IEDA CDBG-DR FREQUENTLY ASKED QUESTIONS

as of 9-25-26

General Application Questions

1. Could you please provide the points available for each of the scoring criteria?
   The scoring criteria is published on the IEDA 2024 CDBG-DR Disaster Recovery website located here: 2024 CDBG-DR Flood Recovery | Economic Development & Finance Authority

2. We are requesting information from all the developers on their possible projects. After we receive this information are we able to have a conversation with state staff related to the potential projects?
   Not individually. All questions sent to the IEDA email address will be responded to through this FAQ list. There will also be two office-hour sessions where specific questions can be discussed.

3. Are they allowed to enter two applications for the same site (i.e. one owner-occupied and one rental)? These would be two separate options for the same site – not mixed.
   No, there should be a definitive project plan for the site. IEDA will not consider two applications for the same site to determine which is the better option. It is expected that the developer and community will have made that decision prior to the application.

4. Under "Project Expenditures" in the application it states to see the program guidelines for guidance but there is nothing specific in that document. Could you please clarify?
   Project expenditures refer to the line items in the development budget, such as hard construction costs, site work, architectural and engineering fees, etc. Please provide as much detail as possible and break out contractor fees (general conditions, overhead, profit) from the hard construction costs. Construction divisions (electrical, plumbing, etc) can be combined under hard construction costs.

5. The application asks if we have done a design consultant with IEDA design team. How do we set this up for each developer prior to the application due date?
   This is not required. Applicants can answer 'NO' to this question.

6. Are there any IEDA forms to attach for:

   (i) Request for Infrastructure in Support of Housing: There is no separate form. *Select 530-Housing Infrastructure* in the *Budget Activity* section of the application and add the budget details in the *Project Expenditures* section of that page. Add any relevant detail on the infrastructure under the *Housing Project Information* section on the *Project Information page*. Upload any supplemental documents that will support the request, if applicable, in the *Other Attachments* section of the application.

   (ii) Request for Mitigation Incentive: There is no separate form. *Select 530-Housing Infrastructure* in the *Budget Activity* section of the application and add the budget details in the *Project Expenditures* section of that page. Add any relevant

detail on the mitigation measures under the *Housing Project Information* section on the *Project Information page*. Upload any supplemental documents that will support the request, if applicable, in the *Other Attachments* section of the application.

(iii) Duplication of Benefits (DOB) Worksheet: This has been removed. There is no requirement to submit any DOB information at the time of application.

(iv) Any other required forms that are not HUD standard forms: The required forms are listed in *Housing Construction Uploads* section of the application. You may submit your own version of each required document, such as the developer proforma. If there are other documents that will strengthen the application, those can be submitted in the *Other Attachments* section of the application.

Project Questions

7. Is a project that is not yet annexed into a City/Town eligible to be applied for by the City/Town? It is adjacent to our incorporated boundary and would be annexed in before any agreements would be signed.
   Yes. An application may be submitted if it includes an explanation of the annexation status and the anticipated timeline for completion. However, no agreement will be executed until annexation is complete.

8. Can the City/Town be the owner of the property/project being applied for?
   The City may own the property at the time of application but cannot be the permanent owner of the project. The application must include evidence that the ultimate owner has site control, such as a purchase agreement or an option for a land lease.

9. Are there any BABA requirements?
   No, CDBG-DR for housing projects does not have BABA requirements.

10. We will have multiple projects in different locations with different developers that we plan to submit for. Do we put them all in one application or separate them into multiple applications based on developer and/or location?
    Separate applications must be submitted for each project. Projects should not be combined into a single application when they involve different locations, developers, or project scopes.

11. The developer section of the application states that an RFP process needs to be followed to select the developer. Does this need to be completed prior to application submittal? We anticipate developers coming forward that already own the property that they are interested in developing. In other words, the City wouldn't have property that we would be soliciting developers for?
    A formal RFP process to solicit or select a developer is not required. Communities may support projects proposed by developers who already own or control a site. However, communities are expected to conduct and document a reasonable review process to evaluate potential projects and determine which projects best align with local housing needs, community priorities, and program objectives. The review process may be tailored to local circumstances and does not require a formal procurement. The intent is not for communities to submit applications for

every project presented to them, but rather to demonstrate that they have considered available opportunities and are advancing the strongest and most viable projects for funding. Additionally, the projects should also meet the Application Criteria, including development readiness and financial feasibility.

12. Does the state inspect the units at any point in the process?
    There will be an inspection process. More information will be provided once the process is finalized.

13. We typically use the 1040 method of income calculation for CDBG-funded projects. Is this allowable in both the rental and owner-occupied programs? Or, is Part 5 required for both?
    Part 5 is required for both programs.

14. When is the required late start date and completion dates for projects?
    Subrecipient agreements will be for a three-year term. The first reimbursement claim must be submitted within six months of agreement execution. Any anticipated delay in meeting this requirement should be discussed with the assigned IEDA project manager as early as possible.

Funding/Financing

15. Is there a maximum total that we cannot exceed applying for? Will the awards be all or nothing? In other words, are they able to be awarded less than they requested?
    Maximum allowable funding per project: Rental: $150,000/unit + $20,000/unit for mitigation; Single family for sale: $200,000/unit + $25,000/unit for mitigation. There is no maximum award amount per project; however, funding requests must be reasonable and supported by project needs. Applicants are expected to leverage other available financing sources. For rental projects, this may include permanent first mortgage financing. For homeownership projects, buyer mortgage financing should be incorporated whenever feasible.

    If applications exceed available funding, there may be awards at amounts lower than requested. Award amounts may also be reduced if underwriting determines that a lower subsidy is sufficient.

16. Can you provide any information on preferred level of subsidy? Will the scoring criteria have a sliding scale of points available related to the level of subsidy? It is difficult to determine what level of subsidy is reasonable as the maximum per unit is higher when compared to other programs.
    There is no preferred subsidy level. Funding requests may not exceed the maximum amount shown in Question 15 and must be limited to the minimum amount needed to make the project feasible. There is no scoring penalty for requesting the maximum allowable amount, if needed by the project. However, projects may receive additional points for leveraging other permanent funding sources.

17. Can these funds be layered with other state and federal sources including the workforce housing program?
    Yes, absolutely.

18. Can payments to the developer be processed as the project is constructed or do we have to wait until the occupancy permit is granted before we reimburse them fully?
    Payments to the developer, known as Claims, can be submitted every 90 days, provided that the invoices being reimbursed have already been paid. The first claim is due within six months of the agreement's execution.

19. For the additional funding related to mitigation elements for the housing, can you pick and choose which elements you are requesting funding for? Are they prioritized?
    No, they are not prioritized – the project can put forward any mitigation elements that work best.

Rental Housing

20. Is rehab of a vacant building considered construction of new units and eligible?
    Adaptive reuse (conversion of a non-residential building to residential) is eligible. Also, the rehabilitation of a residential building that has been vacant for over one year is also eligible for funding. Rehabilitation of an occupied residential building is not eligible for funding under this program.

21. How often do the tenants need to be income-qualified? Annually?
    CDBG-DR requires income-qualification at initial occupancy. Annual recertifications are not required, however, the percentage of affordable units must remain at or above 51% of the total project for the full affordability period.

Homeownership Questions

22. For the $35K in downpayment assistance, is it a flat amount available or do we need to complete underwriting to determine what the amount is that the buyer needs to close?
    $35K is the maximum down payment per buyer. Each buyer will require underwriting to determine the amount of CDBG-DR construction subsidy and DPA required for their specific circumstances.

23. If it is a condo situation (the units are all on one parcel) are they still considered owner-occupied? Any issues with a multiunit building being condoed? Shared walls, etc.? I know HOME has rules about this so I thought it would be a good question to ask.
    If the units will be sold to individual homebuyers, the project is considered homeownership housing. However, the for-sale program is limited to single-family projects, which are defined as developments containing four or fewer units per building. Buildings containing more than four units are not eligible under this program, even if the units are individually sold. Multiple buildings containing one to four units each are eligible.

24. How is project defined related to Davis-Bacon requirements? For example, we have a developer that is interested in doing an infill project consisting of ten single-family homes on scattered sites. First, would a separate application need to be submitted for each lot? And second, would you consider this one project and therefore subject to Davis-Bacon requirements?
    Detached single-family homes on scattered sites would not be subject to Davis-Bacon. One application can be submitted for a single-family scattered site project.