators:**
  - Project-specific environmental review activities under 24 CFR Part 58, including site assessments, statutory checklists, agency consultations, and SHPO/THPO coordination.
  - Income surveys and beneficiary documentation required to establish national objective compliance.
  - Preparing and submitting reimbursement requests with supporting documentation in accordance with 2 CFR Part 200;
  - Ensuring Activity compliance with procurement standards, civil rights requirements, fair housing, Federal Labor Standards, Section 3, and other cross-cutting requirements under 24 CFR Part 570;

- On-site inspections, construction monitoring, and compliance reviews necessary to implement the activity;
  - Activity-level financial management, including invoice review, payment verification, and expenditure tracking;
  - Establishing and maintaining required grant files, policies, records, and reporting systems pursuant to 24 CFR 570.503(b);
- **Other Consultants** (such as archaeologist, architects, engineers, if contracted directly to the Applicant):
    - Consultant or professional services retained solely to carry out tasks specific to the funded activity;
    - Project-specific procurement, bidding, and contracting support;
    - Preparation of bid packages, contractor coordination, and procurement compliance activities in accordance with 2 CFR 200.317–200.327 (typically performed by the Architect or Engineer of Record);
    - Housing program technical services, including inspections, code compliance reviews, construction oversight, and project-specific management;
    - Demolition oversight, appraisal coordination, code inspections, lien development, and participation in mortgage or closing activities associated with housing programs;
    - Preparation and maintenance of activity-specific documentation required to demonstrate eligibility, compliance, and reimbursement allowability;

Reminder: Architects / Engineers contracted by the Developer will be billed under the Developers agreement.

All Project Delivery costs must be reasonable, necessary, and directly attributable to the specific CDBG-DR activity being carried out and must be adequately documented to support reimbursement. Please see [IEDA's Training Resources website](#) for more details.

### ***Contract Requirements***

To maintain program integrity and ensure proper cost classification, any Council of Governments (COG) or consultant performing CGA services, along with other project delivery activities, must have a scope of work that clearly reflects activity-level implementation responsibilities. Where a single entity performs multiple functions, contracts must ensure that:

- Project / Activity Delivery tasks are clearly defined and separately identifiable, and
- Invoicing aligns with specific activities or projects, rather than general grant management.

IEDA generally does not require separate contracts for CGA activities and other Project Delivery roles, provided that the contract clearly demonstrates that reimbursed costs are tied to activity-level delivery. However, distinct contracts for CGA and any other Project Delivery activities is preferred.

### ***Project Delivery Contract Requirements***

To maintain program integrity and ensure proper cost classification, any Council of Governments (COG) or consultant performing Project / Activity Delivery services must have a scope of work that clearly reflects activity-level implementation responsibilities, not grant-wide administration.

Where a single entity performs multiple functions, contracts must ensure that:

- Project / Activity Delivery tasks are clearly defined and separately identifiable, and
- Invoicing aligns with specific activities or projects, rather than general grant management.

IEDA generally does not require separate contracts for Grant Administration and Project Delivery in CDBG-DR, provided that the contract clearly demonstrates that reimbursed costs are tied to activity-level delivery.

### ***Project Delivery Documentation and Reimbursement***

Project Delivery costs must be:

1. Identified separately from general program administration or other consultants Project Delivery fees in the application and resulting contracts;
2. Supported with detailed documentation demonstrating that the cost is directly tied to a specific eligible project activity; and
3. Allocated only to the project benefiting from the work.

There is no HUD or IEDA-defined cap on Project Delivery costs; however, all CGA fees are capped at 10% of grant award and all costs must comply with federal cost principles (2 CFR 200) and IEDA may review for cost reasonableness. A full list of examples, documentation requirements, and cost allocation guidance is provided in the CDBG Management Guide.

## **Award**

The CDBG-DR award will be based on the Applicant's requested amount for a percentage of the cumulative cost FEMA PA or HMGP projects; the CDBG-DR award shall not exceed the Applicants required Local and State Match of 25%. HSEM & IEDA will conduct any DOB calculations prior to determining the final acquisition amount.

Once award amounts are determined for local governments and entities, IEDA will notify successful Applicants which is a preliminary offer to enter into a grant agreement. Execution of a grant is contingent on both parties' agreement of the terms and conditions, including project scope, budget, state and federal construction and financial rules and regulations, and timeliness, and other program details described in greater detail in this policy.

## Grant Agreement

### Terms and Conditions

A written grant agreement will be provided to the applicant before any disbursement of CDBG funds. At a minimum, the agreement will include the following provisions (in accordance with [24 CFR 570.503\(b\)](#)):

- Statement of Work, detailing the activities to be completed;
- Milestones with Timelines;
- Budget;
- Record and Reports Requirements;
- Program Income Guidance;
- Suspension and Termination Rules;
- Recapture of Funds Guidance;
- Prohibition of Religious Activities;
- Uniform Administrative Requirements to comply with federal and financial standards;

### Post Award First Steps

All funded projects will be required to comply with all federal and state requirements. By signing the federal assurances, **the applicant – now a ‘Subrecipient’ from IEDA** (city, county, or tribe) acknowledges and accepts these requirements. By passing a resolution of support and executing a contract with IEDA, the subrecipient assumes the responsibility of enforcing these requirements as the HUD-designated Responsible Entity (RE) in accordance with 24 CFR Part 58.

The following steps will be required after award:

1. IEDA will enter into contract with the city/county/tribe for the award amount;
2. The subrecipient will enter into a contract for project delivery (if a non-entitlement city);
3. IEDA coordinates with HSEM/FEMA for necessary Environmental Review compliance steps;
4. Subrecipient must provide to IEDA the following to resolve all Duplication of Benefits items;
  - a. **FEMA Offer Letter**
  - b. **HMA Property Settlement Sheet**
5. Release of Funds will be issued by IEDA;
6. IEDA evaluates subrecipient vendor contracts prior to execution for eligible costs;

### Section 106 of the National Historic Preservation Act

Section 106 of the National Historic Preservation Act of 1966 (NHPA) outlines the process of identifying and assessing the potential effects of a federal undertaking on historic and archaeological resources. The process consists of four steps:

1. Initiating the Section 106 process;
2. Identifying and evaluating historic properties;
3. Assessing the undertaking’s effects on historic properties;
4. Resolving adverse effects to historic properties;

The first step is to review the Programmatic Agreement IEDA has with the SHPO. It is available in the CDBG Management Guide on the IEDA website. It will list if the project is programmatically excluded from review or must complete a full Section 106 Review. If a full Section 106 Review is necessary, follow the steps as outlined in the CDBG Management Guide.

It is important to initiate the Section 106 process early as it can take a great deal of time if a full Section 106 Review is necessary and the project will have an impact on historic properties.

**Release of Funds**

Before Release of Funds can be issued by IEDA, an environmental review process in accordance with the National Environmental Policy Act (NEPA) must take place to ensure compliance with all federal and state laws and regulations. The timeline for this will generally take 4-6 months, but the specific timeline will be dependent on-site conditions. Once the environmental review checklist is complete, it will be submitted to IowaGrants.

Throughout the environmental review, no choice-limiting actions can be committed by the subrecipient or its partners. These include actions to commit or spend CDBG-DR or non-HUD funds for activities including but not limited to:

- Purchase of property or structures (including executing an option agreement);
- Bidding (or advertisement of bids);
- Signing construction contracts of any kind;
- Construction, demolition, rehabilitation, repair, conversion, site improvements, and any phase of construction activities;
- Platting and rezoning land (can work on preliminary plats and rezoning needs);
- Apply for building permits;

A description of the environmental review process can be found in the CDBG Management Guide.

**Environmental Review**

The Universal Notice (90 FR 1754) in Section III.B.10.c. allows recipients of CDBG-DR funds to adopt another Federal agency’s environmental review. The notice states that “...recipients of CDBG-DR funds that supplement other Federal assistance may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, so long as the actions covered by the existing environmental review, approval, or permit and the actions proposed for the CDBG-DR supplemental funds are substantially the same. Such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit. Projects originally funded by another agency that are later supplemented with CDBG-DR do not have to supplement the other agency’s environmental review with any HUD environmental requirements that differ from the originating agency. If the activity is modified so the other agency’s environmental review no longer covers the activity, the grantee is required to reevaluate and supplement the other agency’s environmental review to comply with all applicable HUD environmental regulations in 24 CFR part 58...”

**IEDA will coordinate with HSEM and FEMA on the applicants’ behalf to ensure all Environmental Review elements are affirmed before IEDA will approve the release of funds:**

1. An electronic or paper copy of the Federal agency’s review. The review must become part of the subrecipient’s environmental review record.
2. A memo stating that the scope of work completed by the Federal agency’s review is substantially the same as the CDBG-DR match project.
3. Submit a RROF (HUD-Form 7015.15) that another agency review is being used, including the name of the other Federal agency, the name of the project, and the date of the project’s review as prepared by the other Federal agency.

## Pre-Demolition Sampling Requirements

Before any structure is approved for demolition under the Nonfederal Match CDBG-DR Program—whether funded solely with CDBG-DR or in combination with FEMA’s Hazard Mitigation Grant Program (HMGP)—the program must ensure full compliance with all applicable federal environmental and hazard identification requirements. These pre-demolition assessments are critical to protecting public health, worker safety, and the environment, and they are mandated under federal regulations governing HUD-assisted activities and EPA demolition standards. For all pre-1978 structures, HUD’s Lead Safe Housing Rule ([24 CFR Part 35](#)) requires evaluation for lead-based paint hazards, and for all buildings regardless of age or condition, EPA regulations require a comprehensive asbestos inspection prior to demolition. Together, these assessments form the baseline compliance obligations that must be completed before any demolition activity can proceed. The following environmental hazard assessments are required:

### A. Lead (for pre-1978 structures) Required under HUD LSHR.

Typical assessment options include:

- Lead-based paint inspection (XRF or paint chip analysis), or
- Lead hazard screen/risk assessment, depending on the program design.

### B. Asbestos (all buildings, any age) Required under [EPA NESHAP](#). A comprehensive asbestos survey must identify Regulated Asbestos-Containing Material (RACM), including:

- Friable ACM
- Non-friable ACM Categories I & II
- Thermal system insulation
- Surfacing material
- Other suspect materials

EPA’s demolition asbestos rules apply to all structures scheduled for demolition.

### C. Additional reviews (not sampling, but required for clearance)

#### 1. Hazardous materials considerations (site-specific). Although not always sampled, local/state rules may require checks for:

- PCB-containing equipment
- Universal wastes (mercury switches, lamps)
- Household hazardous waste
- Fuel tanks
- Mold (usually not sampled; addressed by safety protocols)

## Amendments

FEMA reviews and verifies the accuracy of the actual costs and evaluates and reconciles any cost overruns or underruns. If the information is extensive, such as payroll records or trip tickets, FEMA selects and reviews a representative sample of the documents. If FEMA successfully validates the sample, it considers all of the records to be correct. However, if FEMA identifies errors it works with the grant recipient to correct the errors and reviews a larger sample. If necessary, based on the number or significance of the errors, FEMA may return the final claim for correction and resubmittal.

For projects with funding changes, FEMA prepares a project amendment and obligates additional funds or reduces funding based on actual costs. Because of possible changes to FEMA's obligation, CDBG-DR funds could inadvertently be expended for costs that could be charged to FEMA. IEDA staff will run regular verification of PWs targeted for match to ensure that CDBG-DR funding does not trigger duplication of benefits concerns.

FEMA's obligation will determine how much local match is needed. There is a risk that local match requirement is reduced after CDBG-DR funds are expended. When CDBG-DR funds are over-disbursed based on a reduction to the local match requirement it may result in a recoupment of CDBG-DR funds.

Should any legitimate program additions or deletions be required, IEDA may modify the terms of the subrecipient grant agreement upon review of the formal request. Subrecipients may request a grant amendment to extend the period of performance, for scope changes, or for budget changes that affect the CDBG-DR grant award. IEDA will review the submission and determine whether a grant amendment is warranted. Subrecipients must submit the request for a grant amendment as soon as the need is identified, **but not less than 90 days prior to the grant agreement period of performance expires.**

## Implementation

### Timeliness

IEDA standard awards are for a **three-year period of performance**. Therefore, projects funded must be completed within 3 years from the date of grant agreement execution. Based on data submitted in applications, IEDA will in turn develop projections based on each quarters expected performance. Those projections will be made available on [IEDA's 2024 disaster recovery website](#). IEDA will work closely with Subrecipients and HSEM to be monitor expenditures and outcomes against these projections with every claim voucher submitted for payment.

### Claims

Projects in the HMGP & FEMA-PA systems will have been vetted by HSEM through due diligence and reviewed again by IEDA staff for potential reimbursement to prevent Duplication of Benefits (DOB). IEDA will reimburse funds in the form of a grant for actual costs incurred. The CDBG-DR grant agreements and documents incorporated by reference will explain the roles and responsibilities, identify the project(s) to be funded with non-federal match (i.e., CDBG-DR funds), the total budget, the grant milestones, and the requirements for the use of CDBG-DR funds.

Claims for reimbursement will be submitted by the Subrecipient's Certified Grant Administrator (CGA) via the online [www.iowagrants.gov](http://www.iowagrants.gov) system. The Subrecipient shall maintain a file of all claim-supporting documentation including claim documents, invoices and payments. NO claim will be processed if the following conditions are present:

- Proof of payment is not present;
- A Contract Clearance does not exist for vendors included in the Claim;
- Any required compliance reporting is not present or up-to-date;
- Quarterly status reporting is not current or other compliance forms are missing.

Generally, Activity Claims are due within 6 months of the grant agreement execution, and every 90 days thereafter. Projects that experience protracted Release of Funds will be addressed on a case-by-case basis. As a standard, the IEDA Project Manager will notify the Subrecipient if payment is withheld due to delinquent reporting of any kind. Once funds requests are approved by project staff, IEDA Fiscal sends payment to each Subrecipient ACH. Per the Subrecipient Agreement, the final Claim will be submitted within 30 days prior to the grant agreement period of performance end date.

### *Retainage*

IEDA will withhold all final claims until vendors are shown to be paid in full and compliance documents and reports are provided. The Subrecipient, in coordination with the GA, will reduce the IowaGrants requested amount by the retainage so that the claim is paid in full. Once the National Objective and cited deliverables have been met, closeout and compliance are complete, the subrecipient will claim the final 10% and IEDA will issue payment. IEDA will reimburse funds in the form of a grant for actual costs incurred.

### *Recapture of funds*

Grantees must be aware that CDBG funds may need to be recaptured—or redirected—when issues arise such as duplication of benefits, ineligible costs, or noncompliance with HUD regulations. Under HUD policy and regulations at [24 CFR § 570.200\(k\)](#) and [§ 570.480\(h\)](#), unused or misspent funds must be returned to the state or federal line of credit rather than used for other activities. HUD's CPD memorandum "Methods for Returning Community Development Block Grant Funds" clarifies that these recapture actions ensure federal dollars remain properly allocated and safeguarded. For example, if a project receives overlapping federal assistance—resulting in a duplication of benefits—or if a subrecipient spends CDBG funds on unapproved costs, IEDA is required to reduce or recapture funding. In such cases, IEDA staff will work with the subrecipient to reconcile any overpayment or eligibility issues before formally requesting repayment. No project may be closed out until all recaptured funds have been fully returned and formally affirmed in writing by IEDA.

### *Program Income*

Program income is the gross income received by IEDA or *any of its Subrecipients* that is directly generated from the use of CDBG funds. Information regarding how program income may be generated and used is available at [24 CFR 570.489](#) and [24 CFR 570.504](#), as well as on HUD's website. IEDA does not anticipate generating program income. If program income is generated, it will be transferred from the subrecipient to IEDA. Program income will be expended before drawing funds from HUD.

## General Program Requirements

### Floodplain Requirement

Generally, all Activities must be sited and constructed outside of the HUD-defined Federal Flood Risk Management Standard (FFRMS) Floodplain. This may be waived specifically for below-ground utilities that are not subject to flood damage, such as water distribution mains, sanitary sewer collection systems, or stormwater conveyances.

Under HUD’s 2024 Final Rule, the FFRMS floodplain may extend beyond the FEMA mapped 100-year and 500-year floodplains through the Climate Informed Science Approach (CISA), the 500year floodplain approach, or the Freeboard Value Approach. No exceptions are permitted for new construction within the FFRMS floodplain. In limited circumstances where rehabilitation or other nonconstruction activities occur within the FFRMS floodplain, the applicant must provide documentation demonstrating compliance with all applicable elevation, floodproofing, mitigation, and environmental review requirements under 24 CFR Part 55, including justification of how the activity will preserve or enhance safe access for LMI households and how any flood risk reduction measures—existing or planned—adequately address future flood hazards.

### Procurement and Contracting

Subrecipients shall follow the state of Iowa procurement requirements in [Iowa Code 26.3](#) and [362.3](#), federal procurement requirements in [2 CFR Part 200.318-326](#) and bonding requirements as found in the CDBG Management Guide. All projects must be cost reasonable. IEDA will determine project cost reasonableness through the competitive application comparison, review, and selection processes and may obtain third-party verification on a case-by-case basis. As such, application budgets must be thorough and accurate for evaluation.

All contractors and contract data must be submitted for Contractor Clearance in IowaGrants. All work for construction must be recorded in a written, executed contract and Federal and State language must be included, per the [Contract Requirements for CDBG Projects](#). All contractors must be registered to work in the State of Iowa with the [Iowa Workforce Development](#).

### Flood Control Structures

The Universal Notice (90 FR 1754) in Section III.D.6.d. details requirements for Flood control structures (i.e., dams and levees). CDBG-DR can’t be used to enlarge a dam or levee beyond the original footprint of the structure that existed before the disaster event, without obtaining pre-approval from HUD and any Federal agencies that HUD determines are necessary based on their involvement or potential involvement with the levee or dam. Grantees that use CDBG-DR funds for levees and dams are required to: (1) register and maintain entries regarding such structures with the USACE National Levee Database or National Inventory of Dams; (2) ensure that the structure is admitted in the USACE’s PL 84-99 Rehabilitation Program (Levee Rehabilitation and Inspection Program); (3) ensure the structure is accredited under the FEMA National Flood Insurance Program (NFIP); (4) enter the exact location of the structure and the area served and protected by the structure into the DRGR system; and (5) maintain file documentation demonstrating that the grantee has conducted a risk assessment before funding the flood control structure and documentation that the investment includes risk reduction measures.

## Long-term sustainability

All newly constructed infrastructure that is assisted with CDBG–DR funds must be designed and constructed to withstand extreme weather events. To satisfy this requirement, IEDA must identify, implement and report on resilience performance metrics that will protect the public from any risks identified in the action plan. IEDA will review projects to determine which metrics are suitable for reporting to HUD through the DRGR system. Examples of resilience performance metrics include:

- Number of non-residential buildings constructed
- Number of public facilities
- Number of fewer outages of critical facilities and utilities
- Number of linear feet of public improvement
- Number of properties with access above 100 year or 500 year flood level
- Number of residents protected from future flooding

For purposes of this requirement, an infrastructure activity includes any activity or group of activities (including acquisition or site or other improvements), whether carried out on public or private land, that assists the development of the physical assets that are designed to provide or support services to the general public in the following sectors:

- Surface transportation, including roadways, bridges, railroads, and transit; aviation; ports, including navigational channels;
- Water resources projects;
- Energy production and generation, including from renewable, nuclear, and hydro sources;
- Electricity transmission;
- Broadband;
- Pipelines;
- Stormwater and sewer infrastructure;
- Drinking water infrastructure;
- Schools, hospitals, and housing shelters; and
- Other sectors as may be determined by the [Federal Permitting Improvement Steering Council](#).

For purposes of this requirement, an activity that falls within this definition is an infrastructure activity regardless of whether it is carried out under sections 105(a)(2), 105(a)(4), 105(a)(14), another section of the HCDA, or a waiver or alternative requirement established by HUD.

## Long-Term Maintenance

Additionally, Subrecipients are expected to be able to maintain all FEMA and CDBG-DR investments into the community. **For projects involving utility repairs / replacements to infrastructure in special districts (e.g., drinking water district projects, wastewater treatment district projects, stormwater district projects, etc.) will also be required to produce an Operations & Maintenance Plan that has been adopted by the municipal board by resolution to demonstrate a commitment to long term sustainment and investment.** The development of these deliverables shall be included in engineering scopes of work for contracts that are funded with CDBG-DR funds. IEDA and the Iowa DNR will work with Subrecipients to review these plans as needed prior to adoption.

## Davis Bacon

Contractors must comply with the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act (CWHSSA), and the Copeland Anti-Kickback Act (the Copeland Act) commonly referred to as the Davis-Bacon and Related Acts (DBRA).

*For the HMGP Match projects conducting Buyout & Demo Activities, there is a waiver.* On March 21, 2025<sup>6</sup>, DOL granted HUD’s request for a waiver of retroactive Davis Bacon and Related Acts (DBRA) applicability for certain CDBG-DR projects including the 2025 allocations for projects where CDBG-DR funds are used as non-federal match for other federal grant programs. The waiver allows:

- **No DBRA applicability if:** All construction work on a project *was completed before* the date the CDBG-DR grant agreement was signed by HUD, and CDBG-DR funds are used *only to reimburse those completed project costs*;
- **DBRA applies prospectively if:** Construction began *after* the date HUD signed the CDBG-DR grant agreement, or Construction began before the grant agreement date but was *still ongoing* as of that date;

The waiver applies to all projects funded by CDBG-DR grants **used as non-federal match for public facilities and improvements, including infrastructure**, whether *contracted by the grantee directly or through Subrecipients*.

## Violence Against Women Act (VAWA)

UGL & Subrecipients of HUD-funded programs must fully comply with the Violence Against Women Act (VAWA) and its housing protections, which safeguard applicants and program participants who are survivors of domestic violence, dating violence, sexual assault, or stalking. Under VAWA and HUD’s implementing regulations, subrecipients are prohibited from denying admission, terminating assistance, or evicting any individual solely because they are a survivor of violence, and must provide required notices of VAWA rights, certification forms, and access to emergency transfer protections. Subrecipients must maintain strict confidentiality of survivor information, refrain from discrimination or retaliation, and support an individual’s right to seek law enforcement or emergency assistance without penalty as required under the 2022 VAWA Reauthorization. These obligations ensure that survivors can safely access HUD-assisted housing and services without further jeopardizing their safety or housing stability.

[Fact Sheet - VAWA Right to Report from Home for CDBG Recipients](#)

## Section 3

All projects receiving more than \$300,000 in HUD assistance at a project site are required to comply with the Section 3 rule, as detailed in 24 CFR Part 75. This includes the tracking of all labor hours on the project sites, including projects not subject to Davis Bacon, and qualitative efforts undertaken to demonstrate compliance. See IEDA’s Section 3 guidance for more information.

<sup>6</sup> HUD’s Office of Disaster Recovery Division, CDBG-DR Guidance: Davis-Bacon and Related Acts (DBRA) Applicability and Department of Labor Waiver Provisions, HUD, 2025.

## Minimize Displacement

IEDA will subrecipients to minimize displacement associated with funded activities. Subrecipients will be required to submit a Residential Anti-displacement and Relocation Assistance Plan (RARAP) with their applications. The type of infrastructure activities planned should not result in displacement. However, if displacement does occur subrecipients will follow their RARAP by assisting displaced entities and persons and ensure the accessibility needs of displaced persons with disabilities.

## Uniform Relocation Assistance

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (the URA) and its implementing regulations at 49 CFR 42, establish minimum standards for federally funded programs and projects requiring the acquisition of real property or displaced persons from their homes or businesses. The URA applies broadly to all planned or intended federally funded projects, funded in part or in whole where acquisition, rehabilitation or demolition occurs in any phase. For applications, properties impacted will indicate on their application if the property is owner-occupied or tenant occupied. The project must consider potential impacts to tenants<sup>7</sup>. If an identified project results in tenants leaving their homes involuntarily (being displaced), the tenants may be eligible for Tenant Relocation Assistance under the URA. These requirements apply to the relocation of any displaced person as defined at 49 CFR § 24.2(a)(9). Displaced persons under this definition must be fully informed of their rights and entitlements to relocation assistance and payments provided by the URA and its implementing regulations. For more information, refer to 49 CFR 24, Subpart C. The cost of relocation will be allocated in the HSEM budget for the project and those cost are eligible for CDBG-DR match.

## Fair Housing and Civil Rights

IEDA, subrecipients, and developers must ensure that all program activities comply with applicable federal fair housing and civil rights laws. No person may be denied access to the Single-Family New Construction Program based on race, color, national origin, religion, sex, gender identity, sexual orientation, age, familial status, disability, or any other protected characteristic. Program partners must incorporate equal opportunity standards into marketing, outreach, eligibility review, sales practices, and all interactions with applicants.

Subrecipients and developers must include required fair housing language in program materials, provide reasonable accommodations to applicants with disabilities, and ensure effective communication for individuals with limited English proficiency. Any fair housing concerns, complaints, or allegations of discrimination must be documented and referred to IEDA for review and resolution in accordance with state and federal requirements.

## Financial Management

Subrecipients must insure that they have policies and procedures for expending and accounting for all CDBG-DR funds received and to maintain adequate source documentation to demonstrate that CDBG-DR funds are used in compliance with all the terms and conditions of the CDBG-DR award, only spent for

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<sup>7</sup> HUD's [Tenant Assistance, Relocation and Real Property Acquisition Handbook](#) (1378.0)

reasonable and necessary costs, and not used for general expenses to carry out other responsibilities of State and local governments. The financial policies will also ensure the following are met:

1. The subrecipient will charge to the CDBG-DR award only allowable costs incurred during the period of performance and any authorized pre-award costs.
2. When grant funds are transferred to subrecipients, the subrecipient will minimize the time elapsing between the receipt of funds from the state and the transfer of funds to contractors.
3. If applicable, subrecipients will disburse funds available from program income or send it to the state, before requesting additional grant funding.
4. For any changes made to the approved budget, scope, or objectives, subrecipients will notify IEDA of the changes and any substantial changes will be approved by IEDA.
5. Subrecipients will submit to HUD mandatory quarterly progress reports for IEDA’s review of program progress.

## Internal Controls

Internal controls refer to the combination of policies, procedures, defined job responsibilities, personnel, and records that allow an organization (or an agency) to maintain adequate oversight and control of its cash, property, and other assets.

The soundness of any subrecipient’s financial management structure is determined by its system of internal controls. Specifically, internal controls refer to the following:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

With a sound internal control system, a subrecipient can ensure that:

- Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies.
- Resources are protected against waste, mismanagement, or loss.
- Information on the source, amount, and use of funds is reliable, secured, and up-to-date, and this information is disclosed in the appropriate reports and records.

As part of an effective internal control system, one person should be designated as the primary person at the subrecipient organization responsible for the financial management of a CDBG-DR project. This person should be familiar with their organization’s accounting system and how the accounting of CDBG-DR funds is integrated into the subrecipient’s existing system. Refer to 2 CFR 200.303 for more information.

Subrecipients are required to follow the requirements listed in the CDBG Management Guide.

## Prevention of Fraud, Waste, and Abuse

IEDA has zero tolerance for the commission or concealment of acts of fraud, waste, or abuse. Subrecipient and grant administrator staff will attend HUD OIG fraud training when provided. Any instances of fraud, waste, or abuse should be reported to the HUD OIG at 1-800-347-3735 or [hotline@hudoig.gov](mailto:hotline@hudoig.gov). All instances of fraud, waste, and abuse discovered by IEDA will be reported to the HUD OIG.

## Duplication of Benefits and Subrogation

Because the costs for FEMA PA projects can fluctuate based on scope of work, IEDA will ensure that a duplication of benefit (DOB) is not triggered. The Stafford Act prohibits any person, business concern or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss which they have already received financial assistance under any other program, from insurance, or any other sources. To prevent a Duplication of Benefits, matching funds from other sources (i.e., local funds or grants) are considered before IEDA allocates funding.

IEDA & HSEM will perform a duplication of benefits analysis for each project that includes:

- 1.) assess applicant's total need;
- 2.) identify total assistance;
- 3.) exclude non-duplicative amounts;
- 4.) exclude funds for a different purpose;
- 5.) exclude funds for the same purpose, different allowable use;
- 6.) identify a final DOB amount (if any) and calculate the award; and
- 7.) reassess unmet need when necessary.

HSEM in conjunction with IEDA will verify that subrecipients did not have other local or state funds designated or planned for the activity or budgeted.

Applicants must agree to subrogate (commit to the State) any future payments they may receive after the award amount is determined from sources that represent a potential DOB. The subrogation agreement requires the entity to notify the State if additional funds are received and to assist the State in collecting any amounts owed to the entity from these sources.

## Conflict of Interest

No persons who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of sub-recipients that are receiving funds under this part who exercise or have exercised any functions or responsibilities with respect to CDBG-DR activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-DR assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-DR assisted activity, or with respect to the proceeds of the CDBG-DR -assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

## Monitoring

Monitoring will be conducted via multiple methodologies throughout the project. One method is the Risk Assessment that IEDA will conduct annually per contract. Each activity will have either a virtual desktop or on-site Site Visit at least once during the life of the grant, per the CDBG Management Guide. The Risk Assessment will assist project managers in determining the timing and frequency of documented Site Visits. The Risk Assessment will be conducted through IowaGrants once per year by the project manager, and based on the outcome score, the project manager will determine if / when

a subsequent Site Visit is required. Per 200.331(b), IEDA will evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and terms and conditions of the subaward for the purposes of determining the appropriate level of monitoring. The risk-based assessment will include:

- Financial Risk- how large is the grant;
- Submitted Draws- are claims on schedule as outlined in contract, and contain required backup documentation;
- Timeliness – has the project progressed according to plans or suffered preventable delays;
- Program Management/Capacity – is the administrator In compliance with IEDA's CGA Policy;
- Program Income- has the contract generated program income;
- Compliance Reporting – are all cross-cutting compliance requirements met;
- Complaints – are there any citizen complaints or conflicts with the Citizen Participation Plan;
- Report Tracking- is the program reasonably on track ;

IEDA will schedule a Site Visit with the Subrecipient upon the expenditure of at least 50% of the CDBG award by a Subrecipient, or upon 50% construction. The project manager will email the subrecipient and grant administrator to schedule the visit. Site Visit information and forms will be made available and completed in IowaGrants. The project manager will instruct grant administrators to provide any additional information identified as needed during a Site Visit. After the Site Visit, a report will be uploaded to IowaGrants and sent to both the Subrecipient and grant administrator; any identified findings or concerns will also be communicated along with deadlines for submission of corrective actions. IEDA reserves the right to perform monitoring assessments the project at any point in time based on its assessment of project risk or other considerations.

Subrecipients are required to follow the requirements listed in the CDBG Management Guide.

## Closeout

### Activity

Upon project completion, FEMA and its grant recipients are required to close out the award in accordance with [2 CFR 200.343](#) and [200.344](#). To close the FEMA PA grant award, FEMA and the PA recipient must conduct a financial and program reconciliation.

FEMA publishes the [Hazard Mitigation Assistance \(HMA\) Grant Closeout Field Guides and Closeout Checklists](#) to provide all FEMA staff, recipients, and subrecipients with a consistent process for the closeout of HMA mitigation activities. The field guides and checklists have been designed as a reference tool to explain the roles and processes needed to implement grant closeout activities for non-disaster and post-disaster HMA grants funded after the publication of the [2015 Hazard Mitigation Assistance Guidance](#). The field guides and checklists are applicable to HMA grant programs such as the Pre-Disaster Mitigation (PDM) Program, the Hazard Mitigation Grant Program (HMGP), and the Building Resilient Infrastructure and Communities (BRIC).

IEDA will 'piggyback' on FEMA's closeout and perform a similar review to ensure projects can be closed out for HUD. In addition to the things FEMA reviews, IEDA may also review documents related to

monitoring and audits completed, verify that specific HUD requirements are met or not triggered, verify that costs charged to the CDBG-DR grant are eligible, and verify that costs were allocated correctly.

## Contract

As mentioned above, FEMA will verify compliance with procurement and contracting for closeout. IEDA staff will perform another review to ensure procured contracts comply with HUD standards. IEDA will document that a contract can be closed when all applicable invoices have been received, compliance is met, and no further activity is needed.

To close out the FEMA Non-Federal Cost Share project, IEDA staff will verify the following:

- **Projects:**
  - Confirm that all program activities are complete.
  - Confirm final beneficiary numbers.
  - Confirm compliance with all contracts funded through the program.
  - Confirm National Objective Met.
  - Project Photos acquired for before & post project completion.
  - Confirm final compliance reporting is complete:
    - Subrecipient Section 3 Reports, IEDA Semi-Annual Labor Standards Reports;
    - Receive copy of Engineer of Record’s Certification of Substantial Completion
      - (EJCDC C-704, or equivalent);
- **Financials:**
  - Confirm the total reimbursement through the program and verify that the accounting is accurate;
  - Confirm final reimbursement request has been made;
  - Confirm that the program is not overspent against the Action Plan budget;
  - Confirm Single Audits, as applicable, have been submitted to the Federal Audits Clearinghouse;
- **Administrative**
  - Risk Assessments and Site Visits are complete.
  - All Monitoring issues have been resolved and documented in the project file.
  - Confirm documentation is retained for any critical decisions made or policies developed (for future audits).
  - Project Photos acquired for before & post project completion;
  - Confirm final compliance reporting is complete:
    - Subrecipient Section 3 Reports, IEDA Semi-Annual Labor Standards Reports;
  - Confirm a CIPs and AMPs are complete and adopted, as required, for the constructed Activities.
  - Close out applicant files and make sure files are consistently organized.
  - Closeout individual activities.
    - Closeout individual activities and the FEMA Non-Federal Cost Share program in DRGR.

The project will be ready for closeout when the conditions are met:

- A final public hearing has been held (SOFA);
- All eligible activities are completed;
- All funds are expended in full or remaining funds are planned to be returned to IEDA;
- All reporting requirements were completed;

- Any special conditions of the program were met;
- All audit and monitoring issues were resolved;

## Audit Requirements

As per the provisions of [2 CFR 200, Subpart F](#), Audit Requirements, grantees that expend \$1 million or more during their fiscal year in Federal awards must have a single or program-specific audit conducted for that year. Subrecipients must also have a single or program-specific audit if they meet the \$1 million expenditure threshold.

If IEDA is disbursing grant funds to Subrecipients, IEDA is required by [2 CFR 200.331](#) to ensure that subrecipients comply with Subpart F. IEDA will verify that subrecipients, if applicable, have prepared financial statements (including the schedule of expenditures of Federal awards), that there are no significant findings in the Single Audit that impact the use of CDBG-DR funding, and if there are findings that the subrecipient has taken corrective action. To that end, IEDA reserves the right to perform due diligence assessments on the status of an Applicant's Audits from open source mediums prior to making a recommendation for award.

Subrecipients are required to follow the requirements listed in the CDBG Management Guide.

## Records Management

### *File Management*

IowaGrants.gov is intended to serve as the primary medium for administering CDBG-DR funds and tracking the various compliance requirements stated in the grant agreement, the CDBG Management Guide and this Program Guide. However, the Subrecipient must maintain complete and accurate records that fully document compliance with all CDBG-DR program requirements. This includes maintaining financial, programmatic, procurement, environmental, civil rights, labor standards, and contract records in a manner that provides a clear audit trail and supports IEDA's oversight responsibilities.

Records must demonstrate:

- Activity eligibility and National Objective compliance
- Proper procurement and contractor selection
- Compliance with labor standards and other cross-cutting requirements
- Accurate financial management and documentation of costs
- Performance outcomes and beneficiary data
- Resolution of monitoring or audit findings

## Document Retention

The Subrecipient must retain all documentation of this project for three years after the entire CDBG grant between IEDA and HUD is closed. Subrecipients may also contact IEDA's CDBG Team to inquire about document retention times for CDBG grant.

## APPENDIX:

1. Iowa Profile Resource for Demographics
2. Resources for conducting Income Surveys
3. Example Resolution in Support of Buyout & Restoration
4. Example Long Term Maintenance Plan
5. Duplication of Benefits Resources
6. Best Practices for Operations & Maintenance Plans

## 1. IOWA PROFILE RESOURCE FOR DEMOGRAPHICS

The Iowa Profile serves as a comprehensive data resource, offering policymakers and community leaders valuable insights across various domains such as housing, public health, safety, transportation, education, quality of life and economy.

The first of its kind tool provides customized reports and enables comparisons with other regions, empowering changemakers in community and economic development to make informed decisions based on regularly updated data from diverse sources. The tool provides essential information for designing effective programs and resources to foster opportunities for Iowans, communities and businesses to thrive.

You can find more information here: [Iowa Profile - Welcome Home Iowa](#)

## 2. RESOURCES FOR CONDUCTING INCOME SURVEYS

- **COSCEA Presentation on Income Surveys:**
  - [https://coscda.org/wp-content/uploads/2023/03/CDBGIncomeSurveyToolkit\\_ErinnMartin-002.pdf](https://coscda.org/wp-content/uploads/2023/03/CDBGIncomeSurveyToolkit_ErinnMartin-002.pdf)
  
- **CDBG Income Survey Toolkit - HUD Exchange**
  - <https://www.hudexchange.info/programs/cdbg/cdbg-income-survey-toolkit/>
  
- **Conducting a Low-and Moderate – Income Survey:**
  - <https://opportunityiowa.gov/community/community-infrastructure/cdbg-resources/cdbg-program-guidance-resources>

### 3. EXAMPLE RESOLUTION OF SUPPORT FOR PROGRAM

#### RESOLUTION IN SUPPORT OF THE BUYOUT AND RESTORATION OF [AREA NAME] TO NATURAL OPEN SPACE

WHEREAS, [Municipality/County Name] recognizes the increased risk of flooding and other natural hazards in the [specific area name or description], which has resulted in repetitive loss and significant public safety concerns; and

WHEREAS, the [Municipality/County Name] seeks to implement a voluntary property acquisition (buyout) program under the Hazard Mitigation Grant Program (HMGP) and other applicable funding sources to permanently remove structures from the hazard-prone area; and

WHEREAS, the purpose of this buyout initiative is to reduce future disaster risk, protect life and property, and comply with state and federal hazard mitigation objectives; and

WHEREAS, properties acquired through this program will be deed-restricted in perpetuity for open space, recreational, or wetlands restoration uses, consistent with FEMA and [Municipal/County/State Environmental Agency] guidelines, and shall not be redeveloped for residential, commercial, or industrial purposes; and

WHEREAS, the end use of the acquired properties will be “return to nature,” including restoration of floodplain functions, enhancement of wildlife habitat, and creation of passive recreational opportunities where appropriate; and

WHEREAS, the governing body acknowledges the importance of community engagement and environmental stewardship in implementing this program and commits to working with state agencies, non-profit partners, and residents to ensure successful outcomes; and

NOW, THEREFORE, BE IT RESOLVED, that the [Municipality/County Name] hereby expresses its full support for the voluntary buyout of properties within [area name] and the subsequent conversion of these lands to natural open space, as outlined in applicable hazard mitigation and land use plans; and

BE IT FURTHER RESOLVED, that the [Municipality/County Name] authorizes its staff to take all necessary steps to facilitate program implementation, including coordination with funding agencies, execution of required agreements, and adoption of any ordinances necessary to enforce deed restrictions and maintain the properties as open space in perpetuity.

## 4. EXAMPLE LONG TERM MAINTENANCE PLAN FOR CONVERTED BUYOUT PARCELS

### *I. Purpose and Scope*

This plan establishes procedures for the perpetual maintenance and compliance of parcels acquired through voluntary buyout programs. Its purpose is to ensure adherence to FEMA deed restrictions (44 C.F.R. §80.19) and requirements set forth by the local or state environmental compliance entity. The plan applies to all parcels designated for open space, wetlands restoration, or passive/community recreation.

### *II. Governance and Responsibilities*

The municipality/county shall serve as the primary entity responsible for implementing and overseeing this maintenance plan. It will coordinate with the local or state environmental compliance entity, conservation organizations, and volunteer groups to ensure compliance and stewardship. Oversight will be conducted annually by the municipal engineer or environmental officer, who will review inspection reports, verify adherence to deed restrictions, and recommend action as necessary.

### *III. Compliance Requirements*

All properties covered under this plan shall be maintained exclusively as open space in perpetuity. Redevelopment, structural improvements, or impermissible uses, including storage or commercial activity, are strictly prohibited. Activities must conform to FEMA requirements and applicable guidance from the local or state environmental compliance entity.

### *IV. Maintenance Activities*

The **municipality/county** will maintain vegetation by promoting native species and removing invasive plants on an annual basis. Riparian buffers will be preserved to support floodplain health. Soil conditions will be monitored to maintain permeability, and heavy equipment use will be avoided to prevent compaction. Drainage and flood storage capacity will be kept unobstructed. Quarterly inspections will be conducted to identify unauthorized uses such as dumping, fencing, or structures, and corrective actions will be enforced promptly. Debris and hazardous materials will be removed following storm events, and signage will be maintained to indicate open space restrictions.

### *V. Monitoring and Reporting*

Inspections will occur quarterly, with additional checks following major flood events. Detailed logs of inspections, corrective actions, and photographic evidence will be maintained. An annual compliance report summarizing inspection findings and restoration progress will be submitted to FEMA and the local or state environmental compliance entity.

*VI. Funding and Resources*

The **municipality/county** will identify sustainable funding sources, including annual budget allocations, grants, and partnerships.

*VII. Adaptive Management*

Climate resilience strategies, such as flood-tolerant vegetation and erosion control measures, will be integrated into maintenance practices. The plan will be reviewed and updated as determined by the municipal engineer, environmental officer, or appropriate entity.

## 5. DUPLICATION OF BENEFITS TRACKING

**Duplication of Benefits (DOB).** Consistent with Section 312 of the Stafford Act and HUD’s DOB framework, the program must ensure CDBG-DR funds do not duplicate other assistance received for the **same** buyout or demolition purpose. A DOB occurs when total assistance from multiple sources (e.g., FEMA HMGP/PA, NFIP/other insurance, SBA or other grants) exceeds the documented eligible need for that purpose. Before any award, the applicant will document total need, identify and verify all assistance, exclude non-duplicative amounts, and then request grant funds to remaining unmet need. Beneficiaries must also agree to subrogate any future duplicative funds.

For applicants and subrecipients, HUD provides a **Duplication of Benefits Analysis Worksheet** to support these determinations and maintain file documentation.

- HUD Duplication of Benefits Training:
  - <https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-DR/CDBG-DR-DOB-Worksheet-Overview-Slides-2023-10-26.pdf>
- DOB Analysis Worksheet:
  - <https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-DR/Optional DOB Analysis Worksheet PDF.pdf>
- DOB Settlement Statement Form:
  - <https://www.hud.gov/sites/documents/1.pdf>

**Additional items required to be collected by IEDA for DOB prior to Release of Funds:**

- FEMA Offer Letter;
- HMA Property Settlement Sheet;

## 6. BEST PRACTICES FOR OPS & MAINTENANCE PLANS

### Operations and Maintenance (O&M) Planning Guidance

The Government Finance Officers Association (GFOA), the U.S. Environmental Protection Agency (EPA), and nationally recognized professional associations such as the American Water Works Association (AWWA) collectively serve as the primary national authorities publishing best practices for operations, maintenance, and long-term stewardship of public infrastructure assets. These practices are widely relied upon by state and local governments to demonstrate sustainability, fiscal responsibility, and asset longevity, particularly for federally funded capital investments.

For this CDBG-DR projects that involve repairs or replacements of critical utility infrastructure like water, wastewater or stormwater, IEDA requires that Subrecipients provide an Operations & Maintenance Plan as a deliverable *prior to release of retainage*. Subrecipients should follow the general operations and maintenance planning principles established by these organizations when preparing an O&M Plan required as part of a CDBG-DR project closeout.

### Purpose of an Operations and Maintenance Plan

An Operations and Maintenance (O&M) Plan documents how a completed CDBG-DR funded asset will be operated, maintained, monitored, and financially supported over its useful life. An effective O&M plan helps ensure that disaster recovery investments:

- Remain functional, safe, and compliant after construction is complete;
- Do not create unfunded future liabilities for the grantee or operator;
- Protect the federal investment and reduce the risk of premature failure or deferred maintenance;
- Are supported by adequate staffing, training, funding, and management controls;

The EPA defines effective O&M and asset management as maintaining a desired level of service at the lowest life-cycle cost, emphasizing preventive maintenance and long-term sustainability rather than reactive repairs.

### Relationship Between Capital Projects and O&M Planning

While capital planning focuses on what is built, an O&M plan focuses on how that asset will perform after construction. GFOA best practices emphasize that capital investments and ongoing operations are inseparable, and that failure to plan for operations and maintenance can undermine the fiscal and functional value of capital projects. Good O&M planning does not replace a capital improvement plan or asset management program; rather, it complements them by addressing day-to-day operations, routine maintenance, staffing, and financial support required to keep the asset performing as intended.

### Minimum Elements of an Operations and Maintenance Plan

Consistent with GFOA asset management guidance and EPA Effective Utility Management principles, an O&M Plan should include, at a minimum, the following components:

#### 1. Asset Identification and Description

The O&M Plan must begin with a clear and complete description of the asset(s) constructed or rehabilitated using CDBG-DR funds. This section establishes what is being operated and maintained and provides context for all subsequent sections of the plan.

At a minimum, applicants should describe:

- The type of asset (e.g., water main replacement, lift station, generator, housing unit, public facility);
- The location and service area;
- The primary purpose and function of the asset;
- The major system components that require routine operation or maintenance;
- The expected useful life, if known or reasonably estimated;

This section does not need to replicate construction drawings or specifications. Instead, it should present a plain-language summary that allows reviewers to understand what infrastructure now exists and what must be maintained over time. National asset management guidance consistently emphasizes that an asset must first be clearly identified before effective operations or maintenance planning can occur.

## 2. Operations Responsibility and Staffing

Applicants must clearly identify who is responsible for operating the asset on a day-to-day basis and demonstrate that the responsible entity has the authority, staffing capacity, and qualifications necessary to do so. This section should address:

- The owner of the asset;
- The operator of the asset (if different from the owner);
- Whether operations will be handled by in-house staff, a regional authority, or a third-party operator;
- Any licenses, certifications, or training required for staff;
- How staff turnover or absences will be managed;

For infrastructure systems (e.g., utilities, treatment facilities, generators), applicants should explain how operational knowledge is retained and transferred, particularly in smaller or rural jurisdictions where staffing depth may be limited. Federal best practices emphasize that sustainable operations depend not only on physical infrastructure, but also on institutional capacity and workforce continuity.

## 3. Preventive and Routine Maintenance Practices

This section forms the core of the O&M Plan and should explain how the asset will be maintained to prevent premature failure. The focus should be on preventive and routine maintenance, not just emergency repairs. Applicants should describe:

- Routine inspection activities and their frequency;
- Preventive maintenance tasks tied to manufacturer recommendations, industry standards, or operator experience;
- Maintenance schedules (daily, weekly, monthly, annual, or lifecycle-based);
- How maintenance activities are documented and tracked;

The level of detail should be sufficient to show that maintenance is planned and systematic, rather than reactive. Applicants are not expected to invent new maintenance regimes; referencing manufacturer manuals, utility standards, or professional association guidance is appropriate and encouraged. National best practices consistently note that deferred maintenance is a leading cause of asset failure and increased long-term cost.

#### 4. Emergency and Corrective Maintenance Procedures

Even with strong preventive maintenance, failures and emergencies can occur. Applicants must therefore explain how unplanned events will be managed in a way that protects public safety, continuity of service, and the underlying asset. This section should describe:

- How system failures or breakdowns are identified and reported;
- Who has authority to initiate emergency repairs;
- Availability of spare parts, backup systems, or temporary service measures;
- Coordination with emergency management, mutual aid agreements, or contractors;
- Communication protocols with the public or affected users, where applicable;

This section does not need to be exhaustive, but it should demonstrate that the applicant has thought through plausible failure scenarios and has a realistic plan to respond. Disaster recovery investments are expected to improve resilience; emergency preparedness is therefore a natural extension of that expectation.

#### 5. Funding and Financial Sustainability

Applicants must demonstrate that adequate and reliable funding exists to operate and maintain the asset for its useful life. An O&M Plan that lacks a credible funding strategy is considered incomplete, regardless of technical quality. This section should identify:

- Typical annual operating costs (energy, labor, consumables);
- Typical maintenance costs (routine and anticipated periodic maintenance);
- The funding source(s) used to cover these costs (rates, fees, general fund, reserves, assessments);
- How costs are incorporated into the applicant's budgeting process;

Applicants are not required to provide multi-decade financial projections. However, they must show that O&M costs are recognized, budgeted, and funded, rather than assumed. National finance and asset management guidance consistently emphasizes that failure to fund operations and maintenance undermines the long-term value of capital investments and can create future fiscal stress.

#### 6. Monitoring, Reporting, and Plan Updates

Finally, the O&M Plan must explain how operations and maintenance activities will be monitored over time and how the plan itself will remain current. Applicants should describe:

- How performance is monitored (e.g., service interruptions, maintenance logs, inspections);
- Who reviews maintenance and operational records;
- How issues or trends are identified and addressed;
- How often the O&M Plan will be reviewed or updated;

An O&M Plan is not intended to be a static document. As assets age, service demands change, and operating conditions evolve, the plan should be adjusted accordingly. Federal and professional guidance consistently recognizes that periodic review and adjustment are essential components of effective asset stewardship.

## Resources for Best-Practices

Applicants may rely on the following **nationally recognized resources** when developing their O&M Plans:

- **GFOA – Capital Asset Management & Infrastructure Sustainability**  
<https://www.gfoa.org/materials/capital-asset-management>
- **EPA – Effective Water Utility Management (EUM) Primer and Roadmap**  
<https://www.epa.gov/sustainable-water-infrastructure/effective-water-utility-management-practices>
- **EPA – Asset Management: A Best Practices Guide**  
<https://nepis.epa.gov/Exe/ZyPURL.cgi?Dockey=P1000LP0.TXT>
- **American Water Works Association (AWWA) – Manuals of Practice**  
<https://www.awwa.org/manuals/>

These resources are widely accepted by state and federal oversight agencies and provide practical, scalable guidance suitable for both small and large CDBG-DR funded projects.

## Applicability to CDBG-DR Closeout

For CDBG-Disaster Recovery funded projects, an O&M Plan serves as evidence that the Applicant has adequately planned for post-construction sustainability and that the project will continue to meet its intended public purpose beyond the period of federal investment. Submission of an O&M Plan does not transfer responsibility to HUD or the State; rather, it documents the Applicant's commitment and capacity to operate and maintain the funded asset.