



Housing Rehabilitation – Roofing Program Guidelines

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Version History

Version	Date	Summary Description
1.0	January 2026	Original
2.0	March 2026	Revisions pursuant to public comment



Program Summary

Purpose

The Housing Rehabilitation Roofing Program is to support low- and moderate-income single family owner-occupied households in Iowa to replace roofs on their homes that are either failing or pose a threat to the stability of the home structure. This can be determined by doing a visual assessment of the roof to determine if more than 60% of the roof's life span has passed. This initiative ensures that lower income Iowans will receive the necessary assistance in making repairs they may not have had the resources to do on their own, as well as stabilizing the affordable housing stock of the community.

The program is funded through the Community Development Block Grant (CDBG) and is designed to meet HUD's **National Objective of benefiting low- and moderate-income (LMI) persons** under 24 CFR § 570.208(a)(3). Eligible projects must demonstrate that all housing units being assisted will serve only those families qualifying as LMI.

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 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. Grant Administrators 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

Per HUD, Grant Administration is defined as "...reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with CDBG funds..." ([CPD 23-07](#)). Essentially, all activities required to manage the grant award and ensure full compliance with federal and state regulations. These tasks are focused on the grant, not on the physical project. Grant Administration must be performed by an IEDA Certified Grant Administrator (CGA). -Certified Grant Administrator (CGA).

Project / Activity Delivery

Per HUD, Project / Activity delivery costs (ADCs) are defined as "...those allowable costs incurred for implementing and carrying out eligible CDBG activities. All ADCs are allocable to a CDBG activity, including direct and indirect costs integral to the delivery of the final CDBG-assisted activity. CDBG expenditures for activity delivery costs are not governed by 24 CFR 570.205 and 570.206..." ([CPD 23-07](#)). Generally, this refers to all activities required to implement and execute the eligible project, including technical, construction related, and beneficiary related tasks. These tasks are focused on the physical project and its delivery, not on grant compliance.

Entitlement Community

Principal cities of Metropolitan Statistical areas, cities with populations over 50,000 or urban counties with population over 200,000.

Low to Moderate Income (LMI) individual or household

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 Community

A Low to 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 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- (CDBG) awards issued to the State of Iowa by the U.S. Department of Housing & Urban Development (HUD). Administrative activities are led by the IEDA CDBG team.

Available Funds

Program	Budget
Housing Rehabilitation – Roofing	\$905,037.00

Maximum Awards

Housing Construction Per Unit	Maximum Number of Units
\$30,000.00	6

Eligible Activities

All activities must comply with applicable federal requirements under the Housing and Community Development Act (HCDA), CDBG regulations, and local codes.

Specific program activities are:

Replacement of Roof Deck, Roof Covering & Underlayment, Shingles, Soffit, Fascia, Chimney Removal and Gutters.

The statutory authorities in the table below establish the traceability for the eligible activity framework for rehabilitation of single-family owner-occupied units, according to the comments received during the 2025 Consolidated Plan public outreach. As these are excerpts of the Code of Federal Regulations, which are written to cover a wide array of requirements, the reader may observe some aspects that are understood to be broadly true but not applicable to this specific method of distribution.



24 CFR 570.202(a)

Eligible rehabilitation and preservation activities.

- (a) Types of buildings and improvements eligible for rehabilitation assistance. CDBG funds may be used to finance the rehabilitation of:
 - (1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;
 - (2) Low-income public housing and other publicly owned residential buildings and improvements;

24 CFR 570.202(b)

- (b) Types of assistance. CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3) of this section.
 - (1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;
 - (2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination;
 - (5) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;
 - (7) For rehabilitation carried out with CDBG funds, costs of:
 - (i) Initial homeowner warranty premiums;
 - (ii) Hazard insurance premiums, except for where assistance is provided in the form of a grant; and
 - (8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;
 - (9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section, under section 312 of the Housing Act of 1964, as amended, under section 810 of the Act, or under section 17 of the United States Housing Act of 1937;
 - (10) Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937; and

24 CFR 570.202(f)

Lead-based paint activities. Lead-based paint activities pursuant to [§ 570.608](#).

Ineligible Activities

As per [24 CFR 570.207](#), IEDA will not fund the following activities through the program:

24 CFR 35.1320 - Subpart J

If any lead-based paint surface is disturbed, all 24 CFR 35 subpart J applies for Lead Based Poisoning Prevention on Rehabilitation Projects. As such, NO interior work of any kind will be eligible for this program.

- No attic interior surfaces;
- No interior ceiling demolition;
- No interior paint disruption due to leaks, mold or repairs;

Contractors are required to implement exterior lead-safe work practices to prevent dust infiltration;

General government expenses

Expenses required to carry out the regular responsibilities of the unit of the general local government are not eligible for assistance.

Political activities

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.

Purchase of equipment

The purchase of equipment with CDBG funds is generally ineligible.

- 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.
- Furnishings and personal property: The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property, not an integral structural fixture is generally ineligible.

Operating and maintenance

Any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Examples of ineligible operating and maintenance expenses are:

- Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking and other public facilities and improvements.\
- Payment of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities.

National Objectives

Low- to moderate-income (LMI) households specifically Low to Moderate Income Housing (LMH) national objective under 24 CFR § 570.208(a)(3). Eligible projects must demonstrate that the housing units assisted serve only LMI single-family owner-occupied households and contribute to the long-term sustainability of the community’s affordable housing stock.

Eligible Applicants

Non-Entitlement Units of General Local Government (UGLGs) and tribes are the eligible applicants for these funds. All UGLGs must work with a council of government or IEDA-approved consultants to submit the application and conduct project administration.

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 of 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.

Required Match

Match is not required for this program if CDBG funds requested are sufficient to complete the proposed project. However, if requested CDBG funds are **NOT** sufficient to complete the project, Applicants are required to demonstrate that the remaining *Gap Funding* is committed at the time of application.

- **Gap Funding** refers to the minimum non-CDBG funds **required to fully finance a project** when total costs exceed the CDBG award. These funds are required to demonstrate project feasibility and are evaluated as an eligibility threshold.

All forms of Match funds must be:

- Committed (not speculative);
- Available within the project timeframe;
- Legally authorized;
- Not double counted;
- Allowable under both funding sources;

Any one of the following are acceptable examples of Match documentation:

- Applicant/UGLC Resolution of Match, clearly indicating the source of the funds and the availability of their contribution;
- Fully executed grant or loan agreements by other funding entities;
- Formal, signed grant or loan approval letters documenting committed funds;

Application for Assistance

IEDA will open an application window for eligible applicants to apply to the program. Applications will be submitted via <https://www.iowaGrants.gov> using the guidance provided in this document and in the CDBG Management Guide. The applications will be reviewed competitively and evaluated to ensure that the proposed projects meet the minimum criteria outlined in these Program Guidelines. If all funds are not obligated, future rounds will be established, at no less than one round per year, until the funds in this program are fully expended. After evaluation, the scoring will be forwarded onto IEDA leadership for the award. IEDA will identify awardees and notify selected and non-selected applicants in writing. Selected awardees will then enter into a grant agreement with IEDA that will formalize the conditions of the grant.

Public Hearing Requirement

According to the IEDA's 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 on the Notice of Funding Availability (NOFA). Additionally, 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 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 applicant'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 Affidavit of Publication and the actual public hearing notice;
- Meeting minutes, including comments and responses;

During the project implementation, 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 funding of the proposed activity and sources of funds;
- A summary of expenditures to date;
- A general description of the remaining work;
- The location of the proposed activity;
- A general description of changes made to the project budget, performance targets, activity schedules, scope, location, objectives, or beneficiaries.

Application Workshop

Applications will be submitted via <https://www.iowaGrants.gov> using the guidance provided in this document and in the CDBG Management Guide.

Application Workshops & Application Windows

An Application Workshop is Scheduled for **March 18, 2026**.

Application Window scheduled for **March 18, 2026, through May 22, 2026**.

Housing Development Approach

IEDA's Housing Rehabilitation Roofing Program is to assist low- and moderate-income homeowners to improve the outside envelope of their home, specifically their roofing structure. This approach is rooted in assisting households that meet HUD's **National Objective of benefiting low- and moderate-income (LMI) persons** ([24 CFR § 570.208\(a\)\(3\)](#)) while supporting the sustainability of affordable housing units in the community.

Projects must follow these guiding principles:

- **Compliance with Building Codes:** All units must meet local building codes.
- **Affordability and LMI Benefit:** All single-family owner-occupied units must be occupied by LMI households, verified through income documentation.
- **Preservation and Sustainability:** Applicants should prioritize energy efficiency, historic preservation where applicable, and design features that enhance long-term viability.
- **Leveraging Resources:** IEDA encourages applicants to combine CDBG funds with other financing tools to maximize impact.

This development approach ensures that CDBG funds are used effectively to meet housing needs, strengthen community cores, and comply with federal requirements for eligibility and national objectives.

Project Preparation and Considerations

Applicants are advised to keep the following considerations in mind:

- The maximum number of units allowed is six (6).
- Cities will have to procure Technical Services. See the 'Project Delivery' section below.
- The contract term for this program is 2 years.
- (For the first round of applications, the requirement for homeowner identification to be provided with the application is waived.)

Application Criteria

IEDA has selected funding criteria to best address the needs identified in each community and ensures timely project completion. A minimum threshold score will be established to ensure high-quality projects are selected. The criteria used to evaluate each competitive application and award funds will include:

- Applicants must have an active SAM.gov account.
 - **If awarded, the SAM.gov account must be kept active throughout the life of the grant agreement.**
- Properties must be outside of the HUD-defined Federal Flood Risk Management Standard (FFRMS) Floodplain to be eligible.
- The property must be owned by the homeowner and be their principal place of residence. Contract sales are not eligible under this program.
- If applicable, the other sources of funding are well documented and make up the remaining total project cost.
- Other sources of funding are available at the time of application.
- The budget is comprehensive and reasonable for the project's scope.
- The applicants have included proposed steps to Affirmatively Further Fair Housing

- Eligible activities are as follows:
 - Replacement of Roof Deck, if rotten or structurally compromised.
 - Replacement of roof covering and underlayment.
 - Replacement of shingles.
 - **Old shingles MUST be removed first and may not be covered by new shingles.**
 - **Metal roofs are not allowed under this program.**
 - Replacement of soffit and fascia.
 - Replacement of gutters.
 - Chimney removal.

- The contractor must ensure that products and installations meet the specifications of use the specified products and installation methods to meet the National Green Building Standard (NGBS) rating of “Silver”. The following must be integrated in the scope of work such as:
 - NGBS Aligned Roofing Specification (Silver Level)
 All roofing systems must comply with the National Green Building Standard (NGBS ICC700) for mandatory requirements for durability, energy efficiency, water management, and indoor environmental quality. Roofing assemblies shall:
 1. Meet or exceed manufacturer’s minimum warranty periods:
 - Pitched roofs: ≥20–25-year shingles, Class A fire resistant
 - Low slope roofs: ≥15year membrane warranty
 2. Provide full moisture protection, including structural sheathing, underlayment, and flashing. Roofing repairs/replacements must prevent water intrusion at all penetrations and intersections, consistent with NGBS’ moisture control requirements.
 3. Include continuous air sealing of the roof/ceiling plane, including attic access, lighting fixtures, mechanical penetrations, and adjacent assemblies. Fixtures installed in insulated ceilings must be “1Crated airtight”.
 4. Incorporate energy efficient roofing features where feasible, such as reflective/cool roofing surfaces or above deck insulation, to support Silver level whole building performance.
 5. Use resource efficient materials, such as recycled content shingles or roofing products with environmental product declarations (EPDs), where available.
 6. Install gutters/downspouts directing water away from the structure and, where feasible, integrated with stormwater management systems (rain gardens, infiltration trenches).
 7. Ensure attic ventilation is code compliant or design the roof as a conditioned unvented assembly with proper vapor control and insulation.
 8. Manage roofing waste through recycling or reuse wherever possible, consistent with NGBS Resource Efficiency practices.

IEDA will provide an independent consultant that will review work to make sure this has occurred prior to the project closeout.

- **Lead-Based Paint (LBP) Applicability — Exterior-Only Roofing Work**
 - Projects funded under this Roofing Rehabilitation Program **are strictly limited to exterior-only work** including roof replacement, soffits, fascia, chimney removal and gutters. Under the HUD Lead Safe Housing Rule (24 CFR Part 35), lead hazard evaluation and reduction requirements apply only to painted surfaces that will be disturbed during rehabilitation activities.

- **Exterior Requirements Still Apply** - Contractors must comply with EPA and HUD rules governing exterior work, including:
 - Must be certified in the State of Iowa for Lead Safe Work Practices by the Iowa Department of Inspection, Appeal and Licensing (DIAL);
 - [Lead Professional Certification | Department of Inspections, Appeals, & Licensing](#)
 - [Iowa Lead & Asbestos Safety - Home](#)

- Lead-safe work practices for any exterior surface if deteriorated paint is present must follow:
 - (40 CFR 745; 24 CFR 35.930(d); 24 CFR 35 Subpart R, 24 CFR 35.1330-1340)
 - Measures to prevent dust migration into interior spaces
 - Providing EPA “Protect Your Family from Lead in Your Home” pamphlet prior to work
 - Provide a State of Iowa Notification Prior to Renovation, Remodeling and Repainting.
- **Radon:** According to CPD Notice: 23-103, the U.S Housing and Urban Development (HUD) clarified that under 24 CFR 58.5(i)(2)(i) and (ii), all properties proposed for use in HUD programs, including the Community Development Block Grant program, must be free of hazardous materials such as radon gas, contamination, toxic chemicals and gases, and radioactive substances that could pose a hazard to the health and safety of occupants or interfere with the intended use of the property. The environmental review process, whether falling under Categorically Excluded Subject to 58.5 (“CEST”), Environmental Assessment (“EA”), or Environmental Impact Statements (“EIS”), may not be considered complete until radon evaluation is performed as part of the site contamination analysis. The environmental review process is concluded only when a determination of whether the project site is impacted by radon, and where applicable, mitigation of radon or application of an exemption is documented in the Environmental Review Report (ERR).

Radon testing and mitigation are required for those CDBG projects that meet the following criteria:

- a. those with a confirmed environmental review level of Categorically Excluded Subject to 58.5 (“CEST”), Environmental Assessment (“EA”), or Environmental Impact Statements (“EIS”),
and
- b. for CDBG projects involving a structure that is occupied or intended to be occupied for at least four (4) continuous hours a day.

This requires that all Housing Rehabilitation Roofing projects are required to conduct a Section 106 Review. A complete Section 106 form and mitigation are required when the radon level is found to exceed the 4 pCi/L (picocuries) limit. No waivers will be allowed. If the radon level were below the required limit for mitigation, a Section 106 form is still required; however, you are only required to complete the PA form as “Exempt”. The cost of testing (admin) and mitigation (part of the overall construction expense) are eligible program costs.

Priority Criteria

Priority projects will include:

- Timeliness: demonstrated ability to complete project in target milestones;
- Benefit: document the needs stated by the impacted community;
- Quality Control: assess the quality of documentation to justify the local match (as applicable);

Required Application Documentation

To be scored, applications must include:

Standard CDBG Application Documents required for scoring:

- Notification of Funding Availability (NOFA):
 - Affidavit of Public Hearing, Copy of Publication, Public Hearing Minutes with 9 Points, Resolution Authorizing the CDBG App
- [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 within the last year & presented at a public meeting.**
- Language Access Plan;
- Project Budget and Match Worksheet;
- Project Team Identification (See below);
- Project Delivery / Administration Staffing Plan, that identifies all participating GA members;

Housing Program-Specific Application Documents

- Proof of procurement for Administration & Project Delivery / Technical Services.

In addition to the above documentation, all fields in IowaGrants.gov application form must be completed. **Incomplete application will not be reviewed or scored.**

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 the designation of the project team, including their roles and responsibilities. All must be contractually established (except for municipal staff). These include, but not limited to:

- 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;
- Grant Administrator – oversee all state / federal funding compliance elements that apply to the project, IowaGrants data entry, City team liaison;
- **For Housing Projects, the following will be included:**
 - Housing Inspector – performs final inspection prior to homeowner signing off on completed work.
 - Project Manager – overall coordination of the project, can be UGLG staff, the GA entity under a distinct contract from GA duties, architect/engineer or, or outside entity;
 - This will include the entity who has been procured to provide the Technical Services and Lead Hazard Carry Costs for the program under a separate contract.
 - Property Owners - Cooperate with city and project team to ensure timely project completion;

Project Costs

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

For any Lead Hazard Reduction Activities that are taken on the project to mitigate risks, the following breakdown of expenses is eligible under this program, BUT MAY NOT EXCEED THE TOTAL PROJECT ELIGIBILITY CAP OF \$30,000 PER UNIT:



Project Cost Breakdown

Cost Category	Estimate	Description
Hard Costs	Up to \$24,000 per unit (CDBG program cap.) (CDBG funds & match not to exceed \$24,999)	Primary roofing construction cost; unchanged.
Lead Hazard Reduction Costs	Up to \$2,000 per unit	Exterior-only LBP stabilization or encapsulation following LSWP compliance.
Technical Service Costs	Up to \$3,500 per unit	Covers Lead Safe Renovator oversight, LBP assessment, report writing, scope of work and other basic documentation, and any exterior-only clearance review. -Safe Renovator oversight,
Costs Lead Carry (Incremental overhead caused by LSWP)	Up to \$500 per unit	Covers PPE, HEPA filters, waste handling, clearance testing & added labor time due to safe-work practices.
Relocation Costs	Should not be required. No funds Set aside.	Only in unusual cases where exterior LBP work presents a hazard to young children/pregnant persons under 24 CFR 35.1345. Often not needed for exterior roofing-only programs.

Form of Assistance / Period of Affordability

The form of financial assistance (CDBG funds) to the homeowner will be a **5-year receding, forgivable loan**. The property must remain the applicant’s principal residence for five years following the project acceptance date for the loan to be forgiven. If the assisted project is sold or transferred or converted to an alternate use during the compliance period following completion and acceptance, the amount of the CDBG forgivable loan shall be repaid to the community in accordance with the forgivable loan paydown schedule. The City must adopt a Project Management Plan, template to be provided by IEDA, to outline these rules.

In accordance with the recorded lien, property owners must secure and provide documentation of current property insurance throughout the Period of Affordability. The CDBG forgivable loan may be recorded in junior position to the principal conventional one.

Grant Administration

IEDA will only award applications with a Grant Administrator (GA) identified to perform administration services on behalf of the Applicant / Subrecipient team. All GA’s performing any activity on a CDBG 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/law/iowaCode/chapter/28E>)

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 CDBG 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.

Additional CGA Eligibility Notes for the CGA Policy:

“In order to be eligible for the CGA program, the proposed grant administrator (GA):

- 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 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;”

Grant Administration generally includes but is not limited to:

- Performing general oversight, and coordination duties required by the award under 24 CFR 570.206(a).
- Maintaining the environmental review process in accordance with 24 CFR Part 58.
- Establishing and maintaining required project files, policies, records, and reporting systems pursuant to 24 CFR 570.503(b).
- Preparing and submitting reimbursement claims and supporting documentation consistent with Uniform Administrative Requirements at 2 CFR Part 200.
- Ensuring compliance with procurement rules, civil rights requirements, fair housing, labor standards, Section 3, and LMI documentation consistent with 24 CFR Part 570 Subpart K.
- Performing Federal Labor Standards (Davis Bacon) and Section 3 compliance activities required under 24 CFR 570.603 and 24 CFR Part 75.
- Completing required performance reports, monitoring responses, closeout documentation, and maintaining retention of records in accordance with 2 CFR 200.334–200.337.

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

Project Delivery

In addition to identifying a Grant Administrator (GA) to perform general program administration, each CDBG project must also budget for and document Project Delivery (Activity Delivery) costs. Project Delivery refers to the eligible costs incurred to implement and carry out a specific CDBG-funded activity, including all tasks necessary to determine eligibility, complete regulatory requirements, and bring the project to completion in accordance with HUD rules.

Under HUD guidance, Activity Delivery Costs (ADCs) are distinct from general administration. ADCs include staff time, consultant costs, and related expenditures that are directly allocable to a specific project and necessary for completing activities eligible under 24 CFR 570.201–570.204. These costs are considered part of carrying out the project itself, not part of the overall management of the grant program. HUD also clarifies that general program administration may not include costs “directly related to carrying out activities” under these sections.

Eligible Project Delivery Activities

Project Delivery activities include, but are not limited to, the following tasks when they are performed for a specific CDBG-assisted project:

- Initial environmental review activities required under 24 CFR Part 58 for the specific project (e.g., site assessments, statutory checklists, consultations, SHPO/THPO correspondence).
- Income surveys or beneficiary documentation required to establish LMI national objective compliance for the project.

- Project-specific procurement, bidding, and contracting support directly tied to the activity.
- Project-level monitoring, inspections, site visits, and compliance reviews necessary to carry out the activity.
- Project-specific financial management, such as tracking invoices, verifying requests for payment, and documenting activity-level expenditures.
- Consultant or professional services retained solely to carry out tasks specific to the project.
- Conducting procurement support, contractor coordination, bid package preparation, and compliance checks in accordance with 2 CFR 200.317–200.327. *(Typically performed by an Architect or engineer of record)*
- **Technical Services for Housing Programs:** Carrying out inspections, code compliance checks, construction oversight, and activity specific project management consistent with eligible activity delivery costs under 24 CFR 570.201–570.205.
- Conducting activities such as demolition oversight, appraisal coordination, Codes reviews/inspections, lien development, and participation in mortgage closings for housing programs.
- Ensuring activity-specific documentation is prepared and maintained to demonstrate compliance and eligibility for reimbursement.

All Project Delivery costs must be reasonable, necessary, and directly attributable to the CDBG activity that is being carried out.

Contract Requirements

To maintain program integrity and promote financial management best practices, any COG or consultant performing Grant Administration and Project Delivery tasks must ensure that the two scopes of work are clearly defined in either:

- 2 distinct contracts for Grant Administration and Project Delivery, or
- 1 Contract that CLEARLY cites both scopes of work as distinct Tasks that can be tracked according to invoicing that aligns with said Tasks.

Documentation and Reimbursement

Project Delivery costs must be:

Identified separately from general program administration in the CDBG application;

1. Supported with detailed documentation demonstrating that the cost is directly tied to a specific eligible project activity; and
2. Allocated only to the project benefiting from the work.

There is no HUD or IEDA-defined cap on Project Delivery costs; however, all costs must comply with federal cost principles (2 CFR 200) and IEDA may review for cost reasonableness. Please note however, there is a cap cost of \$4,000 (\$3,500 TS and \$500 Lead Hazard CC) for Technical Services, which is a form of project delivery.

A full list of examples, documentation requirements, and cost allocation guidance is provided in the CDBG Management Guide.



Selection

Scoring

IEDA will rank applications based on the composite score generated by IEDA review staff. IEDA will use the scores, in part, to rank projects, but reserves the right to allocate funds to projects that meet the State's ultimate program objectives. Program requirements, such as the Low/Mod area benefit, are prioritized through scoring criteria and will factor into final funding determinations. In the event that demand exceeds the amount of funds available, those projects with the greatest need and effectiveness will be recommended for funding.

Threshold Criteria

- Applicant has an Active SAM.gov account and Unique Entity Identifier (UEI) #;
- Grant amount requested does not exceed the program cap;
- Admin fee does not exceed program cap;
- Required Uploads are provided, complete and fully executed;
- NOFA Public Hearing Minutes are complete with the 9 elements;
- Project Budget is correct;
- Evidence that the applicant will meet the LMH National Objective;
- Community
- If Match is required, or included for additional scoring, must provide evidence;

Scored Criteria

- Does the applicant show the need for this type of activity for their low-to-moderate income residents;
- Does the applicant show the degree to which the project is ready to proceed;
 - Grant Administrator has been identified;
 - Technical Service provider has been identified;
 - Trained, qualified and ready-to-go contractors to bid on projects have been identified;
 - The Tier I Environmental Review is ready for publication;
 - **(Homeowner identification has been waived for this round of funding)**
- Degree to which the project can be completed in a timely fashion;

Award

Notice of Award

Once award amounts are determined, IEDA will notify successful applicants which is a preliminary offer and any supplemental information required prior to entering 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 guidelines document. Awards will be considered final upon receipt of a signed grant agreement between IEDA and the applicant. Prior to an award, a determination of cost reasonableness and verification that the CDBG award will not supplant funding for the project from other sources.

Supplanting Funds

Under the CDBG program, applicants must use federal funds to **supplement**—not **supplant**—existing financial resources. Specifically, [24 CFR § 570.200](#) et seq. clearly prohibits substituting CDBG dollars for local, state, or federal funds that are already obligated or budgeted. HUD's Office of Inspector General has emphasized that CDBG was never intended to fund activities that jurisdictions are already required to

underwrite through their own budget authority. Instead, supplanting violates the program’s intent to **add** capacity to meet unmet community needs—an expectation reinforced in HUD CPD Notices and FAQs for both regular CDBG programs. Applicants must document the **need** for CDBG funds, showing that proposed activities wouldn’t proceed absent federal assistance, and demonstrate adherence to a “maintenance of effort” standard rooted in the Housing and Community Development Act and HUD policy.

Cost Reasonableness

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.

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;
- Period of performance;
- 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 UGLG / Subrecipient will execute prepared agreements for administration / project delivery;
3. The Subrecipient and/or GA will complete all necessary Environmental Review compliance steps;
4. Release of Funds will be issued by IEDA;
5. IEDA evaluates subrecipient vendor contracts prior to execution for eligible costs;

Section 106

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 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.

An applicant may have site control only through a non-binding, contingent form of control—such as an option-to-purchase agreement with nominal consideration, explicitly conditioned on completion of the environmental review—without violating the “choice-limiting actions” prohibition under 24 CFR 58.22.

Applicants may NOT hold binding purchase contracts, undertake acquisition, construction, rehabilitation, or any action that commits the project to a site before environmental clearance.

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 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.

Amendments and Extensions

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 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 and Project Completion

All IEDA contract awards have a standard three-year period of performance. The project manager will determine if the delays in spending or the completion of deliverables/tasks can potentially result in a negative impact on the project by conducting Risk Assessments on not less than an annual basis. If the discrepancy in spending or progress is deemed reasonable, the project manager will continue to monitor the expenditure rate.

If the project manager has concerns about the spending discrepancy or the status of project deliverables/tasks, or the recipient has reported a spending discrepancy for 2 consecutive years, the project manager will confer with the CDBG Team Lead for the next steps according to the Risk Assessment and Monitoring Policies. One of the following actions will be taken:

- Annual spending projections will be amended;
- Project manager will continue to monitor the project status and implement technical assistance as required;
- A meeting with subrecipient and grant administrator will be held, whereby the subrecipient will submit a revised quarterly budget projection and/or a plan to overcome progress delay or other remedies as required;
- Terminate the agreement;

Claims

IEDA will reimburse funds in the form of a grant for actual costs incurred. The grant agreements and documents incorporated by reference will explain the roles and responsibilities, identify the project(s) to be funded with CDBG funds, the total budget, the grant milestones, and the requirements for the use of CDBG funds.

Claims for reimbursement will be submitted by the subrecipient's Certified Grant Administrator (CGA) via the online 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;

Generally, 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.

All construction trades will utilize the AIA, EJCDC or equivalent standard form of Payment Applications 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

Retainage

IEDA will withhold all final claims until vendors are shown to be paid in full and compliance documents and reports are provided. As such, the Subrecipient should retain 10% of all contract values as retainage until 100% of all Work defined in contractors' scope is completed and the Grant Administrator has acquired all compliance documents, reports, releases of liens from the participating contractors. Once the

Grant Administrator and IEDA have affirmed the vendor contracts are satisfied, proof of payment is provided, compliance elements are resolved and the National Objective is met, IEDA will process the final claims.

Recapture of Funds

Potential subrecipients must be aware that CDBG funds may need to be recaptured—or redirected—when issues arise such as 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 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.

In the case of the Housing Rehabilitation Roofing Program, homeowners not complying with the 5-year period of affordability where they sale, transfer or change use of the assisted property, funds will be recaptured by the Subrecipient and returned to IEDA if in a fiscal year the amount recaptured exceeds \$35,000.

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.

Unless otherwise agreed to in a signed amendment to this Contract, proceeds generated from the use of CDBG funds are considered program income when the total amount of any CDBG program income received by the Subrecipient in a fiscal year exceeds \$35,000, at which time the entire \$35,000 and excess are considered program income. Program income received by the Subrecipient shall be returned to IEDA.



General Program Requirements

Floodplain Requirement

All units must be sited and constructed outside of the HUD-defined Federal Flood Risk Management Standard (FFRMS) Floodplain. 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 500-year 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 non-construction 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 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](#).

Violence Against Women Act (VAWA)

UGLG & 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](#)

Buy America Build America (BABA)

Under the Infrastructure Investment and Jobs Act, HUD-administered CDBG infrastructure projects must comply with the **Build America, Buy America (BABA) preference**, which mandates the use of iron, steel, and construction materials that are produced in the United States. These domestic sourcing requirements take effect for HUD awards obligated on or after May 14, 2022, with full implementation guided by [2 CFR Part 184](#) and HUD's [CPD Notice CPD-25-01](#). Subrecipients must evaluate each infrastructure project for covered materials, document BABA compliance or waiver eligibility, and maintain records such as market research, certifications, and engineering data demonstrating that materials meet domestic content standards. Grant Administrators will work with the IEDA PM to assess the availability of Waivers and methods to track BABA product certification, according to the CDBG Management Guide.

BABA applies for all housing projects in which more than 4 units are proposed. Subrecipients are required to follow the rules and regulations listed in the CDBG Management Guide.

Section 3

All projects receiving more than \$200,000 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 tracking of all labor hours on the project sites, including projects not subject to Davis Bacon, and qualitative efforts undertaken to demonstrate compliance.

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

Davis Bacon

Projects of 8 or more housing units are subject to Davis Bacon prevailing wage requirements.

All infrastructure in support of housing is subject to Davis Bacon. If applicable, 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).

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

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 24](#), 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 tenants¹. 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.

Subrecipients must budget and plan if relocation occurs. The budget should include discovering the needs of displaced persons such as site visits, interviews, and orientations as well as housing market conditions, acquisition costs, relocation payments and other costs.

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

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.

¹ HUD's [Tenant Assistance, Relocation and Real Property Acquisition Handbook](#) (1378.0)

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.

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 project. This person should be familiar with their organization's accounting system and how the accounting of CDBG 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. All instances of fraud, waste, and abuse discovered by IEDA will be reported to the HUD OIG.

Financial Management

Subrecipients must ensure that they have policies and procedures for expending and accounting for all CDBG funds received and to maintain adequate source documentation to demonstrate that CDBG funds are used in compliance with all the terms and conditions of the award, only spent for reasonable and necessary costs, and not used for general expenses to carry out other responsibilities of State and local

governments. More information on the minimum requirements can be found in the CDBG Management Guide. The financial policies will also ensure the following are met:

1. The subrecipient will charge the 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.

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

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 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 assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG assisted activity, or with respect to the proceeds of the CDBG -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 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

To close out the 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.
- Financials:
 - Confirm that the total reimbursement through the program and verify that the accounting is accurate.
 - Confirm that 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
 - 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;
 - Close out applicant files and make sure files are consistently organized.
 - Close out individual activities.

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

- A final public hearing has been held
- 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 specials 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 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 Applicants 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

IowaGrants.gov intends to serve as the primary medium for administering grant 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 grant 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

Records must be retained for the required federal retention period and must be made available to IEDA, HUD, or other authorized oversight entities upon request.

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 contact IEDA's CDBG Team to inquire about document retention times for CDBG grant.

APPENDIX:

1. Iowa Profile Resource for Demographics
2. Income Verification Guidance for Recipients
3. Lead-Based Paint Information Notice
4. Links to Lead-Based Paint Documents
5. Notification of Lead-Based Paint Testing Results
6. Program Resource Links

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. INCOME VERIFICATION GUIDANCE FOR SUBRECIPIENTS

Under the Federal CDBG regulations, recipients must select and use one of three methods for calculating income to determine if households are eligible to participate in a CDBG program.

IEDA has made the determination that communities receiving CDBG funding should use the 24 CFR Part 5.609 definition of income when collecting information and verifying income for potential homeowners.

The Part 5 definition of income is the **gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period**. A detailed list of income and asset sources can be found in federal regulation 24 CFR 5.609.

To verify income, the following must include but are limited to, the following to be collected from homeowners:

- IRS form 1040/ tax return from the most recent year. (Cannot be the only source to verify income.)
- Income: (If applicable)
 - 2 Months of Current Paystubs.
 - Current Benefits Statement (SSI, Social Security, Pension)
 - Current Child Support Statement
- Assets: (If applicable)
 - Current Bank Statement
 - Current Retirement Statement (IRA/Pension/401K)
 - Verification of Stocks & Bonds

Notes

- Documentation used for CDBG income verification is valid for 12 months.
- Third-party verification of income is allowed under the CDBG program and is considered best practice when verifying documentation provided by a homeowner. However, third-party verification is not required.

Additional resources

HUD has an on-line income calculator that can be used to help determine a household’s annual gross income for establishing eligibility for assistance. Communities and grant administrators may reference the CPD Income Eligibility Calculator at <https://www.hudexchange.info/incomecalculator/>.



3. LEAD-BASED PAINT INFORMATION NOTICE

ATTENTION

Are you giving INFORMATION about LEAD-BASED PAINT before beginning RENOVATION?

Iowa law requires you to give information to the owner and occupant in homes built before 1978. You must do this before you renovate, remodel, or repair.

WHERE CAN YOU GET MORE INFORMATION?

To find out more about rules or to obtain copies of pamphlets and/or notification forms:

**Iowa Department of Public Health
Lead Poisoning Prevention**
Lucas State Office Building
Des Moines, IA 50319-0075

Call 1-800-972-2026

[Childhood Lead Poisoning Prevention Resources
Health & Human Services \(iowa.gov\)](#)

**US EPA / Lead Paint Program
Office of Pollution Prevention & Toxics**
1200 Pennsylvania Avenue N.W.
Mail Code 7404T
Washington, DC 20460

<https://www.epa.gov/lead>

4. LINKS TO LEAD BASED PAINT DOCUMENTS

EPA Pamphlet - "[Protect Your Family From Lead in Your Home](#)"
Available in English, Spanish, Vietnamese, Russian, Arabic and Somali



[EPA Pamphlet Acknowledgement of Receipt form](#)

[Notification of Lead-Based Paint Inspection and Risk Assessment form](#)

[Notification that Lead-Based Paint or Lead-Based Paint Hazards are Presumed to be Present and Notification of a Visual Risk Assessment form](#)

[Notification of Lead-Based Paint Inspection and Risk Assessment form](#)

6. ROOFING REHAB RESOURCE LINKS

LEAD REGULATIONS: 24 CFR PART 35

[eCFR :: 24 CFR Part 35 -- Lead-Based Paint Poisoning Prevention in Certain Residential Structures](#)

24 CFR 35 Lead-Based Paint Poisoning Prevention in Certain Residential Structures (HUD)
<https://www.govinfo.gov/content/pkg/CFR-2019-title24-vol1/xml/CFR-2019-title24-vol1-part35.xml>

Iowa Administrative Code 641 (Public Health) Chapter 70 (07/14/2021)
[641.70.pdf \(iowa.gov\)](#)

40 CFR 745 Lead-Based Paint Poisoning Prevention in Certain Residential Structures (EPA)
<https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=79d9123c529d8f8ca792833afe6b664f&ty=HTML&h=L&n=pt40.31.745&r=PART>

INCOME

24 CFR 5.609 Annual Income:
<https://www.govinfo.gov/content/pkg/CFR-2017-title24-vol1/pdf/CFR-2017-title24-vol1-sec5-609.pdf>

NATIONAL GREEN BUILD STANDARDS

<https://www.ngbs.com/>

HOUSING REHAB DOCUMENT TEMPLATES

<https://opportunityiowa.gov/community/community-infrastructure/cdbg-programs/housing-rehabilitation-fund>

- Technical Services Contract
- Subrecipient Agreement
- Income Forms
- Homeowner/Contractor Contract
- Mortgage
- Lien
- Project Management Plan (Old Admin Plan)