



The State of Iowa General Infrastructure Program Guidelines

Version 1.0, June 2026

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Version History

Version	Date	Summary Description
1.0	June 2026	Original



Program Summary

Program Summary

Purpose

These funds are intended to improve disaster-damaged infrastructure and improve stormwater management systems to make the disaster-affected communities more resilient to floodwater impacts and mitigate the impact of future disaster events. Projects will encompass a broad range of activities such as repairs to disaster-damaged infrastructure, improving stormwater capacity of existing facilities, and installation of new stormwater management systems.

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 [IEDA’s 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-to 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 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-to 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
General Infrastructure	\$39,483,950.00

Maximum Award

The maximum assistance available is \$5,000,000 per project.

Eligible Activities

Acquisition, construction, reconstruction or installation of public works, facilities, and site or other improvements: HCDA Section 105(a)1, 2, 4, 9 and 14 applicable waivers identified in the Allocation Announcement Notice (90 FR 4754) and Universal Notice (90 FR 1754).

Eligible Activities	
HCDA Section 105(a)(1)	Acquisition of real property (including air rights, water rights, and other interests therein) which is A. Blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; B. Appropriate for rehabilitation or conservation activities;



Eligible Activities	
	<p>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;</p> <p>D. To be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or</p> <p>E. To be used for other public purposes</p>
HCDA 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.
HCDA 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).
HCDA 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;
HCDA Section 105(a)(14)	<p>Provision of assistance including loans (both interim and long-term) and grants for activities which are carried out by public or private nonprofit entities, including</p> <p>A. Acquisition of real property;</p> <p>B. Acquisition, construction, reconstruction, rehabilitation, or installation of</p> <ul style="list-style-type: none"> i. Public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and ii. Commercial or industrial buildings or structures and other commercial or industrial real property improvements; and <p>(C) Planning;</p>
24 CFR 570.201(c)	Public facilities and improvements. Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in <u>§ 570.207(a)</u> , carried out by the recipient or other public or private nonprofit entities.

Ineligible Activities

As per 24 CFR 570.207, IEDA will not fund the following activities through the General Infrastructure program:

Ineligible Activities for General Infrastructure Program	
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.



Ineligible Activities for General Infrastructure Program	
Purchase of equipment	<p>The purchase of equipment with CDBG funds is generally ineligible.</p> <ul style="list-style-type: none"> ▪ 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	<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"> ▪ 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. ▪ Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

Flood Control Structures

The Universal Notice (90 FR 1754) 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. Subrecipients 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 subrecipient has conducted a risk assessment before funding the flood control structure and documentation that the investment includes risk reduction measures.

Eligible Applicants

Units of general local government (UGLGs) and tribes are the eligible applicants for these funds. All UGLGs that are not entitlement communities must work with a council of government or procured consultant, according to [IEDA's Certified Grant Administrator Policy](#), to submit the application and conduct project delivery.



Eligible Areas

Grant funding will be provided to Most Impacted and Distressed (MID) Areas as follows:

- HUD-identified MID Areas: Cherokee, Clay, Sioux and Woodbury Counties
- Grantee-identified MID Areas: Dickenson, Osceola, Lyon, Buena Vista, and Pottawattamie Counties

As needs are identified, IEDA may provide funding to other state-identified MID areas that were also impacted.

National Objectives

Low- to moderate-income area benefit (LMA) and Urgent Need (UN) national objectives. For projects using the LMA National Objective, the Income Survey Report will be required at the time of the application. 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 public infrastructure benefits within the HUD- or grantee-identified MID areas. See appendix for guidance.

Disaster Tie-back or Mitigation

Funded projects must either:

- Have a connection to the disaster or “tie-back” and address a specific unmet recovery need for which the CDBG-DR funds were appropriated, or
- Address mitigation needs identified in the Action Plan that will reduce, or mitigate, future disaster losses in communities.

Applicants to the program must state whether proposed projects address a direct or indirect impact from the disaster or respond to disaster-related future risks. For projects that only respond to future disaster risks, IEDA will fund those activities out of the Mitigation Set-Aside that makes up a portion of the CDBG-DR grant received.

Mitigation Set-Aside

Projects funded with mitigation set-aside funds do not require a “tie-back” to the specific qualified disaster. Instead, the project must:

- Meet the definition of mitigation activities - activities that increase resilience to disasters and reduce 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.
- Address the current and future risks as identified in the Mitigation Needs Assessment in the Action Plan.
- Be an eligible activity as listed in this policy.
- Align with existing hazard mitigation plans submitted to the Federal Emergency Management Agency (FEMA) or other state, local, or tribal hazard mitigation or long-term recovery plans.



Gap Funding Requirements

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

Gap Funding refers to the minimum non-CDBG-DR 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 gap funding 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 gap funding documentation:

- Applicant UGLG Board Resolution of committed gap funding.
- Bond Resolution.
- Executed Grant / Loan agreements by other State / Federal funding agencies.
- Loan approval letters documenting committed (not promissory) funds.

IEDA reserves the right to concur with co-funding partners regarding the status of the Applicants' readiness as part of a threshold and/or competitive scoring criteria. Applications that do not reflect accurate status as affirmed by co-funding partners may not be scored.

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 response will be authorized in writing to the applicant upon approval or denial of the application requesting an exception.



Application for Assistance

Application for Assistance

IEDA will open an application window for eligible applicants to apply to the program. Applications will be available on IowaGrants. 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 conditions of the grant.

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

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/6833/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. Additionally, according to [Iowa Code 362.3](#), the notice of the public hearing should be published or posted for review no less than four 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 must 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 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.
- 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 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 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 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
- Project readiness/timeline
- Project need: how the project meets the needs of the impacted community
- Project impact: how the project benefits the community and LMI residents
- Funding commitments: Status of other funding necessary for the project to proceed



- Resiliency Measures: assess if there are mitigation activities being undertaken

Required Application Documentation

To be scored, applications must include:

Standard CDBG-DR Application Documents required:

- Applicant has an Active SAM.gov account and Unique Entity Identifier (UEI) #
- 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](#);
- [2 CFR 200 Competition Certification of Compliance](#);
- LMI Income Survey Report (if no ACS data demonstrates LMI/LMA status)
- Financial commitments document (includes terms for all non-CDBG funding sources)

Infrastructure Specific Application Documents Required:

- Project Team Identification (see section below)
- Proof of procurement for project delivery & A/E services
- Site control documentation
- IDNR Construction Permit / evidence of permit application
- Preliminary Engineering Report / Facilities Plan
- IDNR Approval of PER / FP
 - Project Cost Estimates
 - Project Design Documents (Site Plan, Rendering, Concept, etc.)
 - Map of project location
- Floodplain Map
- Engineering study (if stormwater project)
- Support documentation for the project budget
- Evidence of Gap Funding, and ability to secure all financing Project Schedule of critical milestones
- Gantt Chart/Project Timeline
- DOB Worksheet
- Subrogation Agreement

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 details of the proposed project team with their application. The plan will indicate clearly who will be providing what supportive roles to the applicant and define roles and responsibilities. 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
- Municipal Utilities – If the Applicant has a separate municipal utility provider, distinct from the UGLG’s departmental staff, that entity **MUST** be part of the project team and demonstrated to be part of project planning and implementation.
- Architect/Engineer:
 - Develop plans and assure that contractor builds to plans ;
 - Must be a procured licensed professional to work in the State of Iowa;
- 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

Roles and Responsibilities

IEDA Responsibilities

As the CDBG-DR grantee, IEDA is responsible for ensuring program compliance and providing oversight throughout the infrastructure program’s process. In carrying out these responsibilities, IEDA will:

- Review the applicant’s Duplication of Benefits (DOB) documentation to confirm that no duplication exists before assistance is awarded.
- Approve project eligibility determinations and authorize the eligible CDBG-DR project amount.
- Disburse CDBG-DR funds to subrecipients.
- Provide required program forms and any necessary addenda.
- Review and resolve grievances or appeals submitted through the program’s established process.

Subrecipient Responsibilities

Subrecipients are responsible for managing program activities, ensuring compliance with federal and state requirements, and overseeing contractors to ensure successful delivery of the project. Subrecipient responsibilities include:

- Procure and contract with a qualified A&E Firm and/or construction firm through an RFP process.



- Execute an Invitation for Bid (IFB) procurement process for construction that incorporates IEDA requirements and milestones.
- Serve as the Responsible Entity (RE) for environmental review compliance under 24 CFR Part 58.
- Contract with an IEDA-certified Grant Administrator (CGA) or eligible COG for project delivery.
- Submit all required reporting, claims, and documentation through Iowa Grants.
- Ensure compliance with federal requirements (Section 3, Davis-Bacon, URA, Fair Housing, Civil Rights).
- Conduct required public hearings (NOFA and SOFA) and maintain documentation.
- Maintain financial records, internal controls, and procurement files consistent with 2 CFR 200.
- Support IEDA in closing documentation.

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.

Additional CGA Eligibility Notes found in 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 / 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 administrative cost is not to exceed 10% total grant award.**

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 archaeologists, 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).
 - Infrastructure program technical services, including inspections, code compliance reviews, construction oversight, and project-specific management.
 - Preparation and maintenance of activity specific documentation required to demonstrate eligibility, compliance, and reimbursement allowability.



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.

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**.

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,
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% 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.

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.

Other Eligible Program Costs

For providing federal investments into recovery of communities to rebuild critical infrastructure such as water, sewer, stormwater utilities, Applicants will be required to also demonstrate a commitment to maintain the repaired or replaced infrastructure. As such, Applicants performing utility repair or replacement Activities will be also required to acquire Operations & Maintenance Plans as part of the engineer of records scope of work to demonstrate sustainment of the federal funding investment. These are eligible grant-reimbursable costs under IEDA’s “Planning” budgetary category, as cited in the [Action Plan](#). Applicants should include these costs in the proposed budgets and ensure that the engineer of record has the Operations and Maintenance Plan deliverable included within their scope of work with defined cost quotations. The resulting Plans must be complete and adopted by the Applicant UGLG before a final claim can be paid and the grant closed out.



Selection

Selection

Scoring

IEDA will rank applications based on the composite score generated by IEDA review staff. The State 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) #
- NOFA Public Hearing Minutes are complete with the nine elements
- Project Budget is correct and grant amount requested does not exceed the program cap
- Project Delivery / Admin fee does not exceed program cap
- Project Budget includes costs for Operations and Maintenance Plan development
- Evidence that applicant meets LMI National Objective (Income Survey or ACS data)
- Required Uploads are provided and completed, as determined by IEDA.

Scored Criteria:

- Magnitude of need for the project
- Degree to which the project is ready to proceed
- Degree to which the project can be completed in a timely fashion
- Degree of other sources of funding are well documented and / or gap funding inclusion
- Degree to which the cost per beneficiary is within a reasonable range (CDBG-DR dollars per beneficiary)
- Potential degree of impact the activity will have on the identified need and the standard of living or quality of life of the proposed beneficiaries
- Percentage of LMI project beneficiaries

Award

Notice of Award

Once award amounts are determined for local governments, 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 guidelines document. Awards will be considered final upon receipt of a signed grant agreement between IEDA and the applicant. Prior to an award, a duplication of benefits review will take place as well as a determination of cost reasonableness and verification that the CDBG-DR award will not supplant funding for the project from other sources.



Supplanting Funds

Another form of duplication of benefits is using CDBG-DR funds to supplant funds already budgeted for a project. 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. These include City, County, FEMA, State, and U.S. Army Corps of Engineers (USACE) funding. IEDA will verify that CDBG-DR funds will not be used for activities reimbursable by, or for which funds are made available by, FEMA or USACE. IEDA will require applicants to certify that the CDBG-DR funds will not supplant other available funding that has been budgeted or in the case of FEMA and USACE made available to the applicant.

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.

Appeals

All appeal requests related to program activities are processed and reviewed by IEDA. An initial review of the appeal will be conducted by a panel made up of IEDA staff. This staff is independent from the group that originally made the decision being appealed. Each appeal will be reviewed against program policies and requirements. The panel will make a recommendation to IEDA Leadership which will approve the final selection. Appeal requests to IEDA must be postmarked within 10 calendar days of the date of service on the original correspondence communicating the decision to be appealed. Appeals must be submitted in writing to:

Iowa Economic Development Authority
1963 Bell Ave., Suite 200
Des Moines, IA 50315
Disaster@IowaEDA.com

The applicant's written request should contain the following information:

- Applicant's name;
- Applicant's mailing address;
- Applicant's telephone number;
- Email address (if available);
- The reason(s) the decision or action is being appealed;
- Documentation that supports the request to overturn the decision;



If appropriate, IEDA may contact the applicant to allow the applicant to provide additional documents to address any deficiency or incomplete information, or to be interviewed to determine the merits of the applicant's appeal. If the action or decision is overturned, notification will specify the corrective action to be taken. The applicant shall be notified of the final determination via Correspondence in IowaGrants and in writing via certified mail.



Grant Agreement

Grant Agreement

Terms and Conditions

A written grant agreement will be provided to the applicant before any disbursement of grant 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’ (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 grant administration.
3. The subrecipient and/or GA completes all necessary Environmental Review compliance steps.
4. Release of Funds will be issued by IEDA.
5. Project goes out for bid utilizing standard procurement requirements
6. IEDA evaluates subrecipient vendor contracts prior to execution for eligible costs.
7. The subrecipient will provide any stipulated pre-construction deliverable prior to incurring construction 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.

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-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.

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-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

Construction or Rehabilitation of Disaster-Related Systems

Consistent with HUD guidance and [FEMA's Community Lifelines](#) framework, IEDA prioritizes infrastructure investments that support essential community functions such as water services, wastewater treatment, stormwater management, transportation access, and energy reliability. All funded activities must either demonstrate a clear tie-back to disaster impacts or meet HUD's definition of mitigation by reducing long-term risk to life, property, and critical community systems. Projects funded under the mitigation set-aside must align with the mitigation needs identified in the State's Action Plan and applicable hazard mitigation or recovery plans. Eligible projects may include improvements to stormwater management systems, drainage infrastructure, water and wastewater facilities, flood control structures, and other public infrastructure that support community health, safety, and continuity of services.

Alignment with Regional and Local Plans to Reduce Future Risk

Applicants must document how proposed infrastructure investments address current and future hazards identified through local planning efforts, including floodplain management plans, capital improvement plans, watershed studies, stormwater master plans, and comprehensive or resiliency plans. Projects are evaluated, in part, on the extent to which they incorporate resilience and mitigation measures and demonstrate readiness to proceed in accordance with established planning frameworks.

Additionally, all newly constructed infrastructure must be designed and built to withstand extreme weather events. IEDA will work with applicants to identify and track resilience performance metrics—such as reduced service outages, number of residents protected from future flooding, linear feet of infrastructure improved, or improved access above flood levels—to ensure projects meaningfully contribute to long-term risk reduction objectives articulated in state and local plans.



Alignment with Other Capital Improvements and Leveraged Funding

IEDA will align CDBG-DR infrastructure investments with other planned federal, state, and local capital improvement efforts to maximize impact, avoid duplication of benefits, and ensure efficient use of public funds. Applicants are required to disclose all other sources of funding—such as FEMA Public Assistance, Hazard Mitigation Grant Program funds, U.S. Army Corps of Engineers assistance, state appropriations, or local capital improvement funds—and demonstrate that CDBG-DR funds are used to supplement, rather than supplant, other resources.

As stated in the section “Gap Funding Requirements” above, where total project costs exceed available CDBG-DR funding, applicants must document committed gap funding at the time of application. IEDA will review proposed projects for funding leverage and coordination with broader infrastructure development efforts and consider the extent to which projects are integrated into local capital improvement plans or long-term infrastructure strategies.

Integration of Mitigation Measures

Mitigation measures and risk-reduction strategies are integrated into the design and implementation of CDBG-DR funded construction, reconstruction, and rehabilitation activities whenever feasible. For infrastructure projects, resilience considerations include siting, elevation, floodproofing, use of durable materials, stormwater capacity improvements, and compliance with HUD’s Federal Flood Risk Management Standard (FFRMS) and 24 CFR Part 55 floodplain requirements.

When projects occur within or adjacent to flood-prone areas, applicants must demonstrate how mitigation measures reduce natural hazard risk and preserve safe access to residences, businesses, and public facilities, particularly for low- and moderate-income households. Through environmental review, project design standards, and long-term maintenance planning, IEDA will ensure that disaster recovery investments not only address past damage but also reduce vulnerability to future natural hazards.

Timeliness and Project Completion

All IEDA contract awards have a standard three-year period of performance. The grant agreements also require that each Subrecipient provide claims for activity costs within six months of award, and every 90 days thereafter. Further, IEDA has developed projections based on each quarter’s expected performance. The project manager will also 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. The project manager will notify HUD of any adverse results from the Risk Assessment.



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 two consecutive years, the project manager will confer with the CDBG Team Lead for the next steps according to the Risk Assessment and Monitoring Polices. 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 and 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 grant funds, the total budget, the grant milestones, and the requirements for the use of grant 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 six 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, for public improvement projects, the Subrecipient shall comply with Iowa Code ss 573.12 and ss 573.13, as amended by [Iowa Senate Bill 574](#), to



retain **at least 3%** of all contract values as retainage until 100% of all work defined in contractors' scope is completed and the GA has acquired all compliance documents, reports, releases of liens from the participating contractors.

The Subrecipient, in coordination with the GA, will reduce the IowaGrants requested amount by the retainage so that the claim is paid in full. As cited in "*Other Eligible Program Costs*" above, a deliverable to release retainage for utility infrastructure projects will be the creation and adoption of Operations & Maintenance Plans.

Once the National Objective and cited deliverables have been met, closeout and compliance are complete, the subrecipient will claim the final 3% and IEDA will issue payment. IEDA will reimburse funds in the form of a grant for actual costs incurred.

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 grant 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 grant 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. 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

General Program Requirements

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](#).

Any construction contracts procured through awarded projects must comply with the Bonding Requirements.

CDBG-DR funds are not required to follow the Build America, Buy America Act (BABA).

It requires that all iron, steel, manufactured products, and construction materials used for federally funded infrastructure projects are produced in the United States, unless otherwise exempt or subject to an approved waiver.

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 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 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.

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 IDIS/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 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 CDBG-DR investments in the community. **For projects involving 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 of the federal 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).

Subrecipients are required to follow the requirements listed in the CDBG Management Guide, Chapter 2

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 tracking of all labor hours on the project sites, including projects not subject to Davis Bacon, and qualitative efforts undertaken to demonstrate compliance.

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](#).

Minimize Displacement

IEDA will expect 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.

IEDA has a CDBG-DR [Residential Anti-displacement and Relocation Assistance Plan \(RARAP\)](#) which can be found on the IEDA website. It is acceptable for subrecipients to adopt the IEDA RARAP or they can create their own.

Subrecipients must budget and plan if relocation occurs. Part of relocation assistance will require determining the needs of potential displaced persons or entities. Subrecipients will need to provide methods for identifying these needs such as site visits, interviews, and orientations as well as budget development variables such as housing market conditions, acquisition costs, relocation payments, and other costs.

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 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 relocation assistance advisory services such as site visits, interviews, an overview of housing market conditions, acquisition costs, relocation payments (moving, storage, and replacement housing) and other costs.

Subrecipients are required to follow the [Uniform Relocation Assistance and Real Property Acquisition Policy](#) which is on IEDA's website.

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



Fair Housing and Civil Rights

IEDA and Subrecipients must ensure that all program activities comply with applicable federal fair housing and civil rights laws. No person may be denied access to the General Infrastructure 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.

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.

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.

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 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 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.

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

Duplication of Benefits Review and Subrogation

Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act prohibits any person, business, or other entity from receiving duplicative financial assistance for the same disaster recovery purpose from multiple sources of federal and other support (42 United States Code [U.S.C.] 5155(a) and (c)). Duplication occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular disaster recovery purpose. The amount of the duplication is the amount of assistance provided in excess of need.

Per CDBG-DR regulations, the program's subrecipients are required to disclose all other benefits (e.g., cash, in-kind, grants, loans) received, or which will be received for the proposed project to ensure that federal funds do not duplicate funds received from other sources.

Typical sources of duplication of benefits include, but are not limited to, the following:

- Federal Emergency Management Agency (FEMA) Public Assistance
- FEMA Hazard Mitigation Grant Program
- FEMA National Flood Insurance Program
- U.S. Army Corps of Engineers



- U.S. Department of Agriculture
- U.S. Department of Transportation
- Federal Highway Authority
- Commercial insurance
- Insurance and personal property replacement
- Philanthropic cash assistance
- Subsidized loans

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

1. Assessment of 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.

For further details on this process, please refer to the ***Duplication of Benefits Policy*** on the recovery website <https://opportunityiowa.gov/media/4737/download?inline>.

IEDA will conduct due diligence to confirm subrecipients have disclosed all other benefits received for the project. This includes verifying that subrecipients do not have duplicative local or state funds designated to the project (e.g. funds planned or budgeted in capital improvement plans). In cases of limited DOB documentation, IEDA will hold the subrecipient accountable via the subrogation agreement. Applicants must agree to subrogate (commit to the State) any future payments they may receive from sources that represent a potential DOB after the CDBG-DR award amount is determined. The subrogation agreement requires the subrecipient to notify the IEDA if additional funds are received and to submit the funds to IEDA from these sources. If IEDA were to identify any DOB amounts associated with the project, IEDA is required to reduce or recapture the 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.

Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729.



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

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?
- Program Management/Capacity: Is the administrator familiar with CDBG-DR and have they attended mandatory IEDA trainings?
- Project Compliance: Are there outstanding compliance or reporting concerns?
- Program Income: Has the contract generated program income?
- QPR Tracking: Is the program reasonably on track?
- Duplication of Benefits: Are there undisclosed duplicative funds?

For further details on this process, please refer to the [CDBG-DR Combined Policies and Procedures Manual](#).

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

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.
 - Confirm national objective met.
 - Project photos acquired before and post completion.
 - Confirmation 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)
 - Confirm an Operations & Maintenance Plan is complete and adopted, as required, for the constructed Activities.
- Financials:
 - Confirm that 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
 - Confirm documentation is retained for any critical decisions made or policies developed (for future audits).
 - Close out applicant files and make sure files are consistently organized.
 - Closeout 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 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 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 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

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 grant between IEDA and HUD is closed. IEDA grant closeout with HUD is anticipated in 2031. IEDA will notify all subrecipients when documentation retention is no longer required. Subrecipients may also contact IEDA's CDBG Team to inquire about document retention times for the grant.

Appendix

Appendix

- Iowa Profile Resource for DemographicsA-1**
- Resources for Conducting Income SurveysA-1**
- Duplication of Benefits TrackingA-1**
- Best Practices for Operations and Maintenance PlansA-2**
 - Operations and Maintenance (O&M) Planning Guidance..... A-2
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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](#)

Resources for Conducting Income Surveys

- **COSCD A Presentation on Income Surveys**
 - <https://coscda.org/wp-content/uploads/2023/03/CDBGIncomeSurveyToolkitErinnMartin-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>

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

IEDA's Duplication of Benefits (DOB) Policy has more details regarding what documents IEDA will request from subgrantees and applicants and how IEDA will conduct DOB reviews. See recovery website for more resources.

Best Practices for Operations and 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?Dockkey=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.

