

The State of Iowa
Consolidated Plan for Housing & Community Development

Annual Action Plan: 2011

INTRODUCTION/EXECUTIVE SUMMARY	3
CITIZEN PARTICIPATION.....	4
RESOURCES.....	6
HOUSING RESOURCES	6
<i>Federal Housing Resources</i>	<i>6</i>
<i>Non-federal Housing Resources</i>	<i>7</i>
COMMUNITY DEVELOPMENT RESOURCES	10
<i>Federal Community Development Resources</i>	<i>10</i>
<i>Non-federal Community Development Resources.....</i>	<i>10</i>
LEVERAGING FEDERAL RESOURCES.....	11
IOWA’S PRIORITY HOUSING AND COMMUNITY DEVELOPMENT NEEDS	12
ANNUAL OBJECTIVES AND OUTCOME MEASURES.....	15
AFFORDABLE HOUSING GOALS	20
ACTIVITIES.....	21
HOME METHOD OF DISTRIBUTION.....	ERROR! BOOKMARK NOT DEFINED.
HOME METHOD OF DISTRIBUTION.....	21
<i>Recapture or Resale Provisions (Homeownership Activities).....</i>	<i>25</i>
<i>Tenant-Based Rental Assistance Compliance</i>	<i>25</i>
<i>Other Forms of Investment</i>	<i>25</i>
<i>Affirmative Marketing.....</i>	<i>26</i>
<i>Minority and Women Business Outreach.....</i>	<i>27</i>
CDBG METHOD OF DISTRIBUTION	29
<i>General Selection Procedures</i>	<i>32</i>
<i>Non-housing Competitive Program</i>	<i>32</i>
<i>Job Creation, Retention and Enhancement Fund</i>	<i>37</i>
<i>Career Link.....</i>	<i>38</i>
<i>Contingency (Opportunities and Threats) Fund</i>	<i>39</i>
<i>Downtown Revitalization Fund.....</i>	<i>41</i>
<i>Interim Financing Program.....</i>	<i>42</i>
<i>Plans to Minimize Displacement.....</i>	<i>43</i>
<i>Program Income/Remaining Funds/Recaptured Funds.....</i>	<i>43</i>
<i>Iowa Green Streets Criteria.....</i>	<i>45</i>
ESG METHOD OF DISTRIBUTION.....	46
HOPWA METHOD OF DISTRIBUTION.....	48
GEOGRAPHIC DISTRIBUTION/ALLOCATION PRIORITIES.....	49
<i>Emergency Shelter Grants</i>	<i>54</i>
<i>Homeless Prevention</i>	<i>54</i>
<i>Continuum of Care.....</i>	<i>55</i>
<i>Chronic Homelessness.....</i>	<i>55</i>
<i>Discharge Policy.....</i>	<i>56</i>
<i>Non-homeless Persons with Special Needs.....</i>	<i>58</i>
REMOVING BARRIERS TO AFFORDABLE HOUSING AND OTHER ACTIONS	59
MEETING UNDERSERVED NEEDS.....	59
MAINTAINING AFFORDABLE HOUSING.....	60
REMOVING BARRIERS TO AFFORDABLE HOUSING	60
REDUCING LEAD-BASED PAINT HAZARDS	61
REDUCING POVERTY	62
DEVELOPING INSTITUTIONAL STRUCTURE	63
ENHANCING INTERAGENCY COORDINATION	63
PUBLIC HOUSING	63
MONITORING	64

Introduction/Executive Summary

The State of Iowa is a HUD Participating Jurisdiction. The Annual Action Plan updates the State of Iowa's Consolidated Plan for Housing and Community Development. The Consolidated Plan is a 5-year plan to address housing and community development needs. It was submitted in November 2009 and addresses the goals from 2010 to 2014. The State submits the Plan to the U.S. Department of Housing and Urban Development (HUD) to apply for funds under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs. This Annual Action Plan is for the program year beginning January 1, 2011.

Once the Consolidated Plan is submitted and approved, annually the state submits an Action Plan to update the states objectives in fulfilling those goals and outlining the State's processes and procedures for distribution of grant funds received from HUD. This will be the second annual action plan for the new consolidated plan. The first action plan was submitted for 2010 as part of the Consolidated Plan submission. The Iowa Department of Economic Development (IDED) is the lead agency for the Action Plan. IDED is the state agency responsible for the administration for the CDBG program. In 2010, the State assigned the administration and implementation of the HOME and the ESG program to Iowa Finance Authority (IFA). The actual date of the program administration began on July 1, 2010, the beginning of the State's fiscal year. IFA is the state agency also responsible for the HOPWA programs. IDED and IFA staff prepared this Plan in cooperation with staff from the Department of Education, Department of Elder Affairs, Department of Human Services, Department of Human Rights, Department of Natural Resources and Department of Public Health. In accordance with federal regulations (24 CFR 91.320), the Action Plan includes the following sections:

Annual Objectives and Outcome Measures: A summary of the annual objectives the state expects to achieve during the forthcoming program year as well as outcomes.

Resources: Funding sources (Federal and other) available to address the State's priority needs and objectives;

Affordable Housing Goals: One year goals for the number of households to be provided affordable housing through a variety of housing activities;

Activities: The State's method for distributing funds for activities that address priority needs and objectives;

Geographic Distribution: Areas to which the State will direct assistance, if applicable;

Homeless & Special Needs Activities The State's plans to address homelessness and assist persons with special needs;

Removing Barriers to Affordable Housing and other actions: Actions the state plans to take during the next year to remove or ameliorate the negative effects of public policies that are barriers to affordable housing (such as land use controls, building codes, growth limitations). Outlines other actions the State's plans to address issues related to housing and community development, such as monitoring and poverty reduction.

Summary of Public Comments: Comments made on the Action Plan and IDED responses.

Applications for Assistance: HUD Form 424 for the CDBG, HOME, ESG and HOPWA programs.

Certifications: General and program-specific certifications as required by HUD.

This year for CDBG, HOME, ESG, and HOPWA our objectives and outcomes are to create decent housing, suitable living environments, and economic opportunities that address availability, accessibility, affordability, and sustainability for the following specific performance indicators:

Homeless – 888 persons served (ESG & HOPWA)
Owner-Occupied houses – 235 houses rehabilitated (CDBG)
Housing – 110 homes purchased (HOME)
Rental – 300 units developed or rehabilitated (HOME)
Rental – 30 households given rental assistance (HOME)
Child Care – 8 facilities improved or constructed (CDBG)
Assistance to the disabled – 2 facilities or 250 persons (CDBG)
Infrastructure – 30 water, sewer, or storm water upgrade projects (CDBG)
Business – 800 jobs retained or created (CDBG)

The State's performance in previous years has been generally very good in relation to its goals. For example, in the most recent Performance Report, for the period January 1, 2009 through December 31, 2009, the total goal for production and rehabilitation of rental units, owner-occupied rehabilitation and homebuyer and rental assistance was 610 units or households. The total units or households achieved was 680. In 2009, the State (through IDED and IFA) awarded approximately \$25 million of CDBG funding and approximately \$320 million of HOME, LIHTC and state funding towards affordable housing and community development projects. In addition, approximately \$2.5 million of federal and state funding went to assist homeless shelter rehabilitation, operations and services, and transitional housing through the ESGP and Homeless Shelter Operations Grant (HSOG) programs. The funding detailed above provided assistance to 5,479 households and/or housing units, plus over 3,600 homeless individuals and/or families.

Non-housing CDBG projects included 55 water, sewer, and drainage infrastructure projects which exceeds our goals of 25. The state also assisted 4 child care projects and 1 sheltered workshop serving 71 people with CDBG dollars.

Citizen Participation

IDED solicited public input in developing the Action Plan. The Department is committed to citizen participation both because it is a HUD requirement and because it is a valuable means for program evaluation and improvement.

Citizen participation was also solicited and comment opportunity was available on the department website, www.iowalifechanging.com as well as the IFA website, www.iowafinanceauthority.gov.

The Department solicited input during a 30-day draft review and comment period, accepting comments by mail, facsimile, electronic mail and telephone. IDED also invited citizen participation on the Action Plan through a public hearing on November 4, 2010 from 4:00 p.m. to 6:00 p.m. IFA staff members consulted with the Iowa Council on Homelessness and the affordable housing development community during the public review period. IDED staff members also consulted with housing and community development staff members from the State's entitlement cities during this public review period.

IFA announced the start of the public comment period on Twitter and refer people to the website to read the plan. The state library also be announced the comment period with a link to our websites to view the plan on their listserve that goes to all libraries in Iowa.

IFA also sent out notification of the public comment period through their October newsletter called IFAfyi. It is sent to an extensive database of contacts. They also included the public comment in their

newsletter sent to the organizations that assist the Homeless community.

The plan was distributed and discussed at the Iowa Association of Regional Councils (IARC) on October 8, 2010 at their monthly board meeting. Iowa's Councils of Governments (COGs) provide professional planning, programming, and technical assistance to Iowa's cities, counties, businesses, community organizations and Iowans of all ages. COGs are indigenous organizations formed by counties, cities and towns to serve local governments and their regional citizenry. The Iowa Association of Regional Councils (IARC) is the statewide professional organization for Iowa's 17 COGs. The Directors took the plans back to their regions to discuss it with them.

The Department of Economic Development and the Iowa Finance Authority have also been reviewing the administrative rules that administer the CDBG owner-occupied housing program as well as the HOME program. The public hearing for the CDBG owner-occupied housing program occurred on September 28th. Comments from the public were accepted through October 31, 2010. The CDBG owner-occupied rules, as amended will be effective December 8, 2010. Because of the transfer of the HOME program from IDED to IFA, administrative rules were filed emergency for the administration of the HOME program in July 2010, however, the HOME rules were amended to establish the process for the allocation of HOME funds on October 1, 2010. IFA will accept public comments to the proposed rules through November 9, and the IFA board will adopt the final version of the rules on November 24, 2010. The HOME program rules, as amended, will be effective on January 19, 2011. As such, the allocation process described within may undergo minor revisions based on response to public comment and board adoption.

Our exhaustive public comment efforts resulted in only one comment. It relates to the goal number for the money follows the person program. They advocated for a goal of 75 persons a year instead of the 284 people discussed on page 27 of the Action Plan. The money for this program comes from a grant from the U.S. Department of Health and Human services. The revised goal numbers are under consideration and could be revisited in future plans depending on outcomes recorded in the 2011 program year.

Resources

This section of the Annual Action Plan discusses the federal and non-federal sources of funding the State expects to be available to address priority housing and community development needs in the 2011 program year. It should be noted that both the availability and funding level of many federal resources were uncertain at the time this Action Plan was prepared. IDED will amend the Plan with more specific information about federal resources as necessary.

Housing Resources

The State expects the following resources to be available to implement housing strategies in 2011:

Federal Housing Resources

Community Development Block Grant (CDBG) Program: The State reserves 25 percent of its annual CDBG allocation from HUD for housing activities. Eligible uses of the CDBG portion of the Housing Fund include rehabilitation of owner-occupied. Cities with populations less than 50,000 and all counties are eligible for CDBG assistance through the Housing Fund.

HOME Investment Partnerships Program: Administration of the HOME program was transferred to the Iowa Finance Authority on July 1, 2010. Eligible uses of HOME funds include rehabilitation of rental housing, acquisition, new construction, homeownership assistance and tenant-based rental assistance. Local governments and private for-profit and nonprofit entities (including CHDO's) are eligible for HOME assistance.

Emergency Shelter Grant (ESG) Program: The Iowa Finance Authority is contracted to administer the State's annual ESG allocation from HUD. It is used to fund a variety of facilities and services for homeless persons and homelessness prevention. Shelters apply for ESG funds as part of a joint funding process that includes ESG and other state homeless assistance funds. All funded shelters are served by a joint contract with the Iowa Institute of Community Alliances.

Housing Opportunities for Persons with AIDS (HOPWA) Program: The State's annual HOPWA allocation from HUD will be used to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families to prevent homelessness. Iowa Finance Authority (IFA) will administer the funds and has partnered with AIDS Service Organizations (ASO's) and housing agencies across the state to create the AIDS Housing Network of Iowa (AHNI) to conduct eligible activities throughout the state. Eligible activities include housing information services, resource identification, tenant-based rental assistance, emergency assistance and supportive services.

Weatherization Assistance Program (WAP): A federal grant program administered by the Iowa Department of Human Rights, established to help reduce the heating and cooling costs for low income persons, particularly the elderly, disabled, and children, by improving the energy efficiency of their homes. The program uses trained crews and contractors to install permanent cost-effective measures that address both the building shell and the heating and cooling systems in the building.

Federal Historic Tax Incentive: Administered by the Iowa Department of Cultural Affairs, the Historic Preservation Tax Incentive provides for the preservation and rehabilitation of historic structures including residential units. Property must be held for the production of income. Federal income tax credits are valued at 20% of eligible costs when approved as meeting the federal rehabilitation standards. Buildings must be listed on the National Register of Historic Places within two years.

Low Income Housing Tax Credit Program: Administered by the Iowa Finance Authority, this program provides a federal tax credit as an incentive for the development of affordable housing projects. The purpose of this program is to encourage the investment in affordable rental housing projects, which will in turn increase the availability of rental housing units for Iowans.

Iowa FirstHome (First Time Homebuyer Mortgage Loan Program): By selling tax exempt mortgage revenue bonds, the Iowa Finance Authority provides mortgage loans for first-time (individuals who have not owned a home in the last three year) home buyers or veterans who are exempt from “first-time” homebuyer requirement. The loans may be for either new or existing homes and are available through a statewide network of participating lenders.

Other Federal Resources: Several other federal sources of funding for housing activities are not administered through IDED or IFA. These include the following:

HUD loans, loan guarantees and other forms of assistance made directly to local owners (e.g., Section 811 Supportive Housing for Persons with Disabilities; Section 202 Supportive Housing for Elderly and Section 8 rental programs).

U.S. Department of Agriculture (USDA) Rural Housing Service (RHS) — formerly Farmers Home Administration (FmHA) — loans, loan guarantees and grants made directly to local households and project owners (e.g., Section 502 Homeownership Direct and Guaranteed Loans, Section 515 Rural Rental Housing Loans and Housing Preservation Grants).

Non-federal Housing Resources

FirstHome Plus: Administered by the Iowa Finance Authority, this program helps Iowa families with an income of less than \$49,900 to purchase a home by providing assistance in the form of grants to help pay eligible closing costs, down payment, or necessary repairs. The assistance is for \$2,500. An applicant must be a first-time homebuyer and use the FirstHome program to receive FirstHome Plus assistance.

State Housing Trust Fund: A State Housing Trust Fund (the “Fund”) is held within the Iowa Finance Authority (IFA). The two programs operated under the Fund are the Local Housing Trust Fund Program and the Project-Based Housing Program. At least 60 percent of the available moneys in the Fund will be allocated to the Local Housing Trust Fund, and a minimum of 30 percent of these moneys must serve Extremely Low-Income Eligible Recipients. Any available moneys remaining in the Fund will be allocated to the Project-Based Housing Program.

Local Housing Trust Fund Program: The goal of this program is to provide financial assistance to certified local housing trust funds to be used for the development or preservation of affordable housing for Low-Income Eligible Recipients, including infrastructure development, transitional housing, housing for the homeless, homeownership, rental, capacity building, or other purposes that further the goals of the Fund.

Project-Based Housing Program: The goal of this program is to assist in funding the development and preservation of affordable housing for Low-Income Iowans. Eligible applicants are cities and counties; non-profit and for-profit housing development organizations; recognized neighborhood associations; economic development organizations; homeless services providers; transitional housing providers, councils of governments, and domestic violence shelters.

Federal Home Loan Bank (FHLB): Through the Affordable Housing Program (AHP), successful projects are dedicated to the purchase, rehabilitation or construction of owner-occupied or rental homes that benefit very low, low, and moderate income households. The FHLB also works through its member institutions in the administration of the Community Investment Program (CIP) to make a source of low cost funds available for financing for homeownership and rental housing.

Tax Increment Financing (TIF): Local governments can use TIF bonds to support housing projects. An eligible project borrows funds – in the form of a bond – in an amount equal to the tax increment generated by the project. The incremental tax revenues then repay the bond over time.

Housing Enterprise Zone Tax Credits: The State offers investment tax credits and a refund of sales tax to developers of qualifying single-family and multi-family housing located in the state's Enterprise Zones.

Private Organizations: There are a variety of nonprofit agencies, charitable groups and other organizations in the State working to support affordable housing. These include Habitat for Humanity and the Sioux Falls North Dakota Partnership Office of the Fannie Mae Corporation.

State Historic Property Rehabilitation Tax Credit: A property rehabilitation tax credit is granted against the income tax imposed for the rehabilitation of eligible property located in the state. The tax credit is 25% of the qualified rehabilitation costs made to the eligible property.

Eligible property for which a taxpayer may receive the property rehabilitation tax credit includes all of the following:

1. Property listed on the national register of historic places or is eligible for such listing.
2. Property designated as of a historic significance to a district listed in the national register of historic places or is eligible for such designation.
3. Property or district designated a local landmark by a city or county ordinance.

Senior Living Revolving Loan Fund Program: This IFA program is designed to assist with the development of affordable assisted living properties and service-enriched affordable housing by providing Loans to qualified projects. The loans must be used with Federal Low Income Housing Tax Credits, and can be used for construction, permanent financing, or both.

Transitional Housing Revolving Loan Fund Program: This IFA program is designed to assist with the development of transitional housing for families with one or more parents who is completing or has completed a substance abuse treatment program. The loans must be used with Federal Low Income Housing Tax Credits, and can be used for construction, permanent financing, or both.

Multi-Family Housing Loan Program: The program, provided by IFA, provides low interest loans for preservation and creation of affordable housing. The program is for projects that are utilizing State or Federal HOME funds, Federal Low Income Housing Tax Credits, Tax Exempt Bonds or other qualified HUD or USDA programs serving low income tenants. The program can also be used for rehabilitation of non-restricted projects and workforce housing.

NewHome Construction Program: Iowa Finance Authority makes loan funds available for construction of new single-family homes in Iowa communities. Eligible applicants are 501(c) (3) organizations or cities or counties. Priority is given to projects serving buyers at or below 80 percent of area medium income.

OurHome Rehabilitation Program: The Iowa Finance Authority offers low-interest loan funds for use by qualifying entities to rehabilitate single family homes in their communities.

Shelter Assistance Fund (formerly called the Homeless Shelter Operations Grant): This grant program provides funds to improve the quality of services to the homeless, make available additional needed services, and help meet the costs of providing essential social services so that homeless individuals have access not only to safe and sanitary shelter, but also to supportive services and other types of assistance to improve their situations. Applicants are providers of homeless services in Iowa.

Home and Community Based Services (HCBS) Rent Subsidy Program: Administered by IFA, the HCBS rent subsidy program provides temporary rental assistance for people who receive medically necessary services through Medicaid 1915 (c) waivers until the person becomes eligible for a Housing Choice or any other kind of private or public rent subsidy.

Aftercare Rent Subsidy Program: Administered by IFA on behalf of the Department of Human Services (DHS), the aftercare rent subsidy program provides financial assistance for youth who are aging out of foster care and are participants in the DHS Aftercare Services program. The program's goal is to teach Iowa youth independence, life skills, and renter rights and responsibilities.

Military Homeownership Assistance Program: Administered by the Iowa Finance Authority and funded by state appropriations, this program helps qualifying eligible service members or veterans purchase their new residence located in Iowa. The program provides up to \$5,000 toward down payment or reasonable and customary loan costs.

Community Development Resources

The State expects the following resources to be available to implement non-housing community development strategies in 2011:

Federal Community Development Resources

Community Development Block Grant (CDBG) Non-Entitlement Program: The State reserves 75 percent of its annual CDBG allocation from HUD for non-housing community development needs that principally benefit low- and moderate-income (LMI) persons. A portion of these funds — twenty (20) percent of the total CDBG allocation — is set aside for job creation, retention and enhancement activities. Most of the remainder is available through an annual competition for public works and community facilities and services. This annual competition is divided into two parts: one competition for community facilities and services and another for traditional water and sewer projects. Cities with populations less than 50,000 and all counties are eligible for CDBG Non-Entitlement assistance. Any program income receipts are used as soon as possible, which in turn allows a corresponding amount of additional resources to be made available on the succeeding competitive round.

Clean Water and Drinking Water State Revolving Loan Funds: The U.S. Environmental Protection Agency capitalizes revolving loan funds for wastewater and drinking water infrastructure improvements. The State Revolving Fund (SRF) programs are jointly administered by the Iowa Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA). DNR assigns priority for use of the fund according to potential for water quality enhancement. The loans are provided to local governments or public utilities at 3% interest for up to 30 years.

Planning and Design Loans: Through the SRF, loans for the planning and engineering costs are available at 0% interest for up to 3 years.

Other Federal Resources: Several other federal sources of funding for non-housing activities are not administered through the State. These include the following:

U.S. Department of Agriculture (USDA) Rural Development loans and grants are made directly to local governments for water improvements, sewer systems and other community facilities.

U.S. Economic Development Administration (EDA) regional revolving loan funds for economic development projects and funds for public works projects designed to stimulate economic development.

Non-federal Community Development Resources

Tax Increment Financing (TIF): Local governments often use TIF bonds to support economic development and public infrastructure projects. An eligible project borrows funds — in the form of a bond — in an amount equal to the tax increment generated by the improvements to the project. The incremental tax revenues then repay the bond.

Councils of Governments Assistance: IDED administers this program, through which the State supports area councils of governments and regional planning agencies. The recipient organizations help communities plan and administer a variety of community development projects.

Community Attractions and Tourism Program: The Community Attraction and Tourism (CAT) Program supports smaller community betterment projects and promotes Iowa tourism. There is no minimum or

maximum award amount. Funding for the CAT program is through an appropriation by the Iowa legislature.

Endow Iowa Grants and Tax Credits: Legislation approved in the 2003 Legislative session and amended in 2005 (HF 868) created two programs that provide funding and/or tax incentives to encourage contributions to community foundations and community-based permanent endowments for community development and community improvement projects. .

Leveraging Federal Resources

The State makes every effort to leverage HOME, CDBG, ESG, and HOPWA funds with non-federal resources, including each of those identified above. In the past, HOME and CDBG funds have been leveraged by significant amounts and varying types of private and non-federal public funds. Rental projects typically tend to be better leveraged than owner-occupied or homeownership assistance projects.

Tax credits available to investors under the Low Income Housing Tax Credit program represent an increasingly larger funding proportion of affordable rental housing construction. The non-housing community development programs also generate considerable leveraging by local and private funds through local effort requirements built into the state's funding strategy.

Iowa's Priority Housing and Community Development Needs

Housing:

- Elderly: 1 and 2 member low-and moderate-income renter households – affordability, physical accessibility, increasing the number of available units.
- Small (2 -4 person) related low-and moderate-income renter households - affordability, geographic distribution, stemming the loss of existing rental units.
- Large (5 or more) related low-and moderate-income renter households – affordability, target minority and recent immigrant populations, lead-based paint removal
- Other low-and moderate renters – affordability, availability, geographic distribution
- Existing related low-and moderate-income homeowners – maintenance issues addressed with energy efficient strategies considered, target minority and elderly populations,
- First time related low-and moderate-income homebuyers – down payment assistance, homebuyer education, and credit counseling,
- homeless population – emergency shelters, transitional housing, permanent supportive housing, and rental assistance
- Special need population – accessible housing, transportation, with special consideration to needs of the developmentally disabled and youths aging out of foster care.

Community needs:

- Infrastructure – water, sewer, and storm water
- Public services – day care, sheltered workshops, medical support systems
- Services to empower families
- Workforce development
- Welfare to work
- Head start
- Anti-poverty

Priority Homeless Needs	Priority Need Level (High, Medium, Low, No Such Need)		
	Families	Individuals	Persons with Special Needs
Assessment/ Outreach	H	H	H
Emergency Shelter	H	M	H
Transitional Housing	M	M	M
Permanent Supportive Housing	M	M	H
Permanent Housing	H	H	H

Priority Housing Needs (Households)		Priority Need Level (High, Medium, Low, No Such Need)			
Renter	Small Related	Cost Burden . 30-50%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Large Related	Cost Burden 30-50%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Elderly	Cost Burden . 30-50%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	All Other	Cost Burden . 30-50%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
Owner	Cost Burden 30-50%	H	H	H	
	Cost Burden > 50%	H	H	H	
	Substandard	H	H	H	
	Overcrowded	H	H	H	

Non-Housing Community Development Needs

Non-housing community development needs are categorized generally as public infrastructure, particularly water and sewer systems, flood and drainage projects, public services and community-based centers and facilities. Communities competitively apply for funding. The types of community facilities projects that have been funded include public utilities, public services, day care centers, medical support systems, senior centers, homeless shelters, public facilities, handicap centers and storm sewers. A comprehensive study of what communities would identify as non-housing community development needs has not been done, but would be very helpful to IDED in identifying new allowable uses for community development funds. Needs expressed through the application process do not identify needs that the applicant may not feel are eligible for funding or which IDED may not have funded in the past.

Needs as Expressed in CDBG Applications

IDED administers the HUD-funded Community Development Block Grant program for all Iowa counties and all but the largest ten cities. The metropolitan Entitlement Cities receive their CDBG funds directly from HUD. A variety of community development projects are eligible under the CDBG program, generally in the categories of housing, public infrastructure (water and sanitary sewer), public facilities and services, and economic development.

Almost all CDBG-funded projects must benefit Low and Moderate-Income persons. The practical application of this requirement means that more than half of those persons benefitting from the project must come from households with incomes less than 80 percent of area MFI. Assistance provided directly

to an income eligible recipient is considered direct benefit. When a project serves an area of mixed incomes where at least half of the population is income eligible individually, the project is presumed to have an area benefit. Non-housing CDBG applications are almost exclusively limited to projects where residents of the area are predominantly from low-and moderate-income households. For new economic development projects the presumption is that the prospective employees are residents of a low or moderate-income area.

Needs shown through CDBG applications are also shaped by local match for projects and by local government initiative and capacity. Local match is not required, but since it is a rating factor, it has become standard practice for communities to match their local efforts to CDBG funds in a ratio of one-to-one or one-to-two. Local government capacity is constrained by lack of full-time, experienced planning staff, although this lack of full-time capacity is often backfilled by the Regional Councils of Government, Iowa State University Extension (ISUE), the United States Department of Agriculture Resource Conservation and Development (RC&D) offices and private planning and design consultants who serve as resources for communities.

Communities often cite a lack of initiative as a reason for not participating in the CDBG program. The State uses outreach by application workshops and various partners to communities that may benefit or who are facing an imminent threat or need.

Annual Objectives and Outcome Measures

This section of the Annual Action Plan discusses the activities the state is likely to fund in 2011.

The table (2C) on the following pages outlines performance indicators as they relate to the objective, outcomes, and measurables that the state identified in the consolidated plan for 2010 – 2014. The numbers achieved will be dependent upon the number of applications received for the various types of activities. Many of these numeric indicators can be cross referenced with table 2B on page 20 that describes the affordable housing goals section of the Action Plan.

The objectives and outcome measures are established by HUD. There are three outcomes: availability/accessibility; affordability; sustainability that can be applied to three objectives: decent housing, suitable living environment, and economic opportunity. Therefore, each of our objectives and outcomes have been set up to show which funding source will help us accomplish each objective as well as performance indicators over the next 5 years as established in our consolidated plan.

Each year the State will complete an annual action plan with objectives and outcomes that will reflect needs identified in the Consolidated Plan. In subsequent years the chart will be filled with numbers and percentage completed based upon the State's Consolidated Annual Performance and Evaluation Report due each March to HUD. For this year, only goals are stated.

Table 2C Summary of Specific Objectives

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-1 Availability/Accessibility of Decent Housing							
DH-1.1	Provide shelter and transitional housing to the homeless.	ESG	Number of homeless persons served.	2010	888	0	0
				2011	888	0	0
		HOPWA		2012	888	0	0
				2013	888	0	0
				2014	888	0	0
MULTI-YEAR GOAL				4,440	0	0	
DH-2 Affordability of Decent Housing							
DH-2.1	Provide affordable, decent housing with owner-occupied rehabilitation	CDBG	Owner-Occupied houses rehabilitated.	2010	235	0	0
				2011	235	0	0
				2012	235	0	0
				2013	235	0	0
				2014	235	0	0
MULTI-YEAR GOAL				1,175	0	0	
DH-2 Affordability of Decent Housing							
DH-2.2	Provide affordable, decent housing through assistance to households seeking homeownership.	HOME	Homes purchased with assistance	2010	110	0	0
				2006	110	0	0
				2011	110	0	0
				2012	110	0	0
				2013	110	0	0
MULTI-YEAR GOAL				550	0	0%	
DH-2 Affordability of Decent Housing							
DH-2.3	Provide affordable, decent housing through assistance for rental units.	HOME	Units developed or rehabilitated for renters	2010	300	0	0
				2011	300	0	0
				2012	300	0	0
				2013	300	0	0
				2014	300	0	0
MULTI-YEAR GOAL				1,500	0	0	

Table 2C Summary of Specific Objectives

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-2 Affordability of Decent Housing							
DH-2.4	Provide affordable, decent housing through assistance to tenants for rental housing.	HOME	Households given rental assistance	2010	30	0	0
				2011	30	0	0
				2012	30	0	0
				2013	30	0	0
				2014	30	0	0
MULTI-YEAR GOAL				150	0	0	
DH-3 Sustainability of Decent Housing							
DH-3.1				2010	0	0	0
				2011	0	0	0
				2012	0	0	0
				2013	0	0	0
				2014	0	0	0
MULTI-YEAR GOAL				0	0	0.00%	
SL-1 Availability/Accessibility of Suitable Living Environment							
SL-1.1	Provide assistance to Day Care facilities to make a suitable living environment available and accessible.	CDBG	Day Care Facilities Assisted	2010	6	0	0
				2006	6	0	0
				2011	6	0	0
				2012	6	0	0
				2013	6	0	0
MULTI-YEAR GOAL				30	0	0	
SL-1 Availability/Accessibility of Suitable Living Environment							
SL-1.2	Provide assistance to other public facilities to make a suitable living environment available and accessible.	CDBG	Facilities Assisted	2010	2	0	0
				2011	2	0	0
				2012	2	0	0
				2013	2	0	0
				2014	2	0	0
MULTI-YEAR GOAL				10	0	0	
SL-1 Availability/Accessibility of Suitable Living Environment							
SL-1.3	Provide assistance to facilities serving the disabled to make a suitable living environment available and accessible.	CDBG	Persons with disabilities served	2010	250	0	0
				2011	250	0	0
				2012	250	0	0
				2013	250	0	0
				2014	250	0	0
MULTI-YEAR GOAL				1,250	0	0	

Table 2C Summary of Specific Objectives

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
SL-2 Affordability of Suitable Living Environment							
SL-2.1				2010	0	0	0
				2011	0	0	0
				2012	0	0	0
				2013	0	0	0
				2014	0	0	0
MULTI-YEAR GOAL					0	0	0.00%
SL-3 Sustainability of Suitable Living Environment							
SL-3.1	Provide assistance to Day Care facilities to make a suitable living environment sustainable.	CDBG	Day Care Facilities Assisted	2010	1	0	0
				2011	1	0	0
				2012	1	0	0
				2013	1	0	0
				2014	1	0	0
MULTI-YEAR GOAL					5	0	0
SL-3 Sustainability of Suitable Living Environment							
SL-3.2	Provide assistance to communities to upgrade water and sewer facilities in order to make a suitable living environment sustainable.	CDBG	Number of water/sewer systems upgraded	2010	25	0	0
				2011	25	0	0
				2012	25	0	0
				2013	25	0	0
				2014	25	0	0
MULTI-YEAR GOAL					125	0	0
EO-1 Availability/Accessibility of Economic Opportunity							
EO-1.1	Assistance to businesses to create or retain jobs	CDBG	Jobs created/retained	2010	800	0	0
				2011	800	0	0
				2012	800	0	0
				2013	800	0	0
				2014	800	0	0
MULTI-YEAR GOAL					4,000	0	0
EO-1 Availability/Accessibility of Economic Opportunity							
EO-1.2	Day care facility to allow accessibility of Economic Opportunity	CDBG	Day Care Facilities Assisted	2010	1	0	0
				2011	1	0	0
				2012	1	0	0%
				2013	1	0	0
				2014	1	0	0

Table 2C Summary of Specific Objectives

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed		
				MULTI-YEAR GOAL			5	0	0
EO-2 Affordability of Economic Opportunity									
EO-2.1				2010	0	0	0		
				2011	0	0	0		
				2012	0	0	0		
				2013	0	0	0		
				2014	0	0	0		
				MULTI-YEAR GOAL			0	0	0.00%
EO-3 Sustainability of Economic Opportunity									
EO-3.1	Sustain Economic Opportunities through the upgrading of water/sewer systems.	CDBG	Number of water/sewer systems upgraded.	2010	5	0	0		
				2006	5	0	0		
				2011	5	0	0		
				2012	5	0	0		
				2013	5	0	0		
				MULTI-YEAR GOAL			25	0	0
CR-1 Community Revitalization									
CR-1.1				2010	0	0			
				2011	0	0			
				2012	0	0			
				2013	0	0			
				2014	0	0			
				MULTI-YEAR GOAL			0	0	0.00%
O-1 Other									
O-1.1				2010	0	0			
				2011	0	0			
				2012	0	0			
				2013	0	0			
				2014	0	0			
				MULTI-YEAR GOAL			0	0	0.00%

Affordable Housing Goals

This section of the Annual Action Plan describes the State's one year goals for the number of households to be provided affordable housing through a variety of housing activities.

ANNUAL HOUSING COMPLETION GOALS –USING A MODIFIED OPTIONAL STATE TABLE

3B

	Expected Annual Number of Units To Be Completed	Resources used during the period			
		CDBG	HOME	ESG	HOPWA
ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215)					
Acquisition of existing units	15		X		
Production of new units	120		X		
Rehabilitation of existing units	100		X		
Rental Assistance	30		X		
Total Sec. 215 Affordable Rental	265		X		
ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215)					
Acquisition of existing units	0				
Production of new units	0				
Rehabilitation of existing units	235	X			
Homebuyer Assistance	110		X		
Total Sec. 215 Affordable Owner	345	X	X		
ANNUAL AFFORDABLE HOUSING GOALS (SEC. 215)					
Acquisition of existing units	15		X		
Production of new units	120		X		
Rehabilitation of existing units	335	X	X		
Homebuyer Assistance	110		X		
Total Sec. 215 Affordable Housing	580	X	X		
ANNUAL AFFORDABLE HOUSING GOALS (SEC.215)					
Homeless households	888		X	X	X
...Special needs households	80		X	X	X

Activities

This section of the Annual Action Plan describes the State's method for distributing funds to local governments, for-profit and nonprofit organizations to carry out activities addressing Iowa's priority housing and community development needs.

HOME Method of Distribution

The goals of the HOME Investment Partnership Program are as follows:

- to foster expansion and retention, and to ensure a continued supply of safe, decent, sanitary and affordable housing for low-income Iowans;
- to develop and strengthen the capacity of local governments and other housing development entities to identify, design and implement strategies addressing affordable housing needs;
- to provide financial assistance for affordable housing initiatives.

The State of Iowa is a HUD Participating Jurisdiction. In 2010, the State assigned the administration and implementation of the HOME program to IFA, moving it from its home since 1992 at IDED. The actual date of the program administration began on July 1, 2010, the beginning of the State's fiscal year. IFA staff will work in consultation with other agencies and organizations to further refine HOME program design and implementation. The State will coordinate internal activities with funding opportunities from the LIHTC program and the State Housing Trust Fund when appropriate.

IFA will administer the HOME program through State administrative rules consistent with 24 CFR 92. Staff will provide technical assistance to eligible applicants in the course of project development through training sessions and consultation available to all interested participants. IFA will perform required monitoring, performance and evaluation reviews to ensure compliance with all applicable federal rules, including 24 CFR 92.650. Because of the transfer of the HOME program from IDED to IFA, administrative rules were filed emergency for the administration of the HOME program in July 2010, however, the HOME rules were amended to establish the process for the allocation of HOME funds on October 1, 2010. IFA will accept public comments to the proposed rules through November 9, and the IFA board will adopt the final version of the rules on November 24, 2010. The HOME program rules, as amended, will be effective on January 19, 2011. As such, the allocation process described within may undergo minor revisions based on response to public comment and board adoption.

Priority needs were identified at the start of this activities section. The state has allocated its HOME allocation to meet those priorities. A comparison between the needs identified and the proposed goals are outlined below:

Housing:

- Objective 1: Elderly renter households – affordability, physical accessibility, increasing the number of available units
- Objective 2: Small low-and moderate income renter households – affordability, geographic distribution, stemming the loss of existing rental units
- Objective 3: Large low-and moderate income renter households – affordability, target minority and recent immigration populations, lead-based paint removal

Objective 4: First time low-and moderate income homeowners – downpayment assistance, homebuyer education, and credit counseling

Objective 5: Homeless population –permanent supportive housing, and rental assistance

Objective 6: Special needs population – accessible housing

Housing Goals:

Objective 1, 2 & 3 Goal: Provide 300 units of affordable, decent housing through assistance for rental units.

Objective 4 Goal: Provide homeownership assistance for 110 first time homebuyer households.

Objective 5 Goal: Assist 888 homeless persons have access to shelter or transitional housing.

Objective 5 & 6 Goal: Provide rental assistance to 30 low income and extremely low income households.

In addition to the stated goals, IFA has made the following changes in the rules governing the HOME program to address specific objectives related to economic opportunities that address availability, accessibility, affordability, and sustainability. These changes address high priority need levels for families, individuals, and persons with special needs. These rules will apply to the 2011 funding round:

Availability and affordability: For rental activities for projects with 36 units or greater, 5 percent of all of the units, assisted or not assisted, in the project shall be rented to households at or below 30 percent of the area's median family income and, the household shall not pay more than the rent established by HUD for extremely low income households.

Accessibility: In the application review criteria, special consideration will be given to applications where 100 percent of the HOME-funded rental units are fully handicapped accessible (not adaptable).

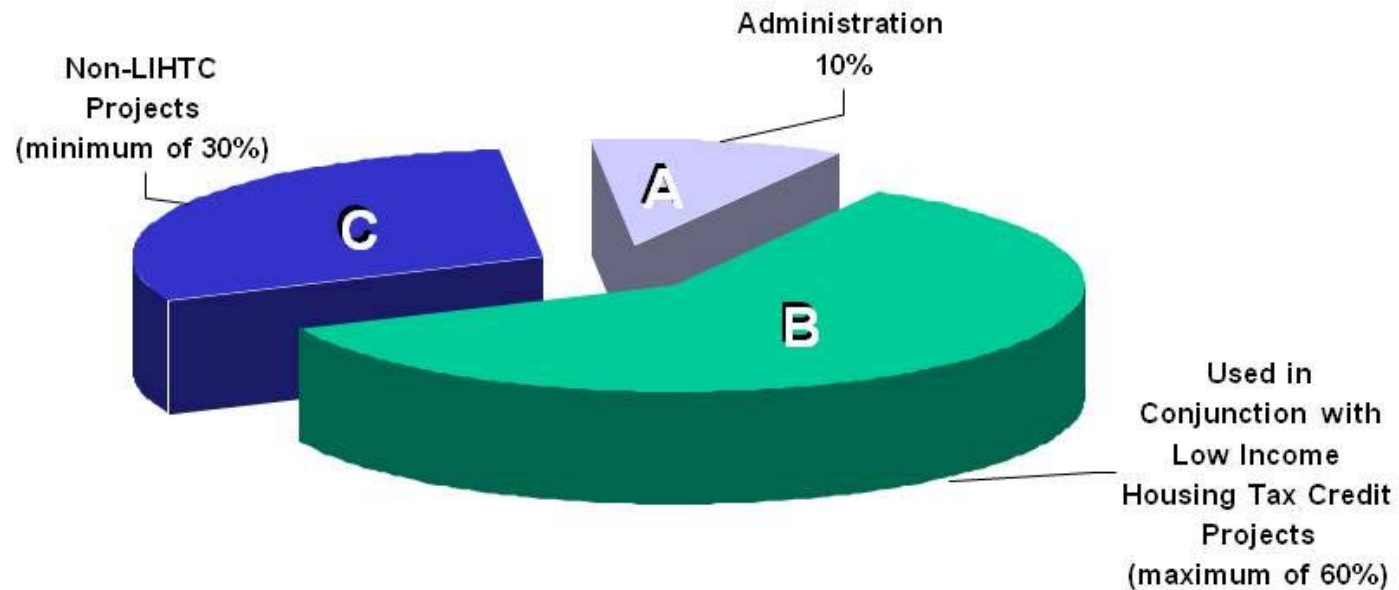
Sustainability: All new construction must obtain Energy Star certification verified by an Energy Star Rater.

IFA will reserve up to ten (10) percent of its HOME allocation for administration. The State uses these funds to pay for state administrative costs and to provide support for the direct administrative costs of successful applicants.

The remaining ninety (90) percent of the HOME funds are allocated on an annual basis. Funds are distributed to eligible applicants through a competitive application process. At least fifteen (15) percent of the total HOME funds are used to support projects from CHDO's.

Applications for rental housing activities proposed to be jointly funded through the HOME program and the Low Income Housing Tax Credit (LIHTC) program will file a joint application. Applications will be reviewed and award decisions are made through an annual competition for funds. Applicants to the HOME program may request staff assistance in project development prior to submitting an application. IFA also provides regular and ongoing training for applicants and recipients. Additionally, the HOME application form, administrative rules and HOME Management Guide make accessing the HOME funds easy for customers. All application materials are available on the IFA web site. Joint HOME/LIHTC applications are due on or about March 8, 2011. HOME applications (including non-LIHTC HOME applications) are due on or about February 7, 2011.

IOWA HOME PROGRAM (PROPOSED ALLOCATION OF 2011 FUNDS)



Note: A minimum of 15% of the funds in B and C will be awarded to CHDOs.

IFA will make HOME resources available for the following types of activities:

- homeownership assistance for first-time homebuyers (existing units and newly constructed units);
- tenant-based rental assistance;
- rental; and
- transitional housing.

The State administrative rules for the HOME program allow IFA to limit the amount of funds that will be awarded for any single activity type. For all single-family activities, there is a \$500,000 ceiling per proposal. For all multi-family activities there is a \$900,000 ceiling per proposal and a general limit of \$60,000 per unit.

IFA will provide additional outreach and technical assistance in rural areas to increase capacity for participation in housing programs. Building local capacity for housing production is a State priority. To achieve equitable geographic distribution, technical assistance may be targeted. IFA has partnered with USDA Rural Development to preserve Section 515 units through a demonstration program. This program reserves LIHTC and below-market loan funds for the sole purpose of preserving affordable rental units in rural areas. When HOME funds are required to make a project feasible, IFA can set-aside a portion of the State's annual HOME allocation to support the Rural Development 515 Preservation Demonstration.

Sufficient CHDO projects are awarded funds to assure that the CHDO reserve of all HOME funds is never less than fifteen (15) percent. IFA also reserves the option to make up to 10 percent of the set-aside available as loans to qualified CHDOs for site specific technical assistance and site control activities (pre-development loans).

The State will continue to work with the State's Local Housing Trust Funds and other non-profits to establish interest in and eligibility for CHDO participation in the HOME program. Eligible CHDO activities will not be more restrictive than those contained in federal rules. CHDOs will be encouraged to be subrecipients for administration and management of proposals submitted by other applicants.

Many HOME projects include match to the program. In calendar year 2009, approximately \$436,000 was provided through property tax abatement, tax increment financing, cash, and property donations. The State of Iowa will use some of the substantial match that has already been accumulated or "banked."

Recapture or Resale Provisions (Homeownership Activities)

IFA will invest HOME resources to benefit qualified (first-time low-income) homebuyers through direct acquisition assistance and/or supplemental rehabilitation activities when appropriate to further the state's housing goals. To maintain maximum flexibility and potential to further these goals, IFA will require recipients to enforce the recapture of HOME Final Rule 92.254. The recapture will be enforced through conditions in the IFA-recipient contract, implemented through local agreements and monitored for compliance with recorded legal instruments containing the necessary provisions. Recapture requirements will be secured through receding forgivable loans due upon sale or transfer within the period of affordability. The recapture of funds will be based on the net proceeds of the sale. HOME recipients will be encouraged to counsel homebuyers, to maximize their ability to maintain the property and pay the mortgage. The Iowa land sales recording and abstracting processes will assist IFA and recipients in ensuring long-term affordability of HOME funded projects.

Tenant-Based Rental Assistance Compliance

Rental assistance payments remain a State priority for use of HOME resources. Local market information substantiates a significant level of need in this area. IFA will consider applications for tenant-based rental assistance (TBRA) when the applicant certifies compliance with the following:

Such use is an essential element of its current housing planning strategy for expanding the supply, affordability and availability of decent, safe and sanitary housing and clearly specifies the local market conditions that lead to such a determination.

Tenants assisted with these funds may be selected from the local public housing authority Section 8 waiting list. TBRA may be provided to low- and very-low income families in accordance with written policies and criteria related to preference rules, such as those established by the federal Housing Act.

The local recipient will be required to execute a memorandum of understanding with the participating project owner(s) delineating further requirements. Local recipients will be required to consider the tenants' need for rent subsidies, utility deposits and security deposits as part of determining tenant need.

Other Forms of Investment

IFA will continue to search out creative and collaborative means of supplementing the HOME program for housing activities or projects. Most of the additional forms of assistance are established by federal rule. Accordingly, the State administrative rules establish the following eligible forms of assistance under the HOME program:

- equity investments;
- interest bearing loans or advances;
- non-interest bearing loans or advances;
- interest subsidies;
- deferred payment loans;
- forgivable loans;
- grants.

IFA may seek to amend the administrative rules to allow additional types of investment activity.

Other resources that may be used in a project or activity include the following:

Federal Home Loan Bank Affordable Housing Program;
Iowa Finance Authority (various programs);
low-income housing tax credit equity;
local tax abatement;
local tax increment financing;
state Housing Enterprise Zone benefits;
foundation loans/grants;
charitable source contributions;
local bond revenues;
discounted loans from private lenders;
market rate loans from private lenders;
USDA - RD;
HUD;
Local (community) dollars
Local volunteers and service corps;
Owner equity

Affirmative Marketing

The State requires HOME program recipients and owners of rental projects to adopt affirmative marketing procedures and requirements for all housing containing five or more units. Recipients pattern their affirmative marketing efforts from the *HOME Management Guide*, distributed to recipients. The affirmative marketing plan is a required element of the administrative plan recipients must submit to IFA. IFA also requires the completion and submission of the either HUD 935.2A or HUD 935.2B, if applicable to the project.

The Guide outlines the following required components of recipients' marketing plans:

- description of methods for informing the public, owners and potential tenants about fair housing laws and policies;
- description of what owners and/or the recipient will do to affirmatively market housing assisted with HOME resources;
- description of what owners and/or the recipients will do to inform persons not likely to apply for housing without special outreach;
- maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness;

IFA staff members provide technical assistance to recipients in the development of and compliance with affirmative marketing plans. IFA appraises potential recipients and recipients of the need for affirmative marketing strategies at both the applicant workshops, and at recipient workshops. IFA also monitors projects for affirmative marketing policies and activities during the administration of the projects.

Affirmative Marketing efforts by the state of Iowa include contracting with the Iowa Civil Rights Commission. The contract provides financial assistance to the Iowa Civil Rights Commission to conduct fair housing outreach, testing, education, and training to landlords, tenants and developers, and to provide diversity training at conferences and workshops.

The State of Iowa will continue its contract in the coming year with the Iowa Civil Rights Commission to promote fair housing by conducting Fair Housing training, education, testing and outreach.

Minority and Women Business Outreach

The State requires recipients to make every effort to solicit the participation of minority- and women-owned businesses (MBE/WBEs) in contracting under the HOME program. Recipients should include qualified MBE/WBEs on solicitation lists and solicit their participation whenever they are potential sources. The *HOME Management Guide*, distributed to program recipients, addresses the State's Minority/Women Business Enterprise (MBE/WBE) policy. It states that recipients must specify the outreach actions they will take to ensure the inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women in all contracts. The guide provides recipients with a list of clearinghouses for solicitation of MBE/WBEs.

Through project monitoring and reporting, IFA project managers review each recipient's documentation of efforts and results in securing contracts with MBE/WBEs. IFA staff members also apprise recipients of MBE/WBE issues at recipient workshops.

The State has an ongoing program of identifying and assisting MBE/WBEs. A component of this effort is the Iowa Department of Inspections and Appeals' targeted small business certification program. The list of certified businesses maintained as part of this program is available to HOME program recipients at the web site www.iowai.net/iowa/dia/tsb/. The Iowa Targeted Small Business Act requires all State departments, agencies, commissions and public education institutions to promote the procurement of goods and services from certified targeted small businesses. IDED's Targeted Small Business Financial Assistance Program provides funding for MBE/WBEs in the form of loans, equity substitution grants or loan guarantees.

Training from the newly-formed "Minority Enterprise Construction Council" is now available to minority small business residential construction contractors. Training is now provided in the following areas:

- Business Plan;
- Marketing Plan;
- Certifications in weatherization and lead-safe work practices/lead interim control;
- Slate Siding Safe Work Practices;
- Insurance;
- Financing;
- Bidding;
- Universal Design; and
- Managing a Business.

The MECC has been named the 2007 Minority Small Business Champion of the year for the State of Iowa by the U.S. Small Business Administration.

Limited English Proficiency

The State is working on writing a "Limited English Proficiency Plan." Six non-metropolitan counties and one metropolitan county have more than ten percent Hispanic residents. We will be working with our Department of Human Rights on access to programs and services (as required under Executive Order 13166 and Title VI of the Civil Rights Act of 1964) for people with limited English that use our CDBG and HOME programs.

"Money Follows the Person" Initiative

Iowa's Partnership for Community Integration proposes to assist 284 residents of the state's Intermediate Care Facilities for Persons with Mental Retardation (ICFs/MR) in transitioning to independent settings in

the community of their choice, where they will receive the enhanced services and supports they need to pursue their personal goals and to achieve a high quality of life. This initiative, made possible through a Money Follows the Person (MFP) grant through the U.S. Department of Health and Human Services, complements the State's larger strategy to rebalance its systems of long-term support for older Iowans and people with disabilities.

IFA chaired the Partnership for Community Integration MFP Housing Subcommittee, submitting a final report in 2007. IFA remains an active partner in Iowa's MFP initiative as the availability of safe, decent affordable housing continues to be key to its success. Those choosing to transition from ICFs/MR to community-based housing options must be provided with an adequate supply of qualified residences. The Housing Subcommittee's report summarized the current affordable housing stock in Iowa and identified housing issues related to the MFP initiative. The Housing Subcommittee also completed an Iowa Affordable Rental Housing Inventory and a Transitional Specialist Housing Toolkit. This work was used to help complete the required operational protocol under the MFP initiative and as on-going valuable resources in its implementation.

Although in total nearly 43,000 affordable rental housing units were identified as operating under one or more of the major affordable housing development programs in Iowa as of July 2007, the availability of affordable, accessible housing for MFP participants is a key concern. IFA has committed to partner with the Iowa Department of Human Services in implementation of MFP, by working to ensure sufficient legislative appropriations to support the State-funded HCBS Waiver Rent Subsidy program, which serves as the affordability safety net for MFP participants, and by assisting transition specialists in understanding housing assistance programs and securing the participation of local landlords.

CDBG Method of Distribution

As outlined in Title I of the Housing and Community Development Act, the primary goal of the CDBG program is “the development of viable communities, by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate incomes.” In addition to the national program goals and objectives outlined by this Act, the State designs its CDBG program to do the following:

- to be flexible enough to address community priorities;
- to ensure neutrality and fairness in the treatment of all applications;
- to promote the proper maintenance of owner-occupied housing;
- to assist communities to preserve and develop, in a sustainable manner, basic infrastructure;
- to support economic development activities that principally benefit low- and moderate-income persons through job training and job creation.

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. Those activities outlined as eligible under Title I, Section 105, of the Housing and Community Development Act of 1974, as amended, are considered eligible under Iowa’s CDBG program. Eligible activities include public facilities (such as streets, water and sewer facilities, and community buildings), public services, housing rehabilitation, economic development and job training. State administrative rules for the program contain a complete listing of eligible activities. At least 70 percent of CDBG funds allocated to local governments will be used for activities that principally benefit low- and moderate-income persons. For these purposes, low- and moderate-income persons means they have incomes at or below 80 percent of the area median income defined by HUD annually in March.

Applications for funds under any of the CDBG programs will satisfy two primary requirements of CDBG funds:

The proposed activities shall be eligible, as authorized by Title I, Section 105 of the Housing and Community Development Act of 1974 and as further defined in 24 CFR 570, as revised April 1, 1997 and;

The Proposed activities shall address at least one of the following three objectives:

1. Primarily benefit low- and moderate-income persons. To address this objective, 51 percent or more persons benefiting from a proposed activity must have incomes at or below 80 percent of the area median income.
2. Aid in the prevention or elimination of slums and blight. To address this objective, the application must document the extent or seriousness of deterioration in the area to be assisted, showing a clear adverse effect on the well-being of the area or community and illustrating that the proposed activity will alleviate or eliminate the conditions causing the deterioration.
3. Meet an urgent community development need. To address this objective, the applicant must certify that the proposed activity is designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community and that are recent in origin or that recently became urgent; that the applicant is unable to finance the activity without CDBG assistance and that other sources of funding are not available. A condition shall be considered recent if it developed or became urgent within 18 months prior to submission of the application for CDBG funds.

Priority needs were identified at the start of this activities section. The state has allocated its CDBG allocation into different set-asides to meet those priorities. A comparison between the needs identified

and the set aside are outlined below:

Housing:

Existing low-and moderate-income homeowners – maintenance issues addressed with energy efficient strategies considered: Housing set-aside. Goal for 2011 is to rehabilitate 235 units

Community needs:

Infrastructure – water and sewer: Water & Sewer Set-aside. Goal for 2011 is to build or improve 25 systems

Storm Water: Community Facilities & Services Set-aside. Goal for 2011 is to build or improve 2 systems.

Public services – day care, sheltered workshops, and medical support systems: Community Facilities & Services Set-aside. Goal for 2011 is to assist 8 facilities/250 persons with disabilities

Workforce development: Job Creation and Development set-aside. Goal for 2011 is to create or retain 800 jobs.

Each year the actual dollar amount of the CDBG allocation from HUD funding changes depending upon the formula used by Congress and the amount of federal dollars allocated to the nationwide CDBG program. Therefore, it is difficult for the State to estimate dollar amounts for each fund within the CDBG program. Instead we designate a percentage of the overall allocation to each fund in order to better illustrate the breakdown of how 2010 dollars will be used.

The State will reserve about two (2) percent (plus \$100,000) of its CDBG allocation for administrative costs. IDED will use one (1) percent of the allocation for specialized technical assistance programming and/or regional planning and development, or additional administrative activities. Last year our 2010 allocation for these two funds was \$955,443. Iowa's CDBG program is comprised of the following:

Annual competitive program for public facilities and services (actually two separate competitions: the Community Facilities and Services Fund and the Sewer and Water Fund). Last year our 2010 allocation for these funds were \$13,301,950;

Job creation, retention and enhancement fund (including the Economic Development/Public Facilities set-asides (EDSA/PFSA) and Career Link). Last year the 2010 allocation for this fund was \$5,702,957.

Contingency Fund. Last year the 2010 allocation for this fund was \$1,425,739.

Housing Fund set-aside. Last year the 2010 allocation for this fund was \$7,128,697.

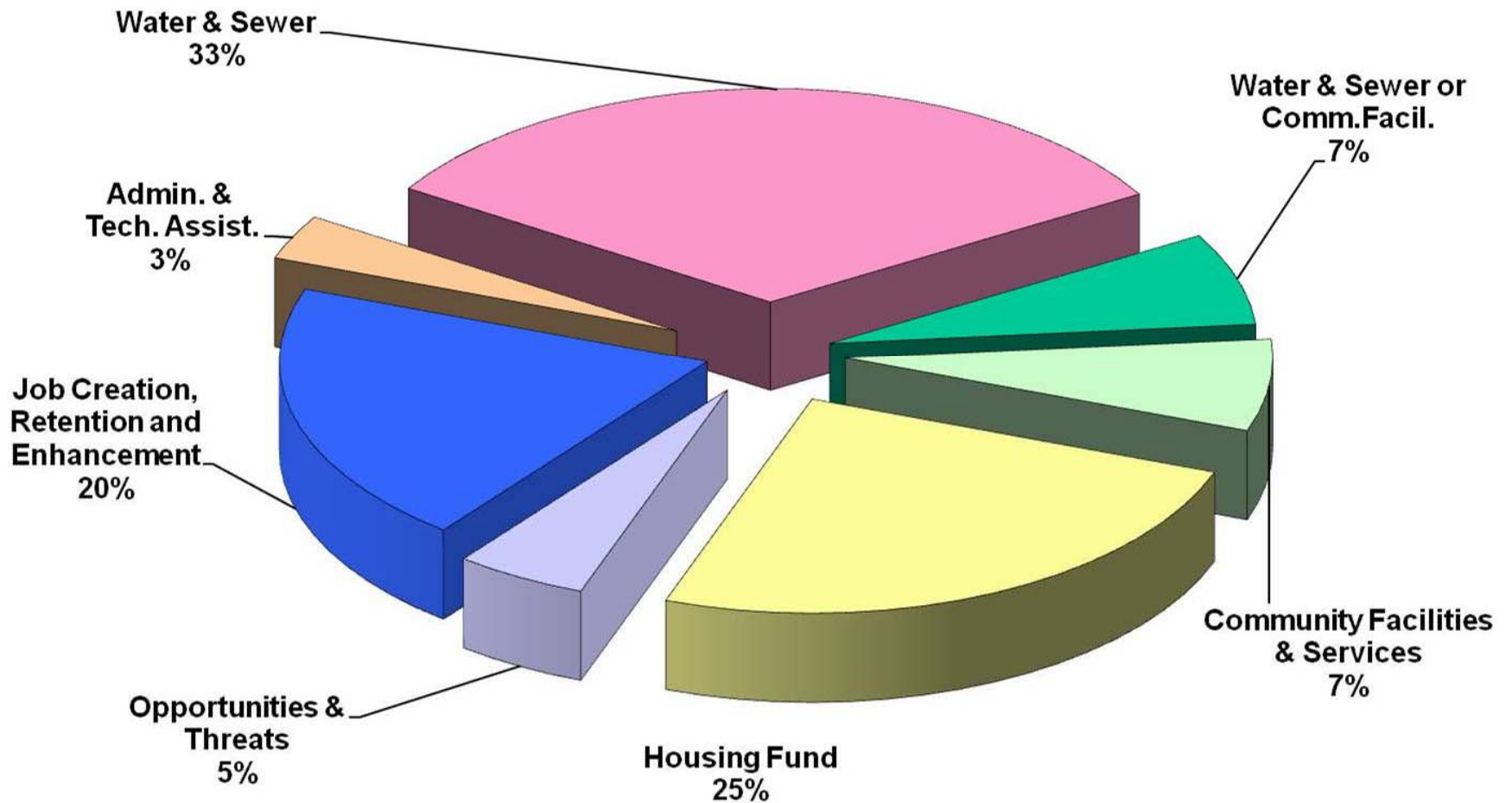
Interim financing program. Last year no money was allocated to this part of the program.

In cases of disaster, the State may allocate recaptured funds, or any uncommitted funds from the current program year, to the Contingency Fund described in the IDED Administrative Rule 261-23.10, or to the Disaster Recovery Fund described in IDED Administrative Rule 261-23.14. Funds can only be reallocated under this provision in cases where there has been a Presidential Disaster declaration, or a Governor's Disaster Proclamation, and the reallocated funds may only be used in those geographic areas where the Presidential Disaster declaration or Governor's Disaster Proclamation applies.

The chart on the following page shows the approximate distribution of the State's CDBG allocation among the program components.

Iowa CDBG Program

(PROPOSED ALLOCATION OF 2011 FUNDS)



General Selection Procedures

Applicants for CDBG funds must meet the following threshold criteria:

- Show the project addresses at least one of the three national objectives (primarily benefit low- and moderate-income persons, prevent or eliminates slum and blight or alleviate conditions which pose a serious and immediate threat to the health or welfare of a community's residents);
- Show project funds will be used only for eligible activities;
- Provide evidence of local capacity to administer grant (past experience with state or federal grants, staff qualifications or plans to contract for grant administration);
- Show acceptable past performance in administering a CDBG project;
- Show it is feasible to complete the project with the funds requested;
- To the greatest extent feasible, CDBG funds are to be used as gap financing. Applications are to identify and describe any other sources of funding for proposed activities;
- Identify community development and housing needs;
- Satisfy the Iowa Citizen Participation Plan requirements;
- Present signed certifications as required.

In addition to satisfying the general program minimum threshold requirements, proposed CDBG projects must follow the specific rules pertaining to the applicable individual program component (annual competitive program, EDSA, PFSA, Housing Fund, Opportunities and Threats Contingency Fund and Short-term Interim Financing program). Each of these is discussed below.

Non-housing Competitive Program

About forty-seven (47) percent of the State's annual CDBG allocation from HUD will be distributed through an annual competition for non-housing community development projects. The competitive program is divided into two competitions: the Community Facilities and Services Fund and the Water and Sewer Fund. The Community Facilities and Services Fund will represent seven (7) – fourteen (14) percent of the State's CDBG allocation; the Water and Sewer Fund will represent thirty-three (33) – forty (40) percent (precise amounts will be determined at the discretion of the IDED Director). The split in competitions is designed to allow different types of activities to compete well, resulting in the best possible projects being funded.

An application workshop was held for the Water and Sewer Fund and Community Facilities and Services Fund on August 25, 2010. Applications, application instructions, program rules, rating criteria, instructions to complete an income survey, contact information for other funding sources, and workshop powerpoint presentations have been available on the IDED website since the announcement. Applications will be due for the Water & Sewer fund on November 3, 2010 and applications will be due for the Community Facilities and Services fund on January 5, 2011. Award decisions are expected to be made by March 2011. Eligible activities for the Community Facilities and Services Fund include childcare centers, group homes and employment facilities for persons with disabilities, primary health and mental health facilities, services for the homeless or migrant workers and facilities or services for elderly persons. Eligible activities for the Water and Sewer Fund include water and sanitary sewer facilities and storm sewer projects related to sanitary sewer facilities.

All eligible applicants compete with every other city and county eligible for funding. Communities with populations less than 1,000 may receive up to \$300,000, those with populations between 1,000 and 2,500 may receive up to \$500,000, those with populations between 2,500 and 15,000 may receive up to \$600,000, and those with populations greater than 15,000 population may receive \$800,000 each year.

Communities with populations less than 300 are limited to \$1,000 per capita, as are unincorporated areas of a county proposing direct service projects.

The following is a more detailed description of the review criteria for applications submitted to the Community Facilities and Services Fund:

- 1) What is the magnitude of need for the project?
High Score = Relatively immediate health or safety concern
Medium Score = Action needed sometime in the next few years
Low Score = Proposed project is an “amenity”
- 2) To what degree can the project be completed in a timely fashion?
High Score = Construction to commence quickly, minimum length, realistic time-frame
Medium Score = Average/reasonable construction timetable based on project type
Low Score = Late start, lengthy/unrealistic/unclear timetable
- 3) To what degree will CDBG funds be leveraged by other funds?
High Score = One-half or more of project financed with leveraged (non-CDBG) funds
Medium Score = One-third to one-half of project financed with leveraged funds
Low Score = Less than one-third of project financed with leveraged funds
- 4) To what degree is the cost per beneficiary within a reasonable range?
High Score = Approximately \$5,000 or less CDBG dollars per beneficiary
Medium Score = Approximately 10,000 or less CDBG dollars per beneficiary
Low Score = Approximately \$10,000 or more CDBG dollars per beneficiary
- 5) What is the 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?
High Score = Activity directly and substantially addresses the identified need
Medium Score = Partial impact on the identified need
Low Score = Does not have substantial impact on the identified need
- 6) To what degree is the proposed activity appropriate for CDBG funding?
High Score = Clearly furthers most aspects of the federal objective
Medium Score = Relates to some aspects of the federal objective
Low Score = Does not appear to further the federal objective in any meaningful way
- 7) To what degree is the project ready to proceed?
High Score = Preliminary work is done and needed financial resources are secured
Medium Score = Some preliminary work done, but some important elements remain undetermined (e.g., site, some financing)
Low Score = Little preliminary work done on site or financing
- 8) What is the capacity of the recipient or subrecipient to operate and maintain the proposed activity to ensure its continuing viability?
High Score = Qualified personnel are already on staff and condition of existing systems indicates past record of proper maintenance
Medium Score = Some problems with maintenance and/or lack of staff, but clear and manageable plans for improvement
Low Score = Existing facilities have been neglected, no qualified personnel on staff and inadequate plans for improvement
- 9) To what degree does the project promote orderly, compact development supported by affordable

public infrastructure?

High Score = Clearly promotes orderly, compact development

Medium Score = Does not create unnecessary sprawl

Low Score = Promotes sprawl

- 10) Whether the activity meets or exceeds the minimum building and site design criteria established by IDEED to be eligible for funding.
High Score = 71 – 244 points
Medium Score = 16 – 70 points
Low Score = 2 – 15 points

The following is a more detailed description of the review criteria for applications submitted to the Water and Sewer Fund:

- 1) What is the magnitude of need for the project?
High Score = Relatively immediate health or safety concern
Medium Score = Action needed sometime in the next few years
Low Score = Proposed project is an “amenity”
- 2) To what degree can the project be completed in a timely fashion?
High Score = Construction to commence quickly, minimum length, realistic time-frame
Medium Score = Average/reasonable construction timetable based on project type
Low Score = Late start, lengthy/unrealistic/unclear timetable
- 3) To what degree will CDBG funds be leveraged by other funds?
High Score = One-half or more of project financed with leveraged (non-CDBG) funds
Medium Score = One-third to one-half of project financed with leveraged funds
Low Score = Less than one-third of project financed with leveraged funds
- 4) To what degree is the cost per beneficiary within a reasonable range?
High Score = Approximately \$5,000 or less CDBG dollars per beneficiary
Medium Score = Approximately 10,000 or less CDBG dollars per beneficiary
Low Score = Approximately \$10,000 or more CDBG dollars per beneficiary
- 5) What is the 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?
High Score = Activity directly and substantially addresses the identified need
Medium Score = Partial impact on the identified need
Low Score = Does not have substantial impact on the identified need
- 6) To what degree is the proposed activity appropriate for CDBG funding?
High Score = Clearly furthers most aspects of the federal objective
Medium Score = Relates to some aspects of the federal objective
Low Score = Does not appear to further the federal objective in any meaningful way
- 7) To what degree is the project ready to proceed?
High Score = Preliminary work is done and needed financial resources are secured
Medium Score = Some preliminary work done, but some important elements remain undetermined (e.g., site, some financing)
Low Score = Little preliminary work done on site or financing
- 8) What is the capacity of the recipient or subrecipient to operate and maintain the proposed activity to

ensure its continuing viability?

High Score = Qualified personnel are already on staff and condition of existing systems indicates past record of proper maintenance

Medium Score = Some problems with maintenance and/or lack of staff, but clear and manageable plans for improvement

Low Score = Existing facilities have been neglected, no qualified personnel on staff and inadequate plans for improvement

- 9) To what degree does the project promote orderly, compact development supported by affordable public infrastructure?

High Score = Clearly promotes orderly, compact development

Medium Score = Does not create unnecessary sprawl

Low Score = Promotes sprawl

- 10) Whether the activity meets or exceeds the minimum building and site design criteria established by IDED to be eligible for funding.

High Score = 71 – 244 points

Medium Score = 16 – 70 points

Low Score = 2 – 15 points

After the applications have been evaluated using the above review criteria, all applications are summarized and funding recommendations are presented to the IDED Community Division Administrator and IDED Director, and a final funding decision is determined.

The HUD certifications included at the end of this Plan require IDED to evaluate each proposal to ensure the minimum federal funds necessary. Where program awards are made to local recipients for unspecified sites, the recipient is asked to establish the project investment methodology to be used to select project sites and the feasibility of establishing the sites in a timely manner.

Housing Competitive Program

Twenty-five percent of the State's annual CDBG allocation from HUD will be distributed through an annual competitive housing application process for owner-occupied rehabilitation for low to moderate income households. Assisted housing shall be single-family housing occupied by homeowners as their principal residence. All houses will be rehabilitated in accordance with any locally adopted building or housing codes, standards and ordinances. If locally adopted and enforced building and housing codes do not exist, the Iowa Minimum Housing Rehabilitation standards, including green criteria will be followed.

An application workshop was held in conjunction with the Water and Sewer Fund and Community Facilities and Services Fund in August 25, 2010. Applications, application instructions, program rules, rating criteria, instructions to complete an income survey, contact information for other funding sources, and workshop powerpoint presentations have been available on the IDED website since the announcement. Applications will be due December 8, 2010. Award decisions are expected to be made by March 2011.

IDED staff review Housing Fund applications using a threshold and competitive criteria review system, taking into account need, impact, and feasibility. The criteria reflect the State's Consolidated Plan priorities. The following list of questions will be used to evaluate the Owner –Occupied Housing Rehabilitation funding requests, and reflect the type of review and evaluation that will be done on each application.

The maximum per unit subsidy for all single-family activities involving rehabilitation is \$37,500. The \$37,500 per unit limit includes all applicable costs including, but not limited to, the hard costs of rehabilitation, technical services costs, including lead hazard reduction carrying costs; lead hazard reduction costs; and temporary relocation. All rehabilitation hard costs funded with housing funds are limited to \$24,999. All applicable technical services costs, including any lead hazard reduction carrying costs, are limited to \$4,500 per unit.

1. How well does the applicant explain the program objectives?

High Score = Complete, accurate, concise description with all necessary details

Medium Score = Missing pieces of information which raises some questions

Low Score = Incomplete, inaccurate, confusing or contradictory information

2. What level of need is explained and documented in the application?

High Score = Well documented and explained, references to supporting data given (excerpts/attachments, etc.)

Medium Score = Weaker arguments, references or support documentation

Low Score = Insufficient need arguments given, little or no support documentation

3. Number/percentage of low- and moderate-income homeowners in the community?

High Score = High percentage of LMI in community, high percentage of homeowners vs. renters, likelihood of greater numbers of participants that are both homeowners and LMI

Medium Score = Mid-range % of LMI and/or homeowners in the community, reduced likelihood of number of participants (LMI & homeowners)

Low Score = Very few LMI and/or homeowners, very little likelihood of sufficient numbers of participants

4. What level of impact will the completion of this program have on the community?

High Score = High degree of need met with proposal, high beneficiary numbers, high LMI benefit

Medium Score = Meets identified need but not high LMI benefit, or has high LMI percentage benefit but low beneficiary numbers

Low Score = Very little of the identified need impacted, low beneficiary number, few LMI served

5. What level of involvement does the community have in other housing/community improvement activities?

High Score = vibrant community indicators, has community and economic development related programs/projects/activities, lots of active players (lenders/realtors, community organizations, businesses, schools, etc.), comprehensive and complementary activities

Medium Score = Some efforts underway but few activities and/or low participation

Low Score = Little or no other housing/community improvement activities, little community involvement

6. At what level is the program part of an ongoing, comprehensive local housing effort?

High Score = This proposal is not the only existing housing stock improvement effort, many related or complimentary housing projects being undertaken

Medium Score = Related to other housing efforts, more could be accomplished

Low Score = Few or no other housing related activities undertaken, little or no relationship

7. Is the community providing local involvement and financial support?

High Score = above the average contribution of application amount

Medium Score = average contribution of the application amount

Low Score = below the average contribution of the application amount

8. What level of readiness does this community show?

High Score = Public hearings and meetings, have marketed the proposed activity, pre-apps received, documented interest in participation, players lined up

Medium Score = Not quite as ready, potential for success and timely completion but less effort made to line the participants and players up

Low Score = Little or no effort made up-front to ensure success or timeliness

After the applications have been evaluated using the above review criteria, all applications are summarized and funding recommendations are presented to the IDED Community Division Administrator and IDED Director, and a final funding decision is determined.

The HUD certifications included at the end of this Plan require IDED to evaluate each proposal to ensure the minimum federal funds necessary. Where program awards are made to local recipients for unspecified sites, the recipient is asked to establish the project investment methodology to be used to select project sites and the feasibility of establishing the sites in a timely manner.

Job Creation, Retention and Enhancement Fund

The State will reserve twenty (20) percent of its CDBG funds for job creation, retention and enhancement. Activities include Economic Development Set Aside (EDSA), Public Facilities Set Aside (PFSA), and the Career Link programs.

EDSA funds will be used for direct loans and forgivable loans to private enterprise when it can be shown new jobs will be created or jobs will be retained that would otherwise be lost. PFSA funds will be used for infrastructure in direct support of economic development opportunities.

EDSA applications are taken and awards made on a continual basis. Funds are utilized as direct loans and forgivable loans to a business. Assistance is provided to leverage private financing in business activities resulting in the creation or retention of jobs principally for low- and moderate-income persons. There is a ceiling of \$1,000,000 per project.

Applications for direct loans and forgivable loans are evaluated on the following criteria and thresholds:

Impact of the project on the community: The Department will use a fiscal impact model to determine the financial return on investment for the community and thus the state. Factors include cost versus expenditures including local, private, and public investment calculated over a 10 year term.

Appropriateness of the jobs to be created or retained by the proposed project: Companies assisted must demonstrate that they can meet 90% to 100% of the county average wage threshold. For a list of county wages please contact the Department.

Appropriateness of the proposed wage and benefit package available to employees in jobs created or retained by the proposed project: Companies assisted must provide a benefit package. They can meet this requirement one of three ways: 1) The company pays 80% of the single coverage for medical and dental coverage; 2) The company pays 50% of the family medical and dental coverage; 3) The company provides some level of benefit such as life insurance or other coverage and provides money back to the employee to purchase medical and dental coverage on their own.

Degree to which EDSA funding would be leveraged by private investment: At least 50% of the project must be supported by private investment. The other half of project costs can be made up of local, state, and/or federal funds.

Degree of demonstrated business need: The application must demonstrate that other sources of financing were pursued or that federal dollars are needed to make the project viable.

In evaluating applications, IDED gives supplementary credit to applicants who have executed a Good Neighbor Agreement with the business to be assisted.

The PFSA program finances construction and improvements to public facilities that aid in economic development (i.e., water systems, sanitary and storm sewer systems, streets and rail and airport facilities). There is an award ceiling of \$500,000 per project. Local governments must provide matching funds of at least 50 percent of the CDBG amount requested.

Applications are evaluated on the following criteria:

Impact of the project on the community: Verification that the project will bring a business to the area or aid in the expansion of a business

Number of jobs created or retained per funds requested: Verification that at least one job created or retained for every \$10,000 of CDBG funds must be maintained.

Degree to which PFSA funding would be leveraged by private investment: verification that at least a percentage of funds comes from private investment

Degree of demonstrated need for the assistance: Funding from other sources has been attempted. At least 50% of the funds are provided by the local government.

Projects funded under EDSA and PFSA must meet a number of minimum threshold criteria. At least fifty-one (51) percent of the jobs created or retained must be taken by or first consideration must be given to low- and moderate-income persons. A ratio of at least one job created or retained for every \$10,000 of CDBG funds must be maintained. The average starting wage of jobs to be created or retained under the EDSA Program by a proposed project must meet or exceed the lower of ninety (90) to one hundred (100) percent of the average county wage, or ninety (90) to one hundred (100) percent of the average regional wage. Funding must also be justified as necessary and appropriate.

For both the EDSA and the PFSA programs, any funds remaining at the end of the program year will revert to the competitive program. Applications are taken and awards made on a continual basis. A decision for funding will be made within sixty (60) days of receipt of a complete application.

Career Link

Career Link is targeted to Iowa's underemployed population who may benefit from training opportunities to develop sustainable wages. Career Link seeks to bridge the gap between employers' need for skilled workers and the aspirations of low skilled and under employed workers to advance into more skilled positions. Individuals are provided with the training necessary to move up the employment ladder and access jobs in demand by Iowa businesses.

Career Link is designed to serve employers and the targeted employee group. On the employer side, current workforce programs often serve new or expanding businesses, but offer few choices for existing firms that lack qualified skilled workers to fill current positions. Even when employers can tap into available training resources, they face limitations such as lack of funding for childcare and/or transportation costs necessary for many workers to access training opportunities. These limitations

restrict the ability of employers to reach workers farther down the employment ladder. Career Link will fill gaps in existing training resources, enabling employers and service providers to link training opportunities with motivated individuals in the targeted population.

In addition to meeting employer and worker needs, Career Link seeks to demonstrate the efficacy of training as an essential component to accomplishing self-sufficiency. The program also emphasizes the Iowa Department of Economic Development's (IDED) commitment to a quality-trained workforce as a foundation to economic development efforts. Partnerships between employers and program operators ensure the training matches Iowa's high-wage job opportunities. Funds will not replace existing training resources but will target a currently under-served population. Career Link is designed to fill the gap in existing job-training resources, completing a continuum of training opportunity.

Persons earning up to eighty (80) percent of the area median family income will be eligible to participate in the program. The program will be the payer of last resort, providing assistance only to fill needs unmet by existing resources. Eligible activities include training, childcare and transportation costs. Potential training providers or service delivery mechanisms include community colleges, community action agencies, Job Training Partnership Act contractors, workforce development centers or other regional contractors. Up to five (5) percent of a contract amount will be allowed for administrative costs.

Program funds will be awarded on a competitive basis. The most qualified competitors will be selected based on established evaluation review criteria. IDED staff members will work with the selected providers to design appropriate program models and negotiate contracts.

Models must be based on documented training needs in the defined service area and must establish partnerships linking potential program participants with business needs and job opportunities. Training provided must be in job occupations paying one hundred (100) percent of the Average County or regional wage, whichever is lower. Participating businesses must provide and pay at least eighty (80) percent of the cost of a standard medical and dental insurance plan (or equivalent) for a single employee or fifty (50) percent of the cost of a standard medical and dental insurance plan (or equivalent) for a family. Only proposals documenting job openings equal or greater to the number of persons to be trained will be considered.

Only cities and counties are eligible applicants (they can apply on behalf of other entities). CDBG entitlement cities are not eligible to apply. A county in which an entitlement city is located may be an eligible applicant for a project that benefits residents and businesses located within an entitlement city. The total project length may not exceed twenty-four (24) months.

Contingency (Opportunities and Threats) Fund

Up to five (5) percent of the State's CDBG allocation is reserved to assist communities that: a) experience an imminent threat to public health, safety or welfare that necessitates corrective action sooner than could be accomplished through the annual competitive program or b) demonstrate sustainable community activities. Communities in need of these funds submit a written request to IDED. Requests are accepted any time during the year. Upon receipt of a request for funding, IDED will determine whether the community and project are eligible for funding. This determination will be made in consultation with appropriate federal, state and/or local agencies. IDED will consider funding a contingency project only if it meets all the criteria from either a or b below:

- a. Projects addressing a threat to health and safety:

The project must meet one of the three national objectives of CDBG;
It must be eligible;
An immediate threat must exist to health, safety or community welfare that requires immediate action;
The threat must result from unforeseeable and unavoidable circumstances or events;
No known alternative project or action would be more feasible than the proposed project;
Sufficient other local, state or federal funds (including the competitive CDBG program) either are not available or cannot be obtained within the time frame necessary to address the problem.

b. Projects addressing demonstrating sustainable community activities:

To what degree is the project consistent with sustainability and smart growth principles? (guide available at

http://www.rio.iowa.gov/resources/legislation/2010_Iowa_Smart_Planning_Overview.pdf)

High = Strong evidence that the project is consistent with sustainability and smart growth principles

Medium = Some components of the project are consistent with sustainability and smart growth principles; minor changes could make project consistent

Low = Little/ no evidence that project will be consistent with sustainability & smart growth principles

What is the 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 (including financial impact and whether or not this project identified in an Iowa great places agreement)?

High = Activity will directly and substantially address the identified need; immediate results will be achieved; best long term solution

Medium = Partial impact on the identified need; immediate results not evident

Low = Minimal impact on the identified need; results/outcomes are unclear; does not appear to be the best long term solution

To what degree is the project ready to proceed?

High = Preliminary work is done and needed financial resources are secured

Medium = Some preliminary work done, but some important elements remain unfinished or undetermined (e.g. planning, some financing)

Low = Little preliminary work done; minimal planning; uncertainty about other financing

To what degree can the project be completed in a timely fashion?

High = Construction to commence quickly; minimum length; realistic time-frame

Medium = Average/reasonable construction timetable based on project type

Low = Late start; lengthy/unrealistic/unclear timetable

To what degree will CDBG funds be leveraged by other funds?

High = One-half or more of project financed with leveraged (non-CDBG) funds

Medium = One-third to one-half of project financed with leveraged funds

Low = Less than one-third of project financed with leveraged funds

What is the capacity of the recipient or sub-recipient to maintain the proposed activity to ensure its continued viability after CDBG assistance?

High = Qualified personnel available; evidence that continued viability can be easily achieved
Medium = Some issues with lack of personnel, but clear and manageable plans for improvement to maintain viability
Low = No clear plans for improved capacity; continued viability questionable

To what degree is the proposed activity appropriate for CDBG funding?

High = Clearly furthers most aspects of the CDBG program purpose
Medium = Relates to some aspects of the CDBG program purpose
Low = Does not appear to further the CDBG program purpose in any meaningful way

To what degree is the total project design and cost information adequate?

High = Extensive project design completed; project costs have been determined
Medium = Some project design completed; project costs are best estimates
Low = Little or no project design documented; not comprehensive in nature

To what degree is the project innovative and able to be replicated in other communities?

High = New idea; highly innovative and something that could be easily replicated in other communities.
Medium = Only some components are innovative; could still be replicated
Low = Project is not innovative; implementation of basic or standard practices only

To what degree does the activity meet or exceed the minimum building and site design criteria (Green Streets Criteria) established by IDEED to be eligible for funding (found at http://iowalifechanging.com/community/green_initiatives.aspx) ?

High = 71 – 244 Points
Medium = 16 – 70 Points
Low = 2 – 15 Points

If IDEED determines the community and the proposed activity are eligible for funding, it shall notify the community of its decision to fund the project.

Downtown Revitalization Fund

Recaptured and reallocated funds, when approved by the Director, may be used to fund downtown revitalization projects. IDEED will consider funding a project if it meets and addresses the criteria below:

To what degree is the proposed activity appropriate for CDBG funding?

High = Clearly furthers most aspects of the CDBG program purpose
Medium = Relates to some aspects of the CDBG program purpose
Low = Does not appear to further the CDBG program purpose in any meaningful way

What is the 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 (including financial impact and whether or not this project identified in an Iowa great places agreement)?

High = Activity will directly and substantially address the identified need; immediate results will be achieved; best long term solution
Medium = Partial impact on the identified need; immediate results not evident
Low = Minimal impact on the identified need; results/outcomes are unclear; does not appear to be the best long term solution

To what degree is the project ready to proceed?

High = Preliminary work is done and needed financial resources are secured

Medium = Some preliminary work done, but some important elements remain unfinished or undetermined (e.g. planning, some financing)

Low = Little preliminary work done; minimal planning; uncertainty about other financing

To what degree can the project be completed in a timely fashion?

High = Construction to commence quickly; minimum length; realistic time-frame

Medium = Average/reasonable construction timetable based on project type

Low = Late start; lengthy/unrealistic/unclear timetable

To what degree is the level of community support for a downtown revitalization effort?

High = Strong support documented by all parties involved

Medium = Full support not evident, but discussions among all parties is on-going

Low = Little support shown; all necessary parties have not been contacted and discussions have been minimal.

To what degree will CDBG funds be leveraged by other funds?

High = One-half or more of project financed with leveraged (non-CDBG) funds

Medium = One-third to one-half of project financed with leveraged funds

Low = Less than one-third of project financed with leveraged funds

To what degree does the activity meet or exceed the minimum building and site design criteria (Green Streets Criteria) established by IDED to be eligible for funding (found at http://iowalifechanging.com/community/green_initiatives.aspx) ?

High = 71 – 244 Points

Medium = 16 – 70 Points

Low = 2 – 15 Points

To what degree is the level of planning that has been completed for comprehensive downtown revitalization efforts?

High = Extensive planning completed; comprehensive approach to revitalization effort very evident

Medium = Some planning completed; comprehensive approach documented; minimal work remaining for completion

Low = Little planning effort documented; not comprehensive in nature

Communities can apply to IDED any time during the year with a pre-application. If IDED determines the community and the proposed activity are eligible for funding, it shall notify the community and invite them to complete a full application which will be due by February. Awards will be announced in May. Pre-applications, instructions, program rules and rating criteria have been available on the IDED website.

Communities can meet the national objective requirements one of two ways; either they can complete a city-wide income survey to meet the low-to-moderate income requirement or they can qualify if they meet the slum and blight criteria. Meeting the slum and blight criteria involves the community designating an area as slum and blight using the criteria established by the state, completing a building inventory, and demonstrating how the project would positively affect the area.

Interim Financing Program

This program provides short-term or interim financing for projects which create or retain employment opportunities, prevent or eliminate blight or accomplish other federal and state community development objectives. Financing may be used for construction or improvement of public works; purchase, construction, rehabilitation or other improvement of land, buildings, facilities, machinery and equipment, fixtures and appurtenances or other projects undertaken by a for-profit or nonprofit organization; or assistance for otherwise eligible projects.

Applications are accepted at any time and are processed, reviewed and considered on a first-come, first-served basis. IDEED makes funding decisions within thirty (30) days of receipt of a complete application and to the extent funds are available. Awards may not exceed \$20 million, and projects must be completed within thirty (30) months of the date of the award. The total of awards in any particular year is not expected to exceed \$25 million.

Selection is based on the following threshold criteria: evidence of local capacity to administer funds; acceptable performance in the administration of prior state and federal grants; feasibility that the project will be completed with funds requested (the applicant must identify other funding sources and the terms of assistance); the ability of the recipient to comply with repayment requirements; an irrevocable letter of credit or equivalent security instrument from an AA-rated lender; and commitment of permanent financing for the project. If an application satisfies all threshold criteria, it is evaluated on the following:

Do CDBG funds leverage substantial local financial participation?

Is the ratio of CDBG funds per person benefited reasonable?

Is the need for CDBG assistance reasonable?

Does the public benefit substantially exceed the value of assistance (measured by the present value of assistance compared to the projected increase in jobs and wages, or the potential dislocation and loss of economic activity if the project is not funded)?

Plans to Minimize Displacement

The State takes several steps to minimize displacement resulting from CDBG activities. All applicants for CDBG funds must certify they will make every effort to minimize displacement. All CDBG recipients are required to submit an adopted Residential Anti-displacement and Relocation Assistance Plan prior to drawing CDBG funds. The State also requires grant recipients to pay relocation costs in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and implemented by 49 CFR, Part 24 or other approved Local Displacement Plans.

Program Income/Remaining Funds/Recaptured Funds

If a recipient receives program income before the contract end date, it must be expended before requesting additional CDBG funds. If a recipient receives program income on or after the contract end date, the recipient may re-use the program income according to an IDEED-approved re-use plan, or the recipient may return the program income to IDEED. If a recipient receives less than \$25,000 of program income cumulative of all CDBG grants in a calendar year, it will be considered miscellaneous revenue and may be used for any purpose.

Any funds recaptured or remaining for any reason and not covered by an IDEED-approved re-use plan must be returned to the IDEED. Recaptured funds will be committed to current (open) contracts. Any funds reallocated to the State by HUD will be distributed in the established percentages to each of the existing programs. Any remaining or redistributed funds at the end of a program year will be carried

forward to the next program year upon receipt of the next year's funding allocation from HUD. These funds will be reallocated in amounts and to funds as approved by the IDEED Director. The priority of the reallocation of those funds is Water & Sewer Fund, Downtown Revitalization Fund and then the Housing Fund.

Iowa Green Streets Criteria

In order to be eligible for funding under the Community Facilities and Services fund, an applicant must meet specific aspects of the Iowa Green Streets criteria.

Guiding principles behind the Iowa Green Streets criteria ensure that buildings must be cost effective to build and durable and practical to maintain. In addition, the principles work together to help produce green buildings that:

- Result in high-quality, healthy living and working environments;
- Lower utility costs;
- Enhance connections to nature;
- Protect the environment by conserving energy, water, materials and other resources; and
- Advance the health of local and regional ecosystems.

ESG Method of Distribution

Eligible ESG activities are those permitted by HUD regulations, authorized by the Stewart B. McKinney Homeless Assistance Act of 1987, as amended, and as further defined in 24 CFR 576. IFA will assist the following activities through the ESG program:

Renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
Provision of essential services if the service is new or is a quantifiable increase in the level of service.

Up to 30 percent of the grant may be used for this purpose.

Payment for activities that assist in homelessness prevention (e.g., short-term subsidies to defray rent and utility costs to prevent eviction or termination of utility services, security deposits or first month's rent for an apartment; programs to provide mediation for landlord/tenant disputes; programs to provide legal representation to indigent tenants in eviction proceedings; payment assistance to prevent foreclosure on a home). Up to 30 percent of the grant may be used for this purpose.

Payments for shelter maintenance, operation, insurance, utilities and furnishings, including up to 10 percent of grant funds for staff costs.

Administration (up to 5 percent of the grant). The State will forward available administrative funds to local government grant recipients and encourage them to make funds available to the local shelters as needed.

ESG funds are available to all cities, counties, and private nonprofit organizations in Iowa. On July 1, 2010, administration of this program shifted from a partnership between IDED and IFA, to sole administration by IFA. At the same time, and in response to HUD's preference that the ESG program align with the timeline of other federal homeless assistance programs, the ESG program shifted from the state fiscal year to a calendar year funding cycle. To make this shift, ESG recipients were awarded six-month grants instead of one-year grants in 2010, to cover the period beginning July 1, 2010 and ending December 31, 2010. Subsequent funding cycles will thus begin January 1 and end December 31 each year.

Applications have historically been solicited from eligible applicants each fall. The fall of 2010 continues this, although the timeline for reviewing applications and making awards will be shorter in order to have awards made before the beginning of the new calendar year cycle. Applications may be solicited earlier in the year in subsequent competitions. Applicants must address the following:

- the amount of funds requested;
- the need for the funds and other available funding;
- the experience and capacity of the requesting organization;
- the past performance of the requesting organization based on HMIS outcome measures;
- historical records of expenses (a recent audit report is required);
- the impact on shelter operations if funds are not granted;
- the amount and source of the required local match;
- the number of persons served – using HMIS data;
- participation in the Local Homeless Coordinating Board/Continuum of Care process.

Funding decisions will be coordinated with other homeless assistance programs within the State. The process attempts to eliminate duplication and maximize utilization of scarce resources to alleviate the effects of homelessness in Iowa. IFA will continue to ensure that assisted shelters remain in service as required by federal rule, and that they meet local government safety and sanitation standards. ESG recipients must match the grant amount with an equal amount of other resources. This may be provided

by a unit of local government or a nonprofit subrecipient. IFA will evaluate pledged local effort to determine eligibility and require each source to certify the amount, source and dedication of match.

HOPWA Method of Distribution

Eligible HOPWA activities are those permitted by HUD regulations, authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901) as amended, and further defined in 24 CFR Part 574. The HOPWA Program was established by HUD to address the specific needs of low-income persons living with HIV/AIDS and their families. IFA will assist the following activities through the HOPWA program:

Housing information services including, but not limited to, counseling, information, and referral services to assist an eligible person to locate, acquire, finance and maintain housing. This may also include fair housing counseling for eligible persons who may encounter discrimination on the basis of race, color, religion, sex, age, national origin, familial status, or handicap.

Resource identification to establish, coordinate and develop housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives).

Acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services. New construction (for single room occupancy (SRO) dwellings and community residences only).

Project- or tenant-based rental assistance, including assistance for shared housing arrangements.

Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling.

Supportive services including, but not limited to, health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutritional services, intensive care when required, and assistance in gaining access to local, State, and Federal government benefits and services, except that health services may only be provided to individuals with acquired immunodeficiency syndrome or related diseases and not to family members of these individuals.

Operating costs for housing including maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies, and other incidental costs.

Technical assistance in establishing and operating a community residence, including planning and other pre-development or pre-construction expenses and including, but not limited to, costs relating to community outreach and educational activities regarding AIDS or related diseases for persons residing in proximity to the community residence.

Administrative expenses for project sponsors receiving amounts from grants made under this program may use not more than 7 percent of the amounts received for administrative costs.

Iowa Finance Authority (IFA) has partnered with AIDS Service Organizations (ASO), housing agencies and the HIV Community Planning Group (CPG). Five HOPWA Sponsors cover the entire state. These sponsors must use HOPWA funds to assist eligible participants that meet both of the following categories:

Low-Income – Individuals and families whose income does not exceed 80% of the median income for a county or metropolitan statistical area, as determined by HUD, adjusted for household size. The restriction of income level is not applicable if individuals or households are receiving supportive services information only.

Living with HIV/AIDS – At least one individual in the household must have AIDS or HIV infection. Households may include those who are connected by law, blood or are of special significance to the individual with HIV/AIDS.

Geographic Distribution/Allocation Priorities

This section of the Annual Action Plan discusses the geographic areas to which the State will direct assistance during the 2011 program year.

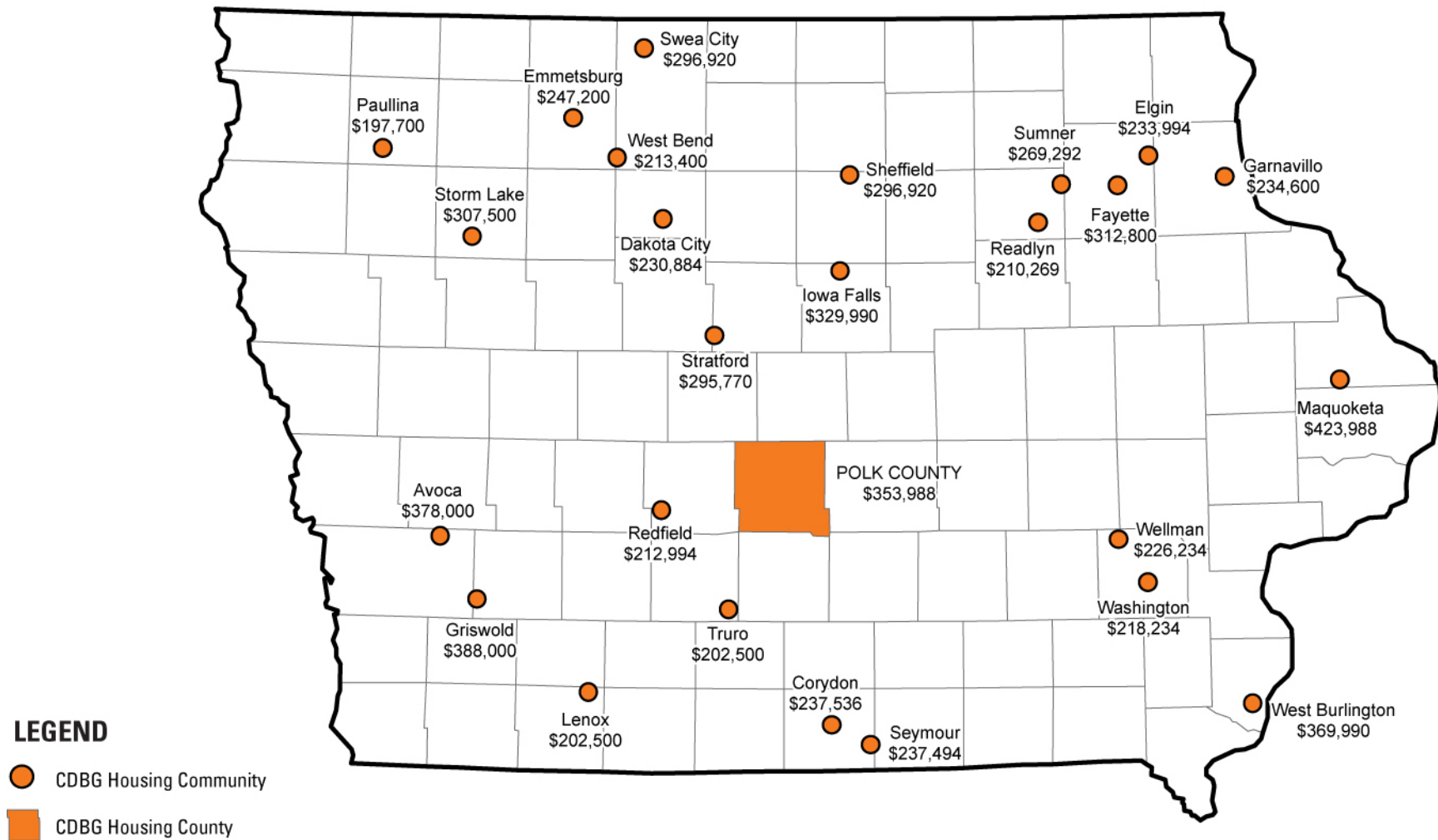
The State's CDBG, HOME, ESG and HOPWA programs are competitive and demand-driven. Consequently, local interest and initiative in developing and carrying out programs and projects generally controls the geographic distribution of the State's investments in housing and community development assistance. Therefore, the State does not develop allocation priorities on a geographic basis, nor does the state dedicate specific percentages or amounts of funding to particular targeted areas.

In an effort to distribute awards statewide, the State conducts outreach activities, including regional workshops on programs and contacts with regional groups, such as Councils of Governments and Community Action Agencies. IFA works with a number of housing organizations including Local Housing Trust Funds and CHDOs to insure that there is capacity to distribute funds equitably across the state. The review criteria for the CDBG, HOME, ESG and HOPWA programs (addressed in the previous section of this Plan) include need, particularly as it relates to the number of low- and moderate-income persons in an area.

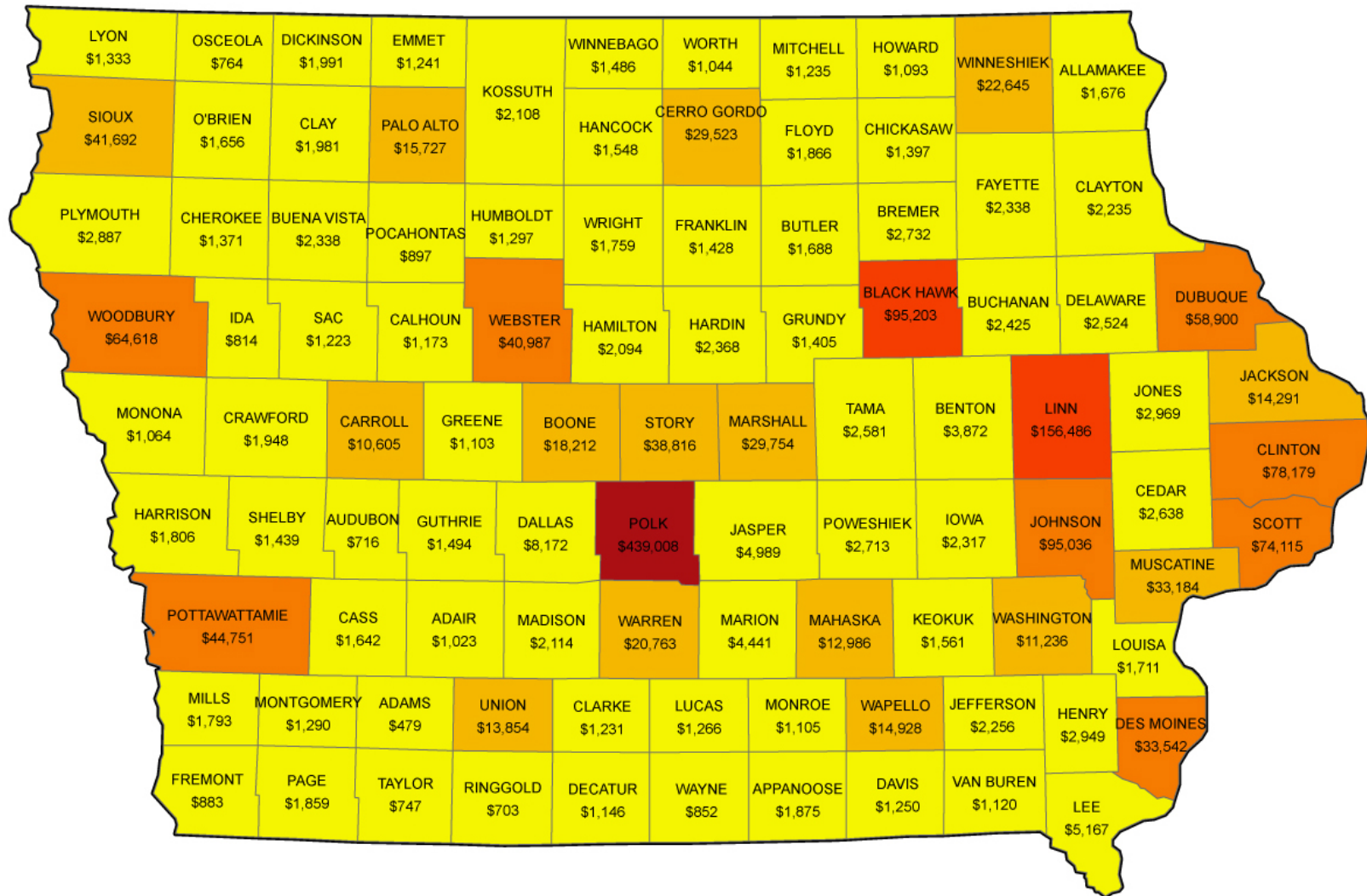
Census data and other demographic information show that the State's minority populations tend to be concentrated in metropolitan areas. The State's CDBG funds cannot be used in entitlement cities, but the State can and will direct CDBG funds to urban counties. The State's HOME, ESG and HOPWA funds, which can be used in entitlement cities, will also be available to benefit geographic areas of minority concentration.

Historically, the State's investment of HOME, CDBG, and ESG funds have been distributed equitably across the state. Each year the State will complete an annual action plan and will visually illustrate funded projects and show their geographic distribution throughout the state. In subsequent years the maps will reflect the number of projects and dollar amounts funded within our current consolidated plan (2010 – 2015). To illustrate this distribution the maps on the following pages show the awards made to cities and counties in program year 2010.

2010 CDBG Housing Awards



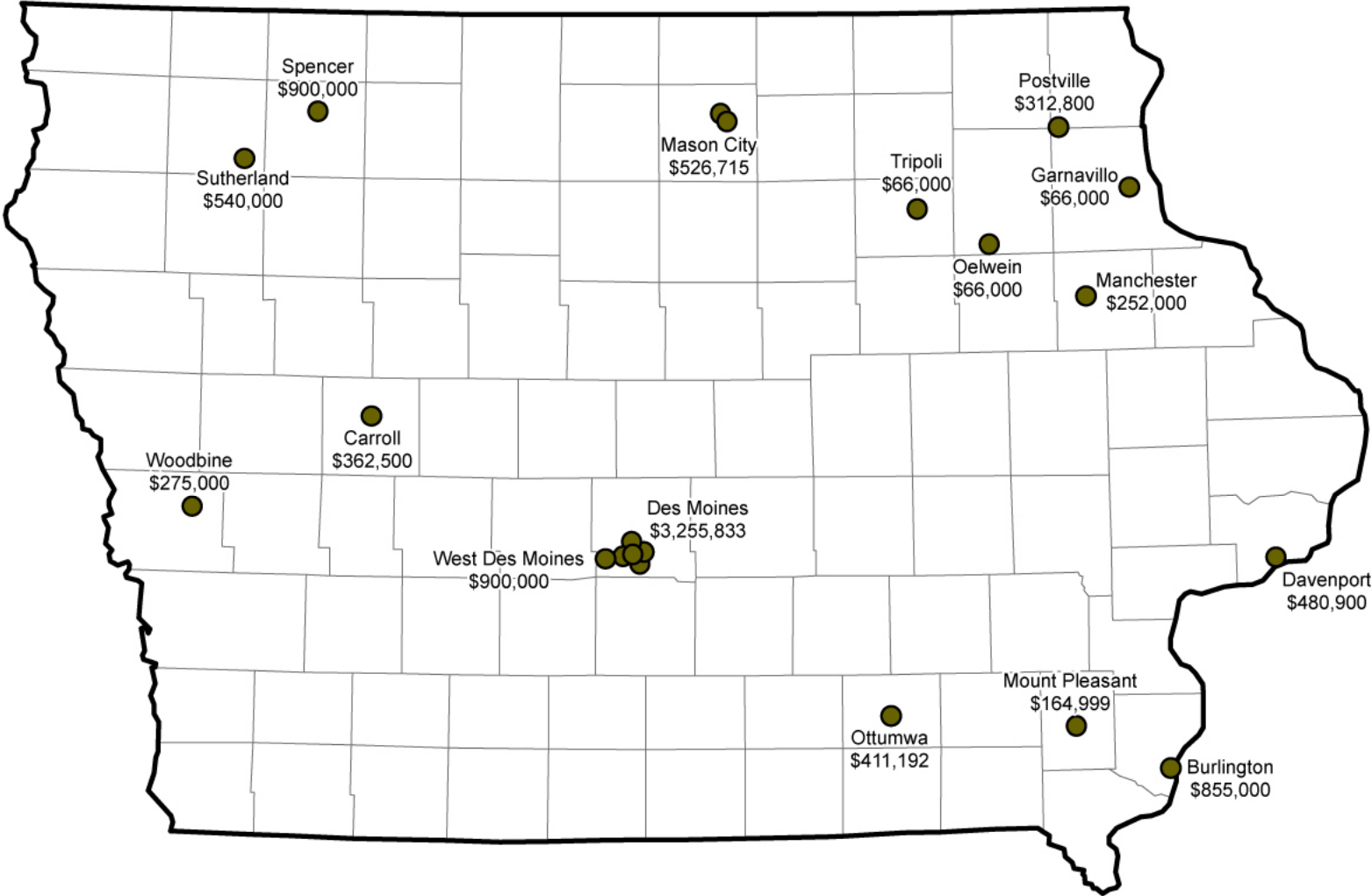
2010 ESG & HOPWA Awards



LEGEND

- 0
- 1 - 2
- 3 - 5
- 6 - 8
- 8 and above

2010 HOME Awards



LEGEND

● HOME Housing

Statewide Distribution - \$423,000

Homeless & Special Needs Activities

This section of the Annual Action Plan discusses how the State plans to address homelessness and assist persons with special needs.

Emergency Shelter Grants

The State will coordinate available resources to address the need for emergency shelter, transitional housing and related services needs. The ESG program plays a pivotal role in addressing these needs.

Iowa uses the ESG funds in combination with state funding from the Shelter Assistance Fund, which was known as the Homeless Shelter Operations Grant program in the past. The Shelter Assistance Fund provides funds to improve the quality of services to the homeless, make available additional needed services, and help meet the costs of providing essential social services so that homeless individuals have access not only to safe and sanitary shelter, but also to supportive services and other types of assistance to improve their situations. Applicants are providers of homeless services in Iowa.

Following the 2010 transition year from a state fiscal year to a calendar year funding cycle (discussed in *ESG Method of Distribution* above), IFA will solicit applications at least by early fall and make funding decisions by December.

The difficult economic situation in the country and in Iowa continues to put pressure on Homeless resources. Funding for projects that serve homeless individuals and families consistently falls far short of the identified need for such activities. Therefore, the funding sources identified above are available on a competitive basis, with the State offering technical assistance to develop program outlines.

Homeless Prevention

Homeless prevention continues to be a high priority for activities funded through ESG. By marketing this activity to providers, the proportion of funds used for homeless prevention has increased steadily each year. ESG funds are used to support a variety of homeless prevention activities, including rental and utility deposits, mortgage payments, legal and advocacy services and counseling. The program is demand-responsive and addresses locally identified priorities. A significant portion of State resources is dedicated to preventing homelessness by funding outreach staff and case managers.

Homeless prevention is also currently funded by the federal Homelessness Prevention and Rapid Re-housing (HPRP) program. The Iowa Balance of State received \$11,866,889 in total for this three-year program, which was authorized by the American Recovery and Reinvestment Act of 2009, and which began providing assistance to Iowans in the fall of 2009. Fifteen Iowa agencies, almost all Community Action Agencies, received funding from the Balance of State to carry out HPRP assistance to individuals or households in need. A final grant was made to the Iowa Institute for Community Alliances for the purposes of statewide data collection and evaluation. Per HUD requirements, Iowa initiated its Balance of State Implementation Plan in April 2010. This plan was developed with assistance from an advisory committee made up of several HPRP subgrantee representatives.

Continuum of Care

Since 1998, Iowa has coordinated the effort to produce a statewide continuum of care when seeking funds for the Balance of State Application. Local provider agencies and shelters work with state agencies to draft and approve a continuum that includes the entire state (except for the Siouxland Consortia, the City of Des Moines and Polk County, and the Omaha-Council Bluffs metropolitan area). The Iowa Council on Homelessness (ICH) coordinates the efforts for over 30 Local Homeless Coordinating Boards and 14 Local Continuum of Care Boards across the state.

This planning effort also relies heavily on input from all service providers, including twelve (12) different state agencies, representatives of which serve as members of the ICH. The ICH also includes five consumer positions that are filled by individuals who are either homeless or formerly homeless, or family members of homeless or formerly homeless individuals. Staff level information sharing and analysis of programming opportunities is conducted as part of the continuum development. Collaboration is facilitated through the ICH and the Homeless Programs Coordinator, who coordinates state, federal and local programming. Functions include review of federal plans, preparation of priority housing legislative agenda, and oversight and technical assistance to local homeless coordinating boards.

The ICH meets six times a year and the ICH committees meet three or more additional times per year, usually during the months between the all-council meetings. Developing and overseeing a Balance of State Continuum of Care continues to be a major priority for the ICH. The Continuum of Care includes steps taken at the State level to move persons from homelessness to permanent housing. A major component of the plan includes the use of HOME funds and state resources to help provide transitional housing and affordable permanent housing units for persons moving through the continuum.

The availability of HOME funds is critical for the State and local governments to be able to develop affordable housing for low-income Iowans. The State works with a wide range of organizations, including for-profit developers and CHDOs to promote the creation of affordable, permanent units in partnership with local, state and federal resources. Technical assistance on an individual basis and group training opportunities are also offered to potential program users.

The ICH also contributes to a statewide understanding of the homeless population in Iowa by commissioning an annual report to the governor, with the most recent 2009 study entitled *Iowans Experiencing Homelessness: January – December 2009 Annual Snapshot of Service and Shelter Use*. In 2009, this report counted 23,808 homeless people and 15,351 people at risk of homelessness, for a total unduplicated count of 38,078 people. This represented an increase of 38.7% in the total homeless population from the previous year. The report also studied the causes of homelessness in Iowa, types and amounts of available assistance, number of vacant housing units, location of service providers, and more.

The report was prepared by the Iowa Institute for Community Alliances, which is the lead HMIS data collection agency for the state and which also coordinates the annual Point in Time (PIT) Count and the Annual Homeless Assessment Report (AHAR).

Chronic Homelessness

According to the *2005 Iowa Statewide Homeless Study*, about seven (7) percent of Iowa's homeless population meets HUD's definition of Chronic Homeless. The Research and Analysis

committee of the ICH is currently researching the feasibility and plans for another statewide homeless study during the next two years that would update these numbers.

In order to better serve the chronic homeless in 2011, the Balance of State Continuum of Care will:

- Increase the number of Permanent Supportive Housing beds for the chronically homeless in the Balance of State;
- Increase the support services specifically targeting chronically homeless persons in certain geographic areas;
- Increase the effectiveness of the jail diversion program in one continuum of care region; and
- Increase the support and residential services for chronically homeless persons with chronic substance abuse to help them transition into the community after treatment.

In addition to the programs providing funding for services and shelter operations, the State of Iowa also made a significant investment in improving the physical shelters for homeless and domestic violence victims. The 2009 Iowa Acts, Senate File 376, section 28 created the I-Jobs Public Service Shelter Grant Program. The programs provided \$10 million in grants to be used for construction, renovations, or improvements of homeless shelters, emergency shelters, and family and domestic violence shelters. Seventeen shelters throughout the state received grants resulting in three new shelters; and renovations to 14 shelters to add units, and improve energy efficiency and accessibility. This investment, when construction is completed, will increase Iowa's available shelter beds by 219 units.

Discharge Policy

The Iowa Council on Homelessness (ICH) finalized a formal discharge policy and submitted it to the Governor in 2005. The proposed policy recommendations address discharge planning for a variety of populations at risk of becoming homeless, including those who are to be released from public-funded prisons, and recommends that each state department be instructed to implement a discharge protocol based on guiding principles that would make every effort to ensure that the discharge does not result in the person becoming homeless. In response to this policy, the Iowa Department of Corrections (DOC) established a new Discharge Planning Coordinator position that works with all state correction facilities. The DOC has developed and implemented a comprehensive re-entry case management system that has several elements that are intended to result in reducing the amount of time that offenders spend in prison beds while improving offender outcomes when they are released. Some of the elements include beginning to plan for release when offenders are admitted at the Iowa Medical and Classification Center (IMCC); completing a battery of assessments during reception to identify risk and needs that will be used at the next institution to develop a case management plan; identifying a targeted release date that will be used to prioritize treatment programming that addresses risk and needs; contacting Community Based Corrections (CBC) when an offender is within six months of that targeted release date to begin engaging CBC staff in a dialogue to plan for the offenders release; another contact with CBC when the offender is within two months of the targeted release to create a solid release plan so that when the offender is granted release by the Board of Parole the offender is prepared for release. CBC is prepared to assume supervision when the release decision is made. The case plan focuses on housing as well as treatment issues. The goal is to have appropriate housing arranged prior to release so that the likelihood of homelessness is reduced.

On July 15, 2009, Governor Culver signed Executive Order No. 15 which established an Ex-

Offender Re-Entry Coordinating Council. Nineteen organizations representing law enforcement, the courts, state agencies, and the legislative branch were appointed to:

1. Identify unreasonable barriers in each member's department or agency that may hinder the successful transition of offenders returning to their respective communities, and develop and implement policies, procedures and programs to overcome such barriers;
2. Identify methods to improve collaboration and coordination of offender transition services, including cross-training, information-sharing systems, policies, procedures, and programs that measure offender re-entry management with well-defined, performance-based outcomes.
3. Identify legal, policy, structural, organizational and practical barriers to offenders' successful re-entry;
4. Provide recommendations regarding such reforms that will eliminate or reduce unreasonable barriers to offenders' successful re-entry, including, but not limited to, reforms that may offer employers greater flexibility and confidence in hiring ex-offenders;
5. Provide on-going coordination at the executive level of state government of offender re-entry initiatives across Iowa;
6. Ensure that federal, state and local resources are used most effectively to reduce duplicative offender re-entry efforts;
7. Maximize the effectiveness of existing resources;
8. Identify best practices that will aid offender re-integration and promote such practices at the State and local levels; and
9. Establish and monitor the measurements of success for offender re-entry initiatives.

Several subcommittees were formed from the Coordinating Council to establish recommendations on Housing, Employment, Substance Abuse, Mental Health, and Education. The Housing subcommittee was chaired by IFA. The subcommittee recommendations have been combined, and the Coordinating Council is preparing a comprehensive report for review by the Governor by year end. The report is expected to make recommendations for legislative and executive measures that can be taken to improve offender transition and re-integration services.

In addition, IFA provided LIHTC and IDED provided HOME funds for a 24-unit permanent supportive housing property called Home to Stay in December 2008. Construction was completed in 2010, and the property is occupied. This affordable housing project serves a variety of household sizes and provides significant supportive services targeting the needs of ex-offenders and their families. Services and programs are provided through a collaboration of social service organizations and community correction agencies. Programs include on-site counseling services; mental health and rehabilitation service; drug and alcohol counseling; assessment, job placement, job retention, and employment skills; family services; child care services; family education services; and transportation services to off-site services and employment.

The Sixth Judicial District Department of Correctional Services noted that individuals re-entering the community face challenges with criminal thinking and behaviors. The probation/parole officer assigned to the individuals will have an office in the community service building, limiting possible transportation issues, providing immediate access to services and supervision, and providing a level of security for the residents.

IFA will consider how projects like this can be duplicated in additional locations in Iowa.

Non-homeless Persons with Special Needs

Programs designed to serve non-homeless persons with special needs (i.e., the frail elderly and persons with disabilities, mental illness and drug/alcohol addiction, persons living with HIV/AIDS and their families) are incorporated into the State's major housing initiatives (CDBG, HOME, ESG, HOPWA and IFA programs). Funding is based on local determination of need for the funds and application for project funding through established mechanisms. The State will increase its educational and outreach efforts to services providers by including special needs populations and the providers who serve them in workshops and focus groups.

Removing barriers to Affordable Housing and Other Actions

This section of the Annual Action Plan discusses actions the State will undertake to address the following: meeting underserved needs, maintaining affordable housing, removing barriers to affordable housing, reducing lead-based paint hazards, reducing poverty, developing institutional structures, enhancing interagency coordination and cooperation and fostering public housing resident initiatives.

Meeting Underserved Needs

IFA and IDED are committed to an ongoing analysis and improvement of the State's performance in satisfying priority housing and community development needs. The State will respond to underserved needs as they are identified, either through self-evaluation or citizen participation.

The Olmstead Task Force is a statewide steering committee made up of people with disabilities, family members, advocates, representatives of state agencies, service providers, and other key players that are tasked with identifying barriers to community living opportunities in state rules, policies and procedures.

As part of this effort, state agencies are participating in a statewide collaboration to address the needs of persons with disabilities as defined by the Olmstead decision. The State of Iowa is currently working on a cross-agency collaboration to meet the priority needs identified by the Olmstead Task Force. The provision of adequate and appropriate housing is a major component of this effort.

The Olmstead Task Force is revising their implementation plan to include the following objective and action steps related to access to housing:

Improve access to safe, affordable and accessible housing.

- a. Work with the Iowa Finance Authority to ensure availability of Home and Community Based Services Waiver Rent Subsidies to support Money Follows the Person participants and other individuals on Waivers.
- b. Advocate for system changes or accommodations for people with disabilities at local public housing authorities in the federal Housing Choice Voucher (Section 8) application process to enable the same access as individuals without disabilities.
- c. Reduce homelessness for persons with mental illness by (1) leveraging federal funds to expand case management and benefits counseling services (Projects for Assistance in Transition from Homelessness (PATH) and SSI/SSDI Outreach, Assistance and Recovery (SOAR) Technical Assistance Initiative; and (2) partner with the Iowa Finance Authority in the utilization of homelessness assistance funding.
- d. Support the efforts of the Iowa Finance Authority to expand availability of affordable and accessible housing in Iowa

Maintaining Affordable Housing

The State will monitor HOME and CDBG-funded affordable housing activities and projects for the required period of affordability, as applicable. This monitoring will ensure housing units built or rehabilitated with HOME and CDBG dollars remain available, affordable, decent, safe and sanitary, and lead-safe.

IFA's efforts in building CHDO capacity will also help foster affordable housing efforts. CHDOs are established for the singular purpose of community housing development; they have an inherent commitment to maintaining affordable housing.

Removing Barriers to Affordable Housing

Barriers to affordable housing common in more urban areas are not prevalent in Iowa. The State is fortunate that growth controls, excessive subdivision regulation, inordinate developer fees and rent control are not critical housing issues. Rather, the slow development pace in most Iowa communities has resulted in the opposite circumstances: assistance and financial incentives for housing developers.

The State of Iowa Building Code Commissioner Stuart Crine has adopted new State Building Code and a State Historic Building Code. The adoption of the State Building Code has been approved by the Building Code Advisory Council, while the adoption of the State Historic Building Code has been approved by the State Historical Society Board. Both codes become effective on January 1, 2010. The public can access the building code at the Commissioner's website: <http://www.dps.state.ia.us/fm/building/provisions/index.shtml>. Local governments may adopt and enforce more stringent building and/or housing codes.

All communities with populations of 15,000 or greater are required by state law to adopt and enforce a housing code.

In the absence of locally adopted and enforced building or housing codes at the local level, the requirements of the State Building Code apply (single-family new construction and multi-family housing).

For single-family activities involving rehabilitation, communities are subject to locally or adopted codes. In the absence of locally adopted and enforced codes applicable to single-family rehabilitation activities, the requirements of Iowa's Minimum Housing Rehabilitation Standards apply to all HOME and CDBG-funded activities.

However, less traditional barriers to affordable housing have been identified. For example, there appears to be a negative attitude toward and misunderstanding of affordable housing in parts of the State.

Providers of housing and related services in Iowa have suggested programs that benefit low-income persons are unwelcome in some communities. Specifically, there is some bias against rental housing and preference for owner-occupied housing. Communities have made great strides in neighborhood revitalization, but this has not ensured the preservation of affordable housing units. Other providers assert many Iowans simply prefer not to receive assistance, even if they are unable to afford safe and adequate housing. Similarly, individuals and communities often are

unaware of the assistance for which they are eligible. The State will work closely with communities, councils of governments, agencies and others to educate Iowans about affordable housing programs and attempt to change negative perceptions of affordable housing.

Clearly, the greatest barrier to affordable housing is the lack of resources available. The State will maximize limited resources by working with lenders, landlords and realtors; requiring beneficiaries to help themselves to the extent possible; and lending, rather than granting, HOME awards, when feasible. Specifically, extremely low income households find it extremely difficult to access affordable and safe housing. The households most severely impacted, as shown through the growing number of homeless families with children, are single parent households with between 1 and 4 children that were doubling up with family or friends prior to experiencing homelessness. Further, persons with disabilities have trouble identifying accessible units that they can afford.

Reducing Lead-Based Paint Hazards

Poisoning from lead-based paint hazards is one of the greatest environmental health threats in the State. Lead-based paint, when ingested, or lead dust, when ingested or inhaled, can cause severe and often irreversible health problems, especially among young children. Elevated blood lead levels in children can cause learning disabilities, lower intelligence, nervous system problems, anemia, kidney damage, brain swelling, comas, seizures and, in the most extreme cases, death.

Any housing built prior to 1978 is considered to be at risk of containing some amount of lead-based paint and lead-based paint hazards; nearly nine of 10 homes in Iowa were built before 1978. Based on Iowa Department of Public Health (IDPH) investigations, about 235,575 low-, very low- and extremely low-income households live in housing units containing lead-based paint. Virtually all cases of lead poisoning investigated in Iowa were caused by deteriorated lead-based paint in housing units built before 1960. Because the State's low-income populations tend to occupy a greater percentage of the older housing stock, generally they are at a greater risk for lead poisoning.

The State is committed to reducing lead-based paint hazards. To that end, IDPH administers a lead poisoning prevention program, including the Childhood Lead Poisoning Prevention Program, Lead-Based Paint Activities Training and Certification Program, Pre-Renovation Notification Program, and Adult Blood Lead Epidemiology and Surveillance Program. IDPH also awards funds on a formula basis to local health and housing programs providing childhood lead poisoning prevention services. In 2007, legislation was passed requires all children to show proof of a blood lead test when entering school. Of Iowa children born in 2006, 94.9 percent of them were tested at least once before the age of six years.

The IDED and IFA are committed to ensuring compliance with the HUD regulations for lead-safe housing and with the new IDPH regulations regarding all contractors to be certified as lead-safe renovators. The IDED is working in partnership with the Iowa Department of Public Health (IDPH) to provide for the necessary framework of trained and certified lead professionals and contractors to work on "target" housing where the CDBG and HOME funds are used as well as work done in all housing in Iowa.

IDED and IFA will continue their efforts to educate recipients on the dangers of lead-based paint and lead-based paint hazards and will continue to strive toward lead-safe housing where these sources of funds are used.

Reducing Poverty

The lack of affordable housing is one result of income inequality among Iowans. Poverty status is a direct measure of income inequality. Persons living at or below poverty income levels typically are the least able to pay for housing.

The State has attempted to attack poverty through a variety of different methodologies, and through several different state agencies. The following summarizes a few of those efforts:

Asset Development: To escape or avoid poverty, individuals need to accumulate certain key assets. Iowa Code Chapter 541A establishes Individual Development Accounts (IDAs) which encourage savings for long-term goals, such as college education, work-related training, business development or home mortgages. Interest on these accounts would be sheltered from taxes and State savings refunds for deposits would be available on an income-based sliding scale. IDAs are available to all Iowans whose household income does not exceed 200 percent of the federal poverty level. Provisions also have been made for matching contributions from public and private sources.

Workforce Development: A network of Workforce Development Centers across the State delivers comprehensive employment and job training services. State and federal programs and providers are co-located in these centers to provide client intake, assessment, employability development planning, placement and referral services. Other strategies include providing employment and training to FIP recipients, initiating “school-to-work” programs to link students to the workplace and mentoring programs to link entry-level and experienced workers.

Economic Development: Economic development promotes high quality/high paying jobs in the State, which capitalize on direct human investments. IDEED is assigned four tasks in the effort:

- Promoting opportunities and enhancing economic development incentives for industries which pursue value-added, high wage, “upskilling” strategies;
- Targeting economic development resources to emerging industries;
- Expanding industry networks to achieve economic competitiveness among businesses;
- Creating regional resource centers for small manufacturers to fund modernization programs.

Services to Empower Families: Families in poverty face barriers to self-sufficiency that include economic, social, cultural and political isolation. These barriers must be addressed before and during participation in work force development or employment activities. The following service delivery approaches are part of the current state effort to reduce the number of families in poverty:

- Focusing on the family unit rather than the individual
- Orienting services linking families with the community
- Combining sources of funding for all programs so needs can be met at a single point of contact

Welfare Reform: Iowa is changing its welfare programs from an income maintenance orientation toward a self-sufficiency direction. FIP replaced Aid to Families with Dependent Children. Principles of reform include transition to work, family stability and responsibility. The goals include removing disincentives for self-sufficiency built into the current public assistance system and developing new ways to provide basic support to families in need.

IDED will set aside twenty (20) percent of its CDBG funds for the purposes of job creation, retention and enhancement. Uses of these funds include the Economic Development Set-aside, the Public Facilities Set-aside and Career Link. These are discussed in greater detail in the discussion on the CDBG method of distribution.

Developing Institutional Structure

A sound institutional structure is vital to continuing the State's housing and community development efforts. The institutional structure for the HOME, CDBG, ESG and HOPWA programs is composed of IDEED, IFA, other state and federal agencies, private industry, nonprofit organizations and local governments. IDEED & IFA are committed to improving institutional structure, whether by flattening the structure to directly serve beneficiaries or by including entities with expertise in relevant areas (e.g., CHDOs).

The organizations discussed above work together on a variety of housing and community development projects. There is a sincere interest and commitment among them to assist Iowa's low- and moderate-income population. Each benefits from the expertise and ideas of the others. IDEED and IFA will continually assess gaps in the institutional structure and develop strategies to bridge them.

Enhancing Interagency Coordination

IDED cooperates with other agencies in reviewing CDBG applications for non-housing activities.

IDED staff members discuss applications with appropriate state and federal agencies, including the Department of Natural Resources, the Department of Transportation, the Department of Human Services, Iowa Homeland Security Emergency Management Division, USDA – Rural Development, and the Iowa Finance Authority. An infrastructure team (with representatives from IDEED, the Iowa Finance Authority, the Iowa Watershed Improvement Review Board, the DNR water/sewer sections and USDA Rural Development/Rural Utility Service) meets monthly to discuss current and pending projects, joint application forms, coordination of funding cycles and compliance with federal regulations. For the second year in a row, IDEED sponsored a water/sewer financing workshop that included all of these agencies as participants.

IFA works with other agencies when considering how best to target scarce housing resources. IFA works with HUD, USDA-RD, the Federal Home Loan Bank, the Office of Energy Independence, the Olmstead Task Force, Department of Human Services, IDEED, the Rebuild Iowa Office, and the Governor's Office to identify the greatest housing needs. IFA is respected in the state for identifying unmet needs in times of crisis, such as the federally declared disasters of 2008 and 2010, and quickly and efficiently implementing solutions.

This collaborative approach is also applied to ESG application review and evaluation. IFA works with other state and federal entities, including FEMA, to develop activities to assist the homeless, prevent homelessness and serve persons with special needs.

Public Housing

The State does not operate public housing units, and has not typically provided any financial

assistance to public housing agencies. This is not likely to change in 2011. However, the State does work with local public housing agencies to the extent possible and is interested in efforts to increase residents' involvement in public housing management and provide them with expanded homeownership opportunities.

Monitoring

IDED & IFA have established standards and procedures for monitoring CDBG- and HOME-funded housing and community development activities. These standards and procedures ensure long-term compliance with applicable regulations and statutes.

IDED has had responsibility for the CDBG program since 1982, and has developed thorough and effective monitoring procedures for the program. These include compliance reviews of applications, monitoring during project implementation with progress reports from recipients and on-site visits once construction has begun. There is also a formal procedures for closing projects involving documentation to be submitted by recipients, auditors (if applicable), and verification by special trained staff. HUD has made few findings in its review of the State's program over the years. IFA has adopted and modified similar standards and procedures for monitoring activities funded under the HOME program.

IDED reviews the CDBG timely expenditure reports provided by HUD monthly. Although states do not have a required expended to unexpended ratio, Iowa works very hard to diligently expend funds. We encourage our recipients to start the environmental review process of project immediately after award to insure a timely release of funds. Project managers frequently check in with project recipients to insure compliance with program requirements and to encourage progress.

Since taking over the HOME program in July 2010, IFA has implemented procedures to monitor and act if any projects are exceeding the 120-day deadline for inactivity following the project's last draw. This is resulting in improved compliance with the 120-day limitation that could result in HUD's de-obligation of funds for a specific address.

IDED & IFA will continue to monitor our progress in reaching goals identified in our consolidated plan. We will encourage eligible entities around the state to submit applications in areas of greatest need as identified in our Consolidated Plan and emphasized in our annual action plan. Through annual application workshops and technical assistance visits to areas around the state we can emphasis available resources to meet housing and non-housing needs. Every year we have an opportunity to review our progress and change our programs to better assist individuals in Iowa.