2026 CDBG Water, Sewer and Stormwater Application Workshop

Chad Sands | Project Manager   Terie Taylor-Wolf | Project Manager

Iowa Economic Development Authority

WATER, SEWER AND STORMWATER FUND
CDBG OVERVIEW

Water, Sewer and Stormwater Fund

○ Purpose:

- The CDBG Water, Sewer and Stormwater program is designed to assist communities in addressing critical public infrastructure needs.

- The program funds eligible projects that improve access to safe drinking water, upgraded wastewater systems and enhanced stormwater management to reduce flooding risks.

- By supporting these essential improvements, the program helps communities promote resilience and long-term sustainability, particularly in areas serving low- and moderate-income populations.

Water, Sewer and Stormwater Fund

- **Program Available Budget:** $10,409,717

- **Fund Ceilings:** $500,000 (regardless of community size)

- **Cost Caps**:
  - Contingency: up to 15% total project cost
  - Administration: up to 10% total CDBG amount

- **Eligible Applicants:**
  - Units of general local government (UGLGs) non-entitlement communities. All UGLGs must work with an IEDA Certified Grant Administrator to submit the application and conduct grant administration.

Water, Sewer and Stormwater Fund

○ **Eligible Activities:**

- Drinking water sources
  - Wells / filtration plants / storage and fire flow enhancements

- Water and wastewater treatment facilities
  - Expansion, rehab, new construction

- Water Distribution and wastewater collection systems
  - Rehab, new construction, pipe-lining and I&I removal

- Stormwater improvements
  - Storm sewers, storm drains, drainage facilities

Water, Sewer and Stormwater Fund

○ **Ineligible Activities – 24 CFR 570.207**
- General government expenses;
- Political activities;
- Purchase of equipment;
- Project Design Documents;
- Operating and maintenance;

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○ **Match**
- Match is not required for this program, if the CDBG request will be sufficient to construct the project and meet National Objective;

- When providing match / Gap funding – it must be committed, documented and ready to go – see Program Guide for details;

○ **Maximum eligibility is only one open / active project per grantee**
- If your community has an active grant award, you must complete it prior to applying for more CDBG funds

Water, Sewer and Stormwater Fund

- **Application Cycle:**
  - Application Submission Window is 3/2/2026 – 5/1/2026
  - Another round is anticipated to open 7/1/2026 and due 9/1/2026

- **National Objective:**
  - Low- and Moderate-income Area Benefit (LMA) - at least 51% of project beneficiaries must be LMI.
    - Demonstrated by American Community Survey (ACS) Data or local income survey

- **Application Requirements:**
  - All UGLGs must work with a council of government or IEDA approved consultant (CGA approved)

Water, Sewer and Stormwater Fund

Application uploads that are required:

- Resolution in Support of the Application / Project;
- Notification of Funding Availability (NOFA):
  - *Affidavit of Public Hearing, Public Hearing Minutes with 9 Points, Reso Authorizing the CDBG App*
- HUD Form 2880 – Applicant Disclosures;
- 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;
- Project Budget and Match Worksheet;
- LMI Income Survey (if no ACS data demonstrates LMI/LMA status);
- Project Team Identification (this is new)

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- **Program Specific Documentation:**

  o Community Development and Housing Needs Assessment;

  o Support documentation for the project budget;
    - Evidence of local match / gap funding;
    - If budget does not match uploaded evidence, applications will be considered incomplete and will not be reviewed;

  o Target area map;

  o Project Schedule of critical milestones;

If required documentation is not submitted with the application, the application will not be reviewed

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- **Program Specific Documentation (continued):**

  - Water projects: need approved Preliminary Engineering Report (PER) <u>AND</u> letter from the DNR approving PER;

  - Sewer projects: need approved Facility Plan <u>AND</u> letter from the DNR approving Facility Plan;

  - Stormwater projects: need locally approved engineering study;

  - Water / Sewer projects: at a minimum, need DNR permit application submitted;
    - ***Approved DNR permits score higher for demonstrated readiness!***

If required documentation is not submitted with the application, the application will not be reviewed

Water, Sewer and Stormwater Fund

- **Competitive Elements!**
  - Documented local match – it's committed and accessible;

  - Environmental review complete;

  - Final plans and specifications complete;
    - Architect/Engineer contracts must be federally procured to be eligible costs

  - DNR permit approved or nearing approval;

  - Applications providing evidence of completed and adopted Capital Improvement Plans and/or Asset Management Plans will receive additional points

WATER, SEWER AND STORMWATER APPLICATIONS SCORING ELEMENTS

Water, Sewer, Stormwater – Application & Eligibility Checklist

Is the SAM.gov account UEI documentation provided?	GO	NO GO
Is the grant amount requested at or below the amount allowable?	GO	NO GO
Is the administration line 10% or less of CDBG amount AND of total cost?	GO	NO GO
Is the "Construction, Professional Fees, & Permit Administration" budget table completed?	GO	NO GO
Is the public hearing publication date no less than 4 days but no more than 20 days prior to the hearing?	GO	NO GO
Does the public hearing notice contain correct & necessary information?	GO	NO GO
Do the public hearing minutes cover the 9 required points and include correct and necessary information?	GO	NO GO
Is the HUD Disclosure statement completed and signed by the <u>CEO</u>?	GO	NO GO
(If Yes on Part 1 Question #2, then Parts II and III must also be completed)		
Is federal assurances page signed by the <u>CEO</u>?	GO	NO GO
Is the Community Needs Assessment current ?	GO	NO GO
(Good for one year only, then must be re-adopted; the minutes and proof of publication must both be provided)		
Have all documents under Required Attachments been uploaded?	GO	NO GO
(NOTE: Income Survey Reports are required attachments if an Income Survey was provided!)		
Does the Community have any adopted Capital Improvement Plans or Asset Management Plans? Provide these as 'Other Attachments'.		

Water, Sewer, Stormwater – Eligibility Review

National Objective met?	GO	NO GO
National Objective Issues?		
LMI Income Survey / Demographics Data submitted correctly?	GO	NO GO
LMI Data Issues:		
Are there Environmental Eligibility Issues?	GO	NO GO
Environmental Compliance Comments:		
Does the Applicant have an open Water / Sewer Grant?	GO	NO GO
Local Funds Secured?	GO	NO GO
Local Funds Source? (e.g., IUP Listing, Loan Agreement or Resolution)		
Do all Budget elements add up correctly?	GO	NO GO
IDNR Approved of PER / Facilities Plan?	GO	NO GO
IDNR Construction Permit Application included? (*Approved permit?*)	GO	NO GO
APPLICATION ELIGIBLE FOR SCORING?	**YES**	**NO**
Eligibility Issues:		

RESOURCES:

- **Water, Sewer, Stormwater Fund Webpage:**

https://opportunityiowa.gov/community/water-quality/other-water-quality-programs/cdbg-water-sewer-and-stormwater-fund

PROGRAM GUIDE FOUND ON THIS PAGE!

- **CDBG Training Resources:**

https://opportunityiowa.gov/community/community-infrastructure/cdbg-resources/training-resources

- **CDBG Management Guide:**

https://opportunityiowa.gov/community/community-infrastructure/cdbg-resources/management-guide

- **CDBG Program Guidance and Related Resources:**

https://opportunityiowa.gov/community/community-infrastructure/cdbg-resources/cdbg-program-guidance-resources

Questions?

THANK YOU

Chad Sands | Project Manager

Iowa Economic Development Authority