

CDBG PROGRAM OVERVIEW

The CDBG program is a federally funded program through the U.S. Department of Housing and Urban Development (HUD). HUD provides grants on an annual basis to states and some local communities to help develop viable communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

Each activity funded with CDBG funds must meet one of three national objectives:

- Prevention and elimination of slum and blight
- Benefit low to moderate income persons
- Meet an urgent need

The State of Iowa’s Community Development Block Grant (CDBG) program is administered by the Iowa Economic Development Authority.

The amount of CDBG funds received by the State varies, depending on the spending level approved by Congress

IOWAGRANTS.GOV

CDBG applications are submitted online through www.iowagrants.gov. To start or submit an application, you must have an account through iowagrants.gov. Below is the “Welcome Page” to IowaGrants.

The screenshot shows the IowaGrants.gov website. At the top, there is a dark blue header with the Iowa state seal on the left, the text "IOWA GRANTS" in the center, and "Welcome to IowaGrants.gov" on the right. Below the header, the page is divided into two main columns. The left column contains a "Login" section with a blue button "Click Here to Access Single Sign On Tool" and a "View Current Funding Opportunities" button. Below that is a "DISABLED (IOWA USERS DO NOT USE)" section with input fields for "User ID" and "Password" and a "SIGN IN" button. The right column contains an "Announcements" section with a yellow header "NEW LOGIN PROCESS" and text explaining the login requirements. Below that is another yellow header "DISASTER RELIEF" with text providing contact information for disaster-related inquiries.

On the left had side of the above screenshot is a site you can go to for step-by-step instructions or ID.iowa.gov for help. Placing a “Ticket” can be faster than calling the help desk.

FEDERAL REQUIREMENTS APPLICABLE TO ALL CDBG PROJECTS

Eligible Applicants

Applicants must be a unit of local government; CDBG funds cannot be awarded directly to a business entity, non-profit or individual.

All incorporated cities and all counties in the State, except those designated as HUD entitlement communities, are eligible to apply for and receive CDBG funds. A list of entitlement communities in Iowa can be found here: <https://www.hud.gov/states/iowa/community/partnerwebsites>

Grant Administration

Iowa's Councils of Governments/ Regional Planning Commissions and some private consultants provide CDBG grant administration services. Please refer to the 2 CFR 200 & procurement section of this manual for more information on selecting a CDBG grant administrator and what is required to be done at the time of application.

The U.S. Department of Housing and Urban Development (HUD) limits planning and administrative costs. These costs include State Administration, Local Administration and Technical Assistance. IEDA is required to monitor Planning and Administrative costs to ensure compliance with the "Not to Exceed Cap".

IEDA allows normal administration costs for individual projects, on average, to be between 4% and 7% of the total CDBG project cost. The maximum amount available for grant administration may not exceed 10%. However, any amount exceeding 7% will require IEDA approval and proof of undue financial hardship. All decisions by IEDA are final.

Please Note: The total award is inclusive of administration and activity costs. The more administration costs requested, the less activity dollars available for the project. Example: Total amount of award is \$500,000. Administrative Cost requested amount is \$25,000 or 5%, leaving \$475,000 for activity costs. If the Administration Cost amount is increased to \$35,000 or 7%, then the available activity dollars is reduced to \$465,000.

Procurement Requirements

The CDBG Management Guide (link below) Chapter 2 summarizes Federal requirements that apply to the CDBG program. Included are the various Methods of Procurement for all CDBG funded projects.

[CDBG Management Guide | Iowa Economic Development Authority](#) (2024 is the most current Management Guide available at the writing of this manual.)

Please also reference Appendix 2 in the CDBG Management Guide for detailed information on procurement requirements. The appendix summarizes when and how to procure services and construction, types of procurement, bonding, and a sample Procurement Policy.

Be aware that regardless of the source(s) of funding, contractors involved in CDBG projects (including grant administrators and architects) be procured in accordance with the CDBG policies.

Citizen Participation Requirements

Citizen Participation Requirements can be found below in Appendix 1, Page 12.

Prior to submitting an application, the applicant (city or county) must hold a public hearing to discuss the project and provide information on the CDBG application.

Public notice of the hearing must be published in a newspaper of general circulation, no less than 4 days and no more than 20 days before the public hearing. Public hearings are to be held in accessible locations. The public hearing notice must provide the date and time of the public hearing, the project name and description, the purpose of the project, the source of funds being requested (CDBG), and a local contact person (name/phone/email) for the public to contact if accessibility or translation services are needed.

At the public hearing, the following information should be covered. Each point must be reflected in the public hearing minutes:

- How the need for the proposed activities was identified.
- How the proposed activities will be funded and sources of funds.
- Date the application will be submitted.
- Requested amount of federal funds.
- Estimated portion of federal funds that will benefit persons of low to moderate income families.
- Where the proposed activities will be conducted.
- Plans to minimize displacement of persons and businesses as a result of the funded activity.
- Plans to assist persons actually displaced.
- The nature of the proposed activities.

At the application public hearing, applicants must conduct a Community Development and Housing Needs Assessment. During this process, applicants should ask for public input on local community and housing needs, needs of low to moderate income persons in the community and planned or potential projects to address these needs.

For more specific information, please refer to IEDA training slides regarding public hearings and community development plans:

<https://www.iowaeda.com/UserDocs/2020CDBGTrainingPowerPoint09292020.pdf>

Applicants must ensure all public hearing and Community Development and Housing Needs assessment information is complete and adequate. Applications that do not demonstrate compliance with citizen participation requirements will not be funded.

General CDBG Application Requirements

While the questions and information collected in each program application varies, there are some items that are required for all CDBG applications. These documents/ items will be collected in lowagrants.gov and must be submitted as part of a completed application.

- Public hearing notice and proof of publication of notice
- Signed minutes from the public hearing
- Community Development & Housing Needs Assessment (not older than one year)
- Federal Assurances signature page- *Link to this form included in lowagrants.gov*
- Applicant/Recipient Disclosure/Update form- *Link to this form included in lowagrants.gov*
- Minority impact statement

General CDBG Program Requirements & Policies

All CDBG programs are subject to some general requirements and policies. Program specific requirements and policies are outlined further in this manual.

The following policies apply to all IEDA CDBG programs:

- Incomplete applications may not be reviewed- Applications that are missing required information, and attachments may not be reviewed or scored. IEDA staff will inform applicants why an application was not scored.
- No corrections to applications may be made after submittal- Once an application is submitted for review, applicants will not be able to amend or correct information in the application. It is imperative that applicants review all information and ensure all required attachments are included with an application before the application is submitted for review. IEDA may however request clarifying information during its review, to supplement what has already been submitted to IEDA. This may include allowing applicants to upload supplemental information in lowagrants.gov upon request from IEDA.
- IEDA reserves the right to negotiate award amounts with applicants- Awards may be less than the amount requested in the application. If IEDA is considering making an award of a lesser amount, IEDA staff will contact the applicant to discuss it before any funding decision is made.
- Projects may not start before an award is made and an environmental release of funds letter is issued- Due to federal requirements, IEDA is unable to fund projects that have already started at the time of application. Costs incurred with the preparation of an application are not eligible costs and cannot be paid with CDBG funding.

Community Facilities Program Specific Information

Program Overview

This competitive program offers grants to assist communities for a variety of non-profit community facilities including daycare centers, physical and/or mental health clinics, senior centers, facilities for persons with disabilities, homeless shelters, and community centers. Funds are to be spent on construction costs (e.g., rehab or expansion/addition of a preexisting facility, or a brand-new build), architectural design fees, grant administration fees, and other associated project fees. The services of both an architect and a grant administrator will be required. Regarding ineligible expenses, no project funds from any source may be spent on operations costs or supplies and furnishings. Additionally, no project funds can be spent on buildings that provide for the general operation of government (i.e., municipal or county offices, council chambers, etc.).

All incorporated cities and all counties in the State, except those designated as HUD entitlement areas, are eligible to apply for and receive funds under this program. All eligible applicants may apply for a maximum of \$600,000. However, the amount requested should be reflective of the applicant's financial need. There is no minimum match requirement, but the higher the match percentage in the overall project budget, the higher that application will score.

To be eligible for funding, the project must meet the HUD National Objective of serving low- and moderate-income (LMI) persons. Low- and moderate income is defined as persons with household incomes at or below 80% of the area median income as defined by the U.S. Department of Housing and Urban Development (HUD). Different facility types have different ways of meeting this requirement, depending upon the service area of the facility:

- Community centers and physical/mental health facilities benefit the community on an area basis; therefore, the applicant must be able to demonstrate that at least 51% of all residents in that area are LMI. If the boundaries of the service area are equivalent to the boundaries of the community, the applicant should use American Community Survey (ACS) data found on the CDBG website. If the boundaries of the service area are not equivalent to those of the community itself, or if the ACS data is known or suspected to be inaccurate, the applicant would utilize an area-wide household income survey.
- Daycare centers serve a limited clientele; therefore, the applicant must be able to demonstrate both at application and at grant closeout via a household income survey of daycare clientele that at least 51% of all daycare households are LMI. Note: some health facilities may also utilize this method if they do not serve the population at large.
- Homeless shelters, senior centers, and facilities for persons with disabilities serve populations that HUD presumes to be LMI; therefore, no additional documentation is required at application. Note that HUD uses the Census Bureau's definition of "severely disabled" regarding this criterion (see 24 CFR 570.483(b)(2)(ii)(A)) and therefore so does the CDBG Community Facilities program.

For further information, both the current ACS data and instructions on how to perform a household income survey, please visit the IEDA website: [CDBG Program Guidance and Related Resources | Iowa Economic Development Authority](#) (Under the heading "Recipient Income Requirements and Census Information").

For more detail on this and all other program requirements, please review the 2026 Community Facilities Application Workshop materials (slide deck and recording) on our website here: <https://opportunityiowa.gov/community/community-infrastructure/cdbg-programs/community-development-facilities-fund#community-facilities>

Program Policies & Guidelines

At the time of application, non-profit facilities must document site control by either:

- Documentation of ownership of the property – must be purchased prior to the application submittal date, OR
- A signed lease, minimum 15-years in length, and the lease must give permission for construction work to take place on site

If the non-profit organization will be operated by entities other than the city or county (applicant), the applicant will need to submit:

- Documentation of non-profit legal status and date of incorporation AND
- Signed agreements between non-profit and the city/county (the subrecipient agreement template is found in the CDBG Management Guide)

Note that any non-profit that spends grant dollars must do so in compliance with all CDBG state and federal rules and regulations.

Additional documentation required at application includes:

- Photos of the facility (exterior and interior). The photos should demonstrate the need for the project and capture “before” images of any area that would fall under the construction scope of work. Photos should be labeled and combined into a single PDF document for upload.
- Initial design renderings created by a licensed architect.
- A line-item budget/cost estimates sheet.
- Documentation of matching funds. All matching funds must be committed to the project at the time of application.

Application Deadlines

Applications for Community Facilities projects will be accepted on an annual basis. For the 2026 round, Community Facilities applications will be due on August 17, 2026.

Application Process

Applications must be accessed and submitted through lowagrants.gov: <https://www.iowagrants.gov> Go to that webpage, click “View Funding Opportunities,” and search for “CDBG Community Facilities.” You must have an account with IowaGrants to see and submit an application.

Required Attachments

The application form in lowagrants.gov lists all attachments required to be submitted with the CDBG Community Facility applications. Applications without all required attachments submitted will not be reviewed by IEDA.

Evaluation Criteria

CDBG Community Facilities applications are reviewed and evaluated based on the criteria included in the application review form which can be found in the appendix to this manual. The CDBG Team makes funding recommendations to the IEDA Director. Final award approval is provided by the IEDA Director.

Award Decisions

Approval timelines may vary, depending on staffing, internal approval processes and the completeness and readiness of the applications. Awards decisions are typically made within 45-60 days of application submittal.

Applicants may only have one open Community Facilities contract at any time. Open projects must be completed and closed with IEDA before the community may apply for funding for another project.

APPENDIX – Community Facilities Review Form

Community Facilities Review Form

Application Checklist:

| | | |
|--|-----|----|
| Is the UEI number provided? | Yes | No |
| Is the grant amount requested at or below the amount allowable? | Yes | No |
| Is the administration line item in the budget less than 10% CDBG request AND of total cost? | Yes | No |
| Is the HUD Disclosure Form signed by the CEO? | Yes | No |
| Is the Federal Assurances page signed by the CEO? | Yes | No |
| Is the Community Needs Assessment current (good for one year only, then must be re-adopted; the minutes and proof of publication are both uploaded)? | Yes | No |
| Is the publication date of the hearing notice no less than 4 days but no more than 20 days before to the hearing? | Yes | No |
| Does the public hearing notice contain correct & necessary information? | Yes | No |
| Do public hearing minutes cover the nine required points and include correct and necessary information? | Yes | No |
| Does the project budget add up correctly? | Yes | No |
| Have all documents under 'Required Attachments' been uploaded with the application? | Yes | No |

Application Review:

| | | |
|-------------------------------------|-----|----|
| Administrative Capacity: | Yes | No |
| Administrative Capacity Comments: | | |
| Previous Grants: | Yes | No |
| Previous Grants Comments: | | |
| Are Local Funds 100% Secured: | Yes | No |
| Is there a commitment Letter(s): | Yes | No |
| Amount of CDBG / Local funds ratio: | | |
| Local funds comments: | | |
| Is the activity in a floodplain? | Yes | No |
| Floodplain Comments: | | |

Is site control documented with either an ownership deed or a minimum 15-year lease? Yes No

Site control comments:

National Objective Met: Yes No

National Objective Comments:

Is project eligible: Yes No

Eligibility Comments:

Scored Component; Use 1-5 for all rankings:

Degree of need for, and anticipated impact of, the project:

1 Low = The application does not substantiate any need for this project, either due to a lack in the community or a financial need; there will be no new or increased level of service for the non-profit as a result of this project; the application communicates a “want” rather than a “need.”

2 Medium/Low =

3 Medium = Although the application describes a need for the project, it is described only in vague or broad terms, unable to be quantified or understood with much clarity; the application struggles to identify measurable outcomes or impacts to the local community should the project be awarded.

4 Medium/High =

5 High = Need (financial or in the community) is well documented (e.g., measurable, supporting documentation uploaded); the impact to the community is described in the narrative questions as anticipated to be significant, and there are details that corroborate that (e.g., detailed plans, past performance increases confidence, the contrast between the current reality and the proposed idea is sizable, etc.).

Rank the degree of need for, and anticipated impact of, the project: (1 – 5)

Degree to which the project has demonstrated community support:

1 Low = There is no sign of any community discussions or general support in the narrative questions, nor are there any letters uploaded to the application elsewhere.

2 Medium/Low =

3 Medium = Some community support is documented in the application, but it only comes from one or two sources (or appear to be all “copy/paste”), and/or the sources are not meaningful/related/influential to the project’s context.

4 Medium/High =

5 High = Community support is well documented from a variety of sources and in a variety of means; letters do not appear to be rote form letters and come from individuals or organizations that carry weight in the community and/or are relevant to the goals of the project itself.

Rank the degree to which the project has demonstrated community support: (1 – 5)

Degree to which CDBG funds will be leveraged by other funds:

- 1 Low = Less than 15% of project financed with leveraged funds
- 2 Medium/Low = 16% - 35%
- 3 Medium = 36% - 55%
- 4 Medium/High = 56% - 75%
- 5 High = Over 75%

Rank the degree to which CDBG funds will be leveraged by other funds: (1 – 5)

Degree to which the project is planned out and prepared to proceed:

- 1 Low = Little preliminary design done, no draft ERR/ISIF, match funding not confirmed/documented, missing site control documentation, etc.
- 2 Medium/Low =
- 3 Medium = Some preliminary design done, but some important elements remain undetermined; some but not all of the following may be uploaded: draft ERR/ISIF, financing documentation, site control documentation, etc.
- 4 Medium/High =
- 5 High = Preliminary design work is done and needed financial resources are secured, a draft ERR/ISIF (ERR ready for publication but unsigned) is uploaded, either a property deed or minimum 15-year lease is included, etc.

Rank the degree to which the project is planned out and prepared to proceed: (1 – 5)

Degree of overall feasibility of the project:

- 1 Low = Project proposes funding for ineligible activities, does not appear to meet a National Objective, has a poorly developed or unrealistic timeline, does not have any sort of plan or agreement in place for organizational staffing capacity, does not have all necessary funding identified, etc.
- 2 Medium/Low =
- 3 Medium = Project proposes eligible work that meets a National Objective, but the ideas seem underdeveloped and raise more questions than they answer. It is unclear whether the project could be successfully completed within the grant timeframe given the information that was supplied at application.
- 4 Medium/High =
- 5 High = The application communicates a well-thought-out idea and supplements the planning process, eligibility, and financing with detailed supporting documentation. There are no red flags about the city and/or non-profit's ability to successfully complete the proposed work under the various CDBG requirements.

Rank the degree of overall feasibility of the project: (1 – 5)

Degree of clarity, completeness, readability, and viability of the application:

- 1 Low = confusing/unclear/inconsistent/incomplete
- 2 Medium/Low =
- 3 Medium = complete but not all sections or information immediately clear or entirely consistent
- 4 Medium/High =
- 5 High = completely and clearly defines project, all attachments properly prepared and included, demonstrates forethought and attention to detail

Rank the degree of clarity, completeness, readability, and viability of the application: (1 – 5)

Degree to which the proposed activity is appropriate for CDBG funding:

1 Low = Does not appear to further the CDBG program purpose in any meaningful way

2 Medium/Low =

3 Medium = Relates to some aspects of the CDBG program purpose

4 Medium/High =

5 High = Clearly furthers most aspects of the CDBG program purpose

Rank the degree to which the proposed project is appropriat