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**COMMUNITY DEVELOPMENT BLOCK GRANT  
ECONOMIC DEVELOPMENT SET-ASIDE PROGRAM**

**PURPOSE**

The purpose of the CDBG Economic Development Set-Aside (EDSA) Program is to increase employment opportunities for low and moderate income Iowans by increasing the level of economic activity within the state.

**DESCRIPTION**

The program provides financial assistance to those businesses and industries requiring such assistance in order to create new job opportunities. Assistance is provided to encourage new business start-ups, expansion of existing businesses and/or the relocation of out-of-state businesses into Iowa. Assistance may be provided in the form of direct loans or forgivable loans. If certain requirements are met under direct loans, the local government may retain repayments to capitalize revolving loan funds.

Priority is given to projects that will create manufacturing jobs, add value to Iowa resources and/or increase exports out of state. Preference will be given to those businesses which will create or retain the greatest number of jobs with the least amount of program dollars. Refinancing or restructuring of existing loans and projects involving a single retail establishment will be considered low priorities. The rating system gives preference to direct loans over forgivable loans.

**ELIGIBILITY**

Although the program provides financial assistance to businesses, the application must come from a public "sponsor". Iowa cities under 50,000 population (with the exception of Cedar Falls) and all counties are eligible to apply on behalf of businesses within their jurisdiction. Applications are accepted and reviewed on a continuous basis.

**SOURCE OF FUNDING**

The EDSA Program utilizes a provision, which allows up to 20 percent of the Iowa allocation from the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) Program to be reserved to fund economic development projects.

**REQUIREMENTS**

Federal guidelines require that funding for projects under CDBG economic development programs be "necessary and appropriate" to accomplish the project. More simply stated, EDSA assistance may only be provided to a business that truly needs public assistance, and then only the minimum amount of EDSA funds necessary to meet this may be provided. The only three valid criteria to determine this need are: a financing gap, insufficient return on investment or locational disadvantages.

**HUD** guidelines also require that 51 percent of the jobs created or retained be filled by low and moderate income persons or first consideration must be given to hiring low and moderate-income persons. Low and moderate income is a much higher income level than the poverty level and is calculated based on family size and the county in which the person resides. (See the enclosed County Low and Moderate Income Levels.)

Additional requirements pertaining to environmental review, civil rights and prevailing wages for construction projects also apply.

A business, receiving EDSA funds, is required to make available at least 10 percent of the jobs created to qualified Promise Jobs program participants. To meet the minimum requirements of this provision, the business shall provide to the area Work Force Center and Job Training and Partnership Act/Promise Jobs Service Office, job descriptions of the positions to be created and certify to the Department that qualified Promise Job Participants shall receive hiring consideration. In addition, the business is encouraged to undertake further affirmative action to hire Promise Job participants, such as publicly advertising job openings. Promise Jobs is a program designed to assist individuals on government assistance (i.e., Family Investment Program) to garner the necessary skills and education for employment opportunities.

A majority of the jobs to be created or retained shall have an average starting wage of at least 100% of the county average wage as calculated under the EDSA regulations, in which the project shall be located. The maximum grant award for individual applications from a city or county on behalf of a business is \$1,000,000 per application.

### **REVIEW CRITERIA**

IDED shall review applications and make funding decisions based on the following criteria:

1. Impact of the project on the community.
2. Appropriateness of the jobs to be created or retained by the proposed project.
3. Appropriateness of the proposed wage and benefit package available to employees in jobs created or retained by the proposed project.
4. Degree to which EDSA funding would be leveraged by private investment.
5. Degree of demonstrated business need.  
In evaluating applications, IDEED shall give supplementary credit to applicants who have executed a good neighbor agreement with the business to be assisted.

IDED may conduct site evaluations of proposed projects.

### **TIME FRAME**

Upon receipt by IDEED of a complete application, funding decisions can generally be made within 30 days, however for a decision to be reached, up to 60 days may be taken.

If awarded, an environmental review must be or have been completed prior to the business incurring any costs related to the project. A review may be initiated before or during the application process, as the process may take up to 30 days to complete.

If federal funds are used for construction, a wage determination must be requested to ensure an adequate wage/benefit compensation is being provided to the construction workers. It may take up to 45 days for a wage decision to be received from the U.S. Department of Labor. This process may also be initiated prior to a decision being made on an application.

In addition, any special contract conditions must be met before funds may be drawn. The length of time may vary but generally it will take one to two months to clear conditions. Upon requesting federal funds it will take approximately two to three weeks to receive the check.

**ECONOMIC DEVELOPMENT SET-ASIDE PROGRAM APPLICATION FORM****GENERAL INSTRUCTIONS**

6. Costs incurred in preparation of this application are not reimbursable under this grant program.
7. For successful applicants, no costs incurred on the proposed project(s) prior to authorization from the Iowa Department of Economic Development are reimbursable by the CDBG program.
8. At least one public hearing must be conducted prior to submission of an application. (Refer to the Citizen Participation Plan that is enclosed.) A copy of the public hearing notice and a copy of the minutes must be submitted with the application.

**ELIGIBILITY REQUIREMENTS**

Applicants for funds under any of the programs authorized under the Community Development Block Grant Nonentitlement Program must meet the common threshold criteria listed in the Administrative Rules.

**THRESHOLD CRITERIA**

In addition to all minimum requirements listed in rule 23.7(15) all applicants for economic development set-aside funds must satisfy the following requirements to be eligible for funding.

1. Have an average starting wage, for the affected positions, that meets or exceeds the lowest of 100% of the average county wage, 100 percent of the average regional wage, or the annual wage cap;
2. At least 51 percent of the permanent jobs created or retained by the proposed project will be taken by or made available through first consideration activities to persons from low-and moderate-income families;
3. A minimum ratio of one permanent job created or retained for every \$10,000 of CDBG funds awarded must be maintained;
4. Terms of conventional loans, which are part of the project, must be consistent with terms generally accepted by conventional financial institutions for the type of property involved;
5. There must be evidence of adequate private equity;
6. There must be evidence that the economic development set-aside funds requested are necessary to make the proposed project feasible;
7. There must be evidence that the business requesting assistance can continue as a "going concern" in the foreseeable future, if provided the requested assistance;
8. Jobs created as a result of other jobs being displaced elsewhere in the state will not be considered new jobs created for the purpose of evaluating the application.
10. No significant negative land use or environmental impacts will occur as a result of the

project; and

11. Applicants must demonstrate that no significant impact on public services (e.g., infrastructure) will result from the project, or if such impacts will result, demonstrate that the impacts can be mitigated without requesting further assistance from state and federal programs.

### **ASSURANCES INFORMATION SHEET**

The applicant's chief executive officer (mayor or supervisors chairperson) must sign the assurances sheet, certifying the community will comply with the federal and state requirements described below (and in greater detail in the *CDBG Management Guide*):

**THE CIVIL RIGHTS ACTS:** No person in the United States shall on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity for which the recipient receives federal funds. The recipient shall also administer all programs and activities relating to housing and community development in a manner to affirmatively further fair housing.

**HOUSING & COMMUNITY DEVELOPMENT ACT:** Authorizes the CDBG Program. All applicable provisions of the Act shall be adhered to by recipients.

**AGE DISCRIMINATION ACT OF 1975:** No person on the basis of age, shall be subject to discrimination, excluded from participation in, or be denied benefits of any program or activity for which recipient receives funds.

**SECTION 504 OF THE REHABILITATION ACT OF 1973:** No person shall, due to a physical or mental disability, be excluded from participation in, denied the benefits or be subject to discrimination under any program or activity for which the recipient receives funds.

**DAVIS-BACON ACT:** Laborers and mechanics employed by contractors and subcontractors, in the performance of construction work funded in whole or in part with federal funds (exceeding \$2,000), shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the U.S. Secretary of Labor.

**24 CODE OF FEDERAL REGULATIONS PART 58 & NATIONAL ENVIRONMENTAL POLICY ACT:** Provide for the identification of environmental impacts of proposed projects utilizing federal funds. This includes the preparation of environmental assessments and, where necessary, environmental impact statements.

**UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICY ACT:** Owners of real property to be acquired for CDBG activities shall be treated fairly and consistently, to encourage and expedite acquisition by agreements with owners, minimize litigation and promote confidence in public land acquisition. Persons displaced by CDBG activities shall be treated fairly, consistently and equitably so they do not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole.

**STATE OF IOWA CITIZEN PARTICIPATION PLAN:** Local governments must meet the provisions of Section 508 of the Housing and Community Development Act of 1987 (Citizen Participation Plan is attached).

**LEAD-BASED PAINT POISONING PREVENTION ACT:** Construction or rehabilitation of facilities commonly used by children under age seven with CDBG funds is subject to regulations contained in 24 CFR Part 570.608.

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**RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN:** Recipients must have a plan to minimize displacement and must replace all occupied and occupiable affordable dwelling units demolished or converted to another use as a direct result of CDBG activities. This applies to all units in a project, even if CDBG funds are not specifically used on the subject unit(s). This is a contract condition to release of CDBG funds.

**GOVERNMENT-WIDE RESTRICTION ON LOBBYING:** No federal funds will be paid for influencing or attempting to influence an officer or employee of any agency or Member of Congress, in conjunction with awarding of any federal contract, grant, loan, etc.

**DRUG-FREE WORKPLACE:** The grant recipient must certify that it will provide a drug-free workplace. And each employee engaged in the performance of the CDBG grant must be made aware of this act.

**COMMUNITY BUILDER CERTIFICATION:** Recipients of state or federal funds awarded after July 1, 1990, must receive Community Builder Plan Program certification. To be certified, a plan must be prepared as outlined by law.

**PROHIBITION OF USE OF EXCESSIVE FORCE:** Recipients must adopt and enforce a policy prohibiting use of excessive force by law enforcement in their jurisdiction against persons in nonviolent civil rights demonstrations.

**ASSURANCES**

I, \_\_\_\_\_ (CEO) , hereby certify that in carrying out the activities funded under the Iowa CDBG Program, the City/County of \_\_\_\_\_:

- A) will minimize displacement of persons as a result of such activities;
- B) will conduct and administer the program in conformity with Public Law 88-352 (Title VI of the Civil Rights Act of 1964), and Public Law 90-284 (Title VIII of the Civil Rights Act of 1968), and will affirmatively further fair housing;
- C) will provide for opportunities for citizen participation, hearings, and access to information with respect to our community development program comparable to the requirements found under sections 104(a)(2) and 104(a)(3) of Title I of the Housing and Community Development Act of 1974 as amended through 1987; and
- D) will not attempt to recover any capital costs of public improvements assisted in whole or part under the Iowa CDBG Program by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under the Iowa CDBG Program are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Public Law 93-383, as amended, or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the city/county has certified to the State it lacks sufficient funds received under the Iowa CDBG Program to comply with the requirements of clause (i) above.

I also certify that to the best of my knowledge and belief, data in the application is true and correct, including commitment of local resources; the document has been duly authorized by the governing body of the applicant; and the applicant will comply with all applicable federal and state requirements, including the following, if assistance is approved:

- A. Civil Rights Acts
- B. Housing and Community Development Act of 1974, as amended;
- C. Age Discrimination Act of 1975;
- D. Section 504 of the Rehabilitation Act of 1973;
- E. Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), where applicable under Section 110 of the Housing and Community Development Act of 1974, as amended;
- F. 24 Code of Federal Regulations Part 58
- G. National Environmental Policy Act of 1969;
- H. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended;
- I. State of Iowa Citizen Participation Plan;
- J. Lead-Based Paint Poisoning Prevention Act;
- K. Residential Anti-Displacement and Relocation Assistance Plan;
- L. Government-Wide Restriction on Lobbying;
- M. Drug-Free Workplace;
- N. Community Builder Certification Requirement; and
- O. Prohibition of the Use of Excessive Force.

Typed Name of Elected Official	Signature	Date
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Typed Name of Person Attesting	Signature	Date
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**EMPLOYMENT REQUIREMENTS OF THE ECONOMIC DEVELOPMENT  
SET-ASIDE PROGRAM (EDSA)**

The Community Development Block Grant (CDBG) Program is federally funded through the U.S. Department of Housing and Urban Development (HUD) and administered by the Iowa Department of Economic Development (IDED) in accordance with the amended 1974 Housing and Community Development Act.

The Community Development Block Grant Economic Development Set-Aside (EDSA) Program has been established to meet the national objective of benefiting low and moderate income (LMI) persons by expanding employment opportunities in the State of Iowa.

To meet this objective, 51% of the permanent full-time jobs created or retained must be either:

- A. Actually taken by persons from LMI households; **OR**
- B. Can be considered to be available to LMI persons because the skills necessary enable persons from LMI households to be attracted to and qualify for the position; and/or the business has established a training program to provide the necessary skills to unqualified persons which they hire.

- **AND** -

Actions are taken by the business and/or grantee that ensure low and moderate income persons receive first consideration for filling the available jobs. First consideration means that a business gives objective consideration to the employment of low and moderate income persons. Objective consideration normally will involve an interview.

Regardless of which method is chosen the business must obtain and keep on file for verification, sufficient information about the person to determine low and moderate income status or consider referrals from employment agencies which qualify a person's LMI status and maintain LMI verification records. Generally an individual qualified by JTPA will be accepted as meeting LMI requirements.

A list of low and moderate income levels by household size for each county is included in the application packet.

Before proceeding with your employment activities related to the EDSA Program, contact the Bureau of Business Grants and Loans to review hiring procedures and methods of documentation to achieve the benefit to low and moderate income persons intended.

**LIST OF POSITIONS FOR JOBS TO BE CREATED/RETAINED**

(e.g., 5 welders, 3 assemblers, 1 office worker)

JOB TITLE	SKILLS, EDUCATION EXPERIENCE NECESSARY	HOURLY WAGE	NUMBER FULL-TIME	NUMBER PART-TIME	TOTAL FTE

**EMPLOYER CERTIFICATION FORM**

I certify that at least 51% of the positions created or retained by \_\_\_\_\_ as a direct result of the Community \_\_\_\_\_ (Name of Firm)

Development Block Grant Economic Development Set-Aside (EDSA) Program will be taken by or made available by first consideration Activities, to individuals from low and moderate income households.

\_\_\_\_\_  
Signature of Employer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Date

**INSTRUCTIONS FOR COMPLETING EMPLOYEE CERTIFICATION FORM**

The Employee Certification Form is to be used to verify benefit to low and moderate income persons. The company has committed to providing at least 51% of the positions created or retained to LMI individuals as a result of the project.

Employees hired or retained should complete this form based upon their household income for the prior year.

Completed forms must be kept in files accessible for review by local, the department, and U.S. Department of Housing and Urban Development (HUD) officials.

STATE OF IOWA
COMMUNITY DEVELOPMENT BLOCK GRANT
ECONOMIC DEVELOPMENT SET-ASIDE
EMPLOYEE CERTIFICATION FORM

Date 2005

Dear Employee:

Please provide the information requested on this form so that we can verify to the Iowa Department of Economic Development that your employment here is achieving the goals of the Iowa Community Development Block Grant Program. This information is voluntary. The information will be placed in your confidential personnel file and is available to only a limited number of company officials. The information is also subject to verification by the City of ^ and representatives of the Department of Economic Development.

For assistance, please see Company Official. Thank you

Sincerely,
Company Official

1) Find the county in which you live and the size of your family. Count all family members including yourself living at home.

Family Size: 1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON 7 PERSON 8 PERSON
County:

Should you reside in a county not cited above, please request the available listing of additional Iowa counties.

2) Circle ABOVE or BELOW in this question: IS YOUR FAMILY'S PRESENT TOTAL INCOME ABOVE OR BELOW THE CORRESPONDING AMOUNT SHOWN FOR YOUR FAMILY SIZE?

3) Hispanic yes no

4) Please indicate your racial group:

- White American Indian/Alaskan Native & White
Black/African American Asian & White
Asian Black/African American & White
American Indian/Alaskan Native Am. Indian/Alaskan Native & Black/African Am.
Native Hawaiian/Other Pacific Islander Other Multi-Racial

5) In addition, please indicate whether either of the following pertain:

Female Head of Household Disabled Promise Job Participant

6) Name: Social Security Number: -- --

Signature: Date of Hire:

**HUD 2005 80% MEDIAN INCOME LEVELS BY COUNTY**

COUNTY	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Benton County	\$33,550	\$38,350	\$43,150	\$47,900	\$51,750	\$55,600	\$59,400	\$63,250
Black Hawk County	\$32,000	\$36,550	\$41,100	\$45,700	\$49,350	\$53,000	\$56,650	\$60,300
Boone County	\$33,400	\$38,150	\$42,900	\$47,700	\$51,500	\$55,300	\$59,100	\$62,950
Bremer County	\$34,000	\$38,850	\$43,700	\$48,550	\$52,450	\$56,350	\$60,200	\$64,100
Buchanan County	\$30,400	\$34,750	\$39,100	\$43,450	\$46,900	\$50,400	\$53,850	\$57,350
Carroll County	\$31,550	\$36,050	\$40,550	\$45,050	\$48,650	\$52,250	\$55,850	\$59,450
Cedar County	\$33,200	\$37,950	\$42,700	\$47,450	\$51,250	\$55,050	\$58,850	\$62,600
Cerro Gordo County	\$31,000	\$35,450	\$39,900	\$44,300	\$47,850	\$51,400	\$54,950	\$58,500
Clinton County	\$31,150	\$35,600	\$40,050	\$44,500	\$48,050	\$51,600	\$55,150	\$58,700
Dallas County	\$38,150	\$43,600	\$49,050	\$54,500	\$58,850	\$63,200	\$67,550	\$71,900
Des Moines County	\$30,250	\$34,550	\$38,900	\$43,200	\$46,650	\$50,100	\$53,550	\$57,000
Dickinson County	\$32,000	\$36,550	\$41,100	\$45,700	\$49,350	\$53,000	\$56,650	\$60,300
Dubuque County	\$32,750	\$37,450	\$42,100	\$46,800	\$50,550	\$54,300	\$58,050	\$61,800
Franklin County	\$30,400	\$34,750	\$39,100	\$43,450	\$46,900	\$50,400	\$53,850	\$57,350
Fremont County	\$31,100	\$35,500	\$39,950	\$44,400	\$47,950	\$51,500	\$55,050	\$58,600
Grundy County	\$34,050	\$38,900	\$43,800	\$48,650	\$52,550	\$56,400	\$60,300	\$64,200
Hamilton County	\$30,950	\$35,400	\$39,800	\$44,250	\$47,800	\$51,300	\$54,850	\$58,400
Hancock County	\$30,300	\$34,600	\$38,950	\$43,300	\$46,750	\$50,200	\$53,650	\$57,150
Harrison County	\$30,600	\$34,950	\$39,300	\$43,700	\$47,150	\$50,650	\$54,150	\$57,650
Henry County	\$32,150	\$36,750	\$41,350	\$45,900	\$49,600	\$53,250	\$56,950	\$60,600
Humboldt County	\$31,250	\$35,700	\$40,200	\$44,650	\$48,200	\$51,800	\$55,350	\$58,900
Iowa County	\$37,700	\$43,050	\$48,450	\$53,850	\$58,150	\$62,450	\$66,750	\$71,050
Jasper County	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,200	\$63,050
Jefferson County	\$31,300	\$35,800	\$40,250	\$44,700	\$48,300	\$51,900	\$55,450	\$59,050
Johnson County	\$40,600	\$46,400	\$52,200	\$58,000	\$62,650	\$67,300	\$71,900	\$76,550
Linn County	\$37,800	\$43,200	\$48,600	\$54,000	\$58,300	\$62,650	\$66,950	\$71,300
Lyon County	\$30,300	\$34,600	\$38,950	\$43,300	\$46,750	\$50,200	\$53,650	\$57,150
Madison County	\$32,650	\$37,300	\$42,000	\$46,650	\$50,350	\$54,100	\$57,850	\$61,550
Marion County	\$33,200	\$37,950	\$42,700	\$47,450	\$51,250	\$55,050	\$58,850	\$62,600
Marshall County	\$31,250	\$35,700	\$40,200	\$44,650	\$48,200	\$51,800	\$55,350	\$58,900
Mills County	\$33,500	\$38,250	\$43,050	\$47,850	\$51,650	\$55,500	\$59,300	\$63,150
Muscatine County	\$32,400	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150
Plymouth County	\$34,100	\$39,000	\$43,850	\$48,700	\$52,600	\$56,500	\$60,400	\$64,300
Polk County	\$38,150	\$43,600	\$49,050	\$54,500	\$58,850	\$63,200	\$67,550	\$71,900
Pottawattamie County	\$36,550	\$41,800	\$47,000	\$52,250	\$56,400	\$60,600	\$64,800	\$68,950
Poweshiek County	\$31,300	\$35,800	\$40,250	\$44,700	\$48,300	\$51,900	\$55,450	\$59,050
Scott County	\$32,500	\$37,100	\$41,750	\$46,400	\$50,100	\$53,800	\$57,550	\$61,250
Shelby County	\$30,500	\$34,900	\$39,250	\$43,600	\$47,100	\$50,600	\$54,050	\$57,550
Sioux County	\$31,000	\$35,450	\$39,900	\$44,300	\$47,850	\$51,400	\$54,950	\$58,500
Story County	\$37,350	\$42,700	\$48,000	\$53,350	\$57,650	\$61,900	\$66,150	\$70,450
Warren County	\$38,150	\$43,600	\$49,050	\$54,500	\$58,850	\$63,200	\$67,550	\$71,900
Washington County	\$30,750	\$35,150	\$39,550	\$43,900	\$47,450	\$50,950	\$54,450	\$57,950
Winnebago County	\$31,800	\$36,350	\$40,900	\$45,450	\$49,100	\$52,700	\$56,350	\$60,000
Winneshiek County	\$30,900	\$35,350	\$39,750	\$44,150	\$47,700	\$51,250	\$54,750	\$58,300
Woodbury County	\$30,850	\$35,250	\$39,650	\$44,100	\$47,600	\$51,150	\$54,650	\$58,200
All Other Counties	\$30,000	\$34,300	\$38,600	\$42,900	\$46,300	\$49,750	\$53,150	\$56,600

**CITIZEN PARTICIPATION PLAN  
FOR THE IOWA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

Pursuant to the citizen participation requirements of section 508 of the Housing and Community Development Act of 1987, as amended, effective March 25, 1988, the Iowa Department of economic Development will undertake the following actions to ensure compliance with said requirements by all applicants for and recipients of CDBG funds administered by the State:

- A. Henceforth IDED will advise all CDBG applicants and grantees of the requirements of Section 508 of the Housing and Community Development Act of 1987, as amended.
- B. IDED will advise all CDBG applicants and grantees of acceptable means to comply with the requirements of Section 508 of the Housing and Community Development Act of 1987, as amended, to wit:

Applicants/grantees must:

- 1. Conduct at least one public hearing on the CDBG activities proposed in the CDBG application submitted to IDED and at least one public hearing on the status of funded activities.

**THE APPLICATION HEARING, AT MINIMUM, MUST INCLUDE A REVIEW OF:**

- (A) HOW THE NEEDS FOR THE PROPOSED ACTIVITIES WERE IDENTIFIED,**
- (B) HOW THE PROPOSED ACTIVITIES WILL BE FUNDED AND SOURCES OF FUNDS,**
- (C) DATE APPLICATION WILL BE SUBMITTED,**
- (D) REQUESTED AMOUNT OF CDBG FUNDS,**
- (E) ESTIMATED PORTION OF THE CDBG FUNDS REQUESTED THAT WILL BENEFIT PERSONS OF LOW AND MODERATE INCOME,**
- (F) WHERE THE PROPOSED ACTIVITIES WILL BE CONDUCTED,**
- (G) PLANS TO MINIMIZE DISPLACEMENT OF PERSONS AND BUSINESSES AS A RESULT OF FUNDED ACTIVITIES,**
- (H) PLANS TO ASSIST PERSONS ACTUALLY DISPLACED, AND**
- (I) THE NATURE OF THE PROPOSED ACTIVITIES.**

The public hearing on the status of funded activities, at minimum, must include a review of (a) a general description of accomplishments to date, (b) a summary of all expenditures to date, (c) a general description of the remaining work, and (d) a general description of changes made to the CDBG project budget, performance targets, activity schedules, project scope, location, objectives or beneficiaries.

- 2. Publish notices of hearing(s) consistent with the requirements of the Iowa Code, Section 362.3.
- 3. Ensure the public reasonable access to all local meetings, project records and information relating to the proposed and actual use of CDBG funds.
- 4. Conduct all CDBG related public meetings or hearings in public buildings or facilities that are accessible to the handicapped.
- 5. Provide citizens the name and address of:

- 
- (a) the person(s) authorized to receive and respond to citizen proposals, questions and complaints concerning proposed or funded activities,
  - (b) the person(s) that will be available and able to provide technical assistance to groups representative of persons of low and moderate income in preparing and presenting their proposals for the request and use of CDBG funds.
6. Provide translators during or written translations after public hearings attended by non-English speaking residents upon their request whenever they represent a significant proportion of the persons benefited by the proposed or actual project activities.
- C. IDED will advise all CDBG applicants and grantees that eligibility for receipt of CDBG funds requires compliance with the applicable requirements of Section 508 of the Housing and Community Development Act of 1987, as amended.
- D. IDED will require that all CDBG applicants and grantees certify they have complied with the applicant requirements of Section 508 of the Housing and Community Development Act of 1987, as amended, in the development and conduct of CDBG funded activities.

**COMMUNITY DEVELOPMENT AND HOUSING NEEDS ASSESSMENT**

Federal law requires each CDBG applicant to “identify its community development and housing needs, including the needs of low- and moderate-income persons, and the activities to be undertaken to meet such needs.” The following procedures satisfy this requirement:

At a City Council meeting, public hearing or similar public meeting, or during a community planning process, the following items should be discussed and written down:

1. Major housing and community development needs of the low-and moderate-income residents of the community.
2. Other major housing and community development needs of the community (affecting the whole community, or persons who are not of low and moderate incomes).
3. Planned or potential activities to address the needs in 1 and 2 above.

Submit a dated copy of the applicant community’s Community Development and Housing Needs Assessment. If the community’s current Needs Assessment is more than two years old, update it prior to submitting it with the CDBG application. IDED will not accept Needs Assessments more than two years old. Communities with questions or problems related to this requirement should contact IDED at (515) 242-4825.

**(SAMPLE)**  
**YOURTOWN COMMUNITY DEVELOPMENT AND HOUSING  
NEEDS ASSESSMENT**

Community Development and Housing Needs of Low and Moderate Income Persons

1. Improvement of presently unpaved streets in Southeast neighborhood (a low income area of the City);
2. Connection of un-sewered Stone River neighborhood to the city sewer (presently residents have inadequate septic systems); and
3. Decrease the number of substandard housing units in Yourtown, especially in the Southeast neighborhood.

Other Community Development and Housing Needs

4. Increase the city's water storage capacity. Present water tower is inadequate to meet accepted standards;
5. Provide housing for the community's elderly;
6. Provide job opportunities for Yourtown's unemployed. Present area unemployment rate is 9.5 percent; and
7. Expand the amount of community meeting space in Yourtown.

Planned or Potential Activities to Address Housing and Community Needs

1. Apply for Community Development Block Grant funds for street paving in Southeast neighborhood, sewer mains for Stone River neighborhood and housing rehabilitation for low and moderate income persons community-wide;
2. Contract with consulting engineer to prepare plans and specifications for increased water storage; issue revenue bonds in the amount necessary to complete water storage project;
3. Seek funding for elderly housing from the Farmers Home Administration;
4. Establish a local development corporation to encourage industrial development in Yourtown; and
5. Work with Yourtown Community Betterment Committee in their efforts to raise funds for the Yourtown Community Center.

This assessment was prepared at a Yourtown City Council meeting on (date). (Number attending) local residents were present.

(Please date and submit your Needs Assessment with your Community Development Block Grant Application.)

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**ENVIRONMENTAL REVIEW REQUIREMENTS**

If you receive an economic development set-aside award, before proceeding with a project all grantees will have to complete the environmental review process. In many projects, this will require the completion of an environmental assessment and the provision of public comment periods. Most project costs may not be incurred until the environmental process is completed.

If an applicant is concerned about starting immediately upon grant award, if funded, the environmental review process may be completed before award. However, these costs would not be allowable costs under the contract with this office.

If you have questions concerning these requirements, contact IDED at (515) 242-4825.

**FEDERAL LABOR STANDARDS REQUIREMENTS**

The minimum wages to be paid employees (including apprentices and trainees) must be based on the Department of Labor's (DOL's) determination of the prevailing wage rates for the locality. Grantees can obtain wage rate determinations by submitting a phone or written request to IDED's CDBG data analyst.

The Copeland "Anti-Kickback Act" requires that payment to employees must be made at least once a week and The Davis-Bacon Act is applicable to all contracts for construction, alteration and/or repairs in excess of \$2,000 which involve CDBG funds. Contracts for construction of rehabilitation of residential structures of fewer than eight (8) family units when completed are exempt from prevailing wage requirements. Economic development projects usually require Davis-Bacon compliance. Prior to implementing an economic development project contact the Iowa Department of Economic development for guidance.  
without subsequent deductions or rebate on any account except "permissible" salary deductions.

The Contract Work House and Safety Standards Act/Department of Defense Authorization Act of 1986 requires that employees shall not work in excess of forty (40) hours in any work week unless they receive overtime compensation at a rate not less than one and one-half times the basic rate of pay for those overtime hours worked. The contractor or subcontractor shall be liable to any affected employee for his/her unpaid wages.

The Department of Labor (DOL) requires that the prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with all labor provisions.

***AFFIRMATIVE ACTION IN SOLICITING MBE/WBE PARTICIPATION  
IN THE CDBG PROGRAM***

All grantees should make every effort to solicit the participation of minority and female owned businesses in whatever contracting is done under your CDBG program. Grantees should include minority and female owned businesses on its solicitation lists and solicit their participation whenever they are potential sources. IDED has lists of minority owned businesses available upon request. Grantees should document their effort to solicit MBE/WBE businesses. Such documentation will be examined during IDED monitoring of projects.

Additionally, all grantees are strongly urged to provide construction plans and specifications to the offices of Master Builders of Iowa, 221 Park Street, Des Moines, Iowa 50309 or to the district office nearest your community. The planrooms will function as a clearinghouse for MBE/WBE firms interested in bidding on construction projects. Master Builders has contracted with IDED to assist and increase the participation on minority, female, and disadvantaged contractors and vendors in the CDBG program.

Good faith effort to solicit MBE/WBE participation in the CDBG Program are essential to a successful project but the real measure of affirmative action is results. Thus all Grantees can expect IDED to closely monitor the results of their affirmative actions and not just their "good faith efforts".

The City/County is responsible for the result achieved and necessarily must take the lead and set the tone for how this important issue is handled. Grantees are strongly urged to extend this message to all engineers, architects, general contractors, subcontractors, vendors and any other participants in the CDBG Program who are in a position to engage MBE/WBE businesses.

IDED has established no set-aside as to a specific dollar amount or percent of total projects funds for MBE/WBEs. However, affirmative, aggressive actions will likely yield the participation rates comparable to the number of MBE/WBEs available to your community.

**PLANNING FOR AUDIT COSTS**

All contracts for CDBG funds are subject to audit.

The Single Audit Act of 1984 mandates that certain recipients of federal funds obtain an audit of their entire operations. When applying and budgeting for CDBG funds, please consider the following conditions under which grantees may be required to obtain an organization-wide audit:

Any local government which receives over \$100,000 in federal funds (CDBG or any other) in a fiscal year, will be required to have an audit conducted on their entire operations for the fiscal year, and that audit will have to be conducted in accordance with the OMB Circular A-128 (the implementing instructions for the Single Audit Act). Also, any unit of local government which receives over \$25,000 but less than \$100,000 in federal funds in a fiscal year must have either an audit conducted of their entire operations (as above) or a separate program audit prepared for the federal project(s) involved. The CDBG program also requires an audit be performed on CDBG funds even if under \$25,000 has been received. In this case a project audit or an organization-wide audit will be acceptable.

In any case, the amount of the audit cost which is chargeable to the CDBG program would be the share which represents the proportion of CDBG funds to all other funds included in the audit. Since the second and third cases (over \$25,000, less than \$100,000) allow an audit of the CDBG program alone, most of these costs may be charged to CDBG. Cities and counties should be aware, however, that the CDBG program cannot pay for the entire audit costs in the case of an organization-wide audit, and should budget local funds for the rest of the cost of the audit in their normal budgeting procedures.

For those cities who are required by state law to be audited every four years (populations of 700-2,000), the cities may wish to determine when their next audit is due, and attempt to coordinate the audit required by state law with the requirements of the Single Audit Act. The State Auditor's office should be consulted if an alteration in your four-year schedule would be necessary.

**INSTRUCTIONS FOR COMPLETING APPLICANT/RECIPIENT DISCLOSURE REPORT**

As required by the HUD Reform Act of 1989 (Pub. L 101-235), each applicant and/or recipient of HUD funds under the Community Development Block Grant, Emergency Shelters Grant Program and HOME Investment Partnerships Program must complete and submit an Applicant/Recipient Disclosure/Update Report to IDED.

**PART I — Applicant/Recipient Information**

1. Record applicant name, address and phone number (area code). Record employer identification number or social security number.
2. Record project/activity name/number and location (street address, city, state and zip code).
3. Describe type of assistance requested/received (e.g., grant, loan).
4. Record name of program (e.g., CDBG, ESGP, HOME)
5. Record amount of funds requested.

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**PART II — Threshold Determinations**

Answer question(s) as appropriate.

**PART III — Sources and Uses of Funds****Source of Funds**

Enter all expected sources of funds that have been, or are expected to be, made available for the project or activity. Sources of funds typically include, but are not limited to government assistance, equity, loans, contributions and foundations. For each reportable source:

1. Record the name and address (city, state and zip code) of the department/state/local agency/individual making the assistance available.
2. Record the program name.
3. Record the type of assistance (e.g., loan, grant, loan insurance). If federal tax credits are involved, indicate all syndication proceeds and equity.
4. Record the amount of assistance requested or provided.

**Use(s) of Funds**

Indicate the use of all funds identified in the sources of funds section. List them in descending order by amount.

1. List sources of funds.
2. List uses of funds (e.g., construction, professional services, supplies, working capital).
3. List amount of funds (rounded to nearest dollar).

**PART IV — Interested Parties Disclosure**

Provide an alphabetical list of all persons/entities with a reportable financial interest in the project and/or activity. Include the social security or employer identification number, the type of participation in the project and the amount and percentage of assistance each will receive.

**CERTIFICATION**

After completing all relevant parts of the form, the Chief Elected Official must sign and date the form, attesting to its accuracy and completeness. This signature is required for all applicants, and for any updates which are submitted.

**UPDATED DISCLOSURE REPORTS**

In most instances, the applicant/recipient must submit an updated Disclosure Report. An updated Disclosure Report is required to report the following:

- information that was unavailable at the time of application;
- information that should have been disclosed originally but was omitted;
- changes to previously disclosed other government assistance (if the assistance exceeds the amount previously disclosed amount by \$250,000 or 10 percent of the original assistance, whichever is lower);

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- changes to previously disclosed financial interests (if the financial interest exceeds the amount previously disclosed amount by \$50,000 or 10 percent of the original financial interest, whichever is lower);
  - changes in previously disclosed sources and uses of funds (if the source and/or use of funds exceeds the previously disclosed amount by \$250,000 or by 10 percent of the sources, whichever is lower).

**Reports should be submitted to:**

**Business Finance  
Iowa Department of Economic Development  
200 East Grand Avenue  
Des Moines, Iowa 50309**

Questions should be directed to the EDSA Project Manager at (515) 242-4831.

APPLICANT/RECIPIENT  
DISCLOSURE/UPDATE REPORT

IOWA DEPARTMENT OF  
ECONOMIC DEVELOPMENT

**Part I. Applicant Recipient Information** Indicate whether this is an Initial Report \_\_\_\_ or an Update Report \_\_\_\_

1. Applicant/Recipient Name, Address and Telephone (include area code)	Contract #	Employer ID or Social Security Number
2. Project Assisted/to be Assisted (Project /Activity name and/or number and its location by Street Address, City and State)		
3. Assistance Requested/Received	4. HUD Program	5. Amount Requested/Received

**Part II. Threshold Determinations**

1. Are you requesting HUD assistance for a specific project or activity, and have you received or can you reasonably expect to receive, an aggregate amount of all forms of covered assistance from HUD, States, and units of general local government in excess of \$200,000 during the Federal fiscal year (October 1 through September 30) in which the application is submitted?  
 \_\_\_\_ YES \_\_\_\_ NO If YES, complete the remainder of this report. If NO, please answer the next question (2).

2. Is this application for a specific housing project that involves other federal government assistance?  
 \_\_\_\_ YES \_\_\_\_ NO If YES, complete the remainder of this report. If NO, sign the certification at the end of this report.

*If your answers to both questions are NO, you do not need to complete Parts III or IV, but you must sign the certification at the end of the report.*

**Part III. Sources and Uses of Funds**

SOURCES

Department/State/Local Agency Name and Address	Program	Type of Assistance	Amount Requested/Provided

USES

Use description	Amount

APPLICANT/RECIPIENT  
DISCLOSURE/UPDATE REPORT

IOWA DEPARTMENT OF  
ECONOMIC DEVELOPMENT

**Part IV. Interested Parties Disclosure**

Provide an alphabetical listing of (1) all developers, contractors or consultants involved in the application for assistance or in the planning, development or implementation of the project or activity and (2) any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower). Recipients must make additional disclosure as necessary on update reports.  
 NOTE: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity holds an equity interest in the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a financial interest.

Alphabetical List of Persons with Reportable Financial Interest in Project/Activity (for individuals, list last names first)	Social Security Number or Employer ID Number	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)

**CERTIFICATION**

*Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to a money penalty not to exceed \$10,000 for each violation.*

**I certify that this information is true and complete.**

Signature	Title	Date
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