

# 2017 CDBG Application Workshop Downtown Revitalization Program

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Ankeny, Iowa  
September 27, 2016

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## Program Overview CDBG Downtown Revitalization Program

- » Awarded annually (\$3.1 million in funding expected)
- » On average 6-7 projects per year
- » Projects must meet HUD's CDBG National Objective of Elimination of Slum and Blight
- » Requires a high level of local coordination with business owners, architects, and CDBG grant administrator
- » Ideally results in highly visible outcomes





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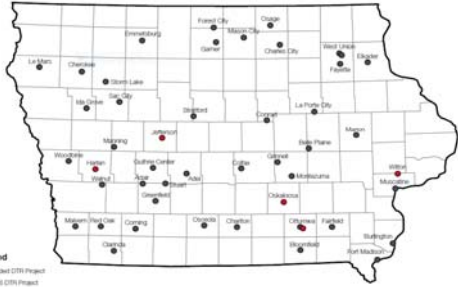
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## DOWNTOWN REVITALIZATION AWARDS



**Legend**

- Funded CDBG Project
- 2016 CDBG Project



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## 2017 Application Cycle

- » Due Date: Friday February 3, 2017
- » All applications submitted through [IowaGrants.gov](http://IowaGrants.gov)
- » Program Changes made in 2016:
  - Minimum of 10 Buildings for an award of \$500,000
  - Minimum of 8 Buildings for an award of less than \$500,000
  - No additional (non-grant) construction allowed on enrolled buildings from date of award until end of project contract...typically, three years!
  - Prioritization of slum and blight factors
  - Required photographs

IOWA<sup>4</sup>

## Developing A Project

- » Applications need to work with architects from early on
  - Historic preservation project experience helpful
  - Should procure architects in advance of an award – but do not sign final design/construction contract until the project is awarded funding
  - **Remember NEW procurement regulations: Secure ALL phases at once**
  - Need cost estimates to be as realistic as possible
  - Application preparation is a pre-agreement cost that cannot be reimbursed
- » Feel free to communicate with IEDA frequently during application process
- » Engage city leadership and interested parties early on
- » Provide property owners with realistic expectations
- » Use DTR Green Streets Criteria
- » Obtain a commitment letter from property owners / money down best

IOWA<sup>5</sup>

## Program Overview:

### Meeting Slum and Blight National Objective

- » CDBG qualification criteria for DTR – area must meet the definition of Slum & Blight to be eligible for funding
- » *Step 1:* Define the area
- » *Step 2:* 25% of the buildings in the area must be in fair to poor condition
- » *Step 3:* The designated area must meet the requirements of Iowa Code Chapter 403:
  - Resolution adopted by City within 2 years of application
  - One or more slum, blighted or economic development areas exist
  - The rehabilitation, conservation, redevelopment, development, or a combination thereof, of the area is necessary in the interest of the public health, safety, or welfare of the residents of the municipality

IOWA<sup>6</sup>

## Scoring Criteria

- » Same criteria as for 2016
- » 8 scoring criteria
- » Criteria scored on a 1 to 5 scale. Maximum of 40 points
- » Remember that criteria regarding project impact were revised to better reflect meeting national objective (slum and blight)

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## 2017 Applications

The most competitive applications will have:

- » First Tier Environmental Review Complete
- » Signed agreements with business owners with portion of match in escrow
- » Architect conditionally procured through final design and construction
- » Work activities addressing vast majority of FAIR & POOR buildings in target area, as well as individual blighting factors on those buildings
- » Matching funds equaling 50% or more of total project
- » Line item bid estimates including deductible alternatives
- » Agreement on all program cost totals between: architect; overall budget line item figures; and as reported on signed property owner agreements
- » A clear administrative plan outlining management responsibilities
- » Evidence of both past and future downtown revitalization efforts

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## 2017 Applications

All eight scoring criteria below scored on a 1 to 5 scale, (5 best)

- » Degree to which the proposed activity is appropriate for CDBG funding
- » Degree to which CDBG funds will be leveraged by other funds
- » Degree of impact the activity will have on the elimination of slum and blight in the identified target area (includes number of buildings, condition of participating buildings, proximity/location of buildings)
- » Degree to which the proposed design criteria addresses identified contributing factors to slum and blight
- » Degree to which the scale and scope of the project is appropriate for the CDBG program timeframe (3 years)
- » Degree of community involvement with the proposed downtown revitalization efforts (community outreach, public input, planning exercises)
- » Degree to which the project meets or exceeds the minimum building and site design criteria (Green Streets criteria) established by IEDA
- » Degree to which the project is ready to proceed

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## Slum & Blight Documentation

- » Slum & Blight summary form incorporated into the project information section in IowaGrants
- » Individual building details section in IowaGrants will require for each building in target area:
  - Some degree of individual building description
  - Façade front picture and overall rating
  - CDBG funded buildings will ALSO need to provide:
    - Design or scope of work and cost details
    - *Severa*/building pictures: storefront, doors, windows, stairs, foundation, etc. with a priority ranking for each
    - Focus on slum and blighted items

IOWA<sup>10</sup>

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## Individual Building Detail on lowagrants.gov

- » Intention is to have all information associated with each individual property in one place
- » End result is better organization, less confusion and easier reference for both reviewers and administrators
- » Please make sure that addresses and, to the greatest extent possible, cost figures are uniform throughout the whole application
- » Buildings chosen for project participation must demonstrate deteriorating conditions by photo and be rated in POOR or FAIR condition
- » Priority ranking of building components required
- » Process should establish more tie-in between slum & blight forms and final design

IOWA<sup>11</sup>

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## Individual Building Detail on lowagrants.gov

- » For CDBG funded buildings.....
  - Make sure to have a picture for each requested category: Storefront, Doors, Windows, Porch, Foundation
  - Make sure to have a rating for EACH category
  - Make sure to have provided descriptions of deteriorating conditions for EACH category
  - If Storefront, Windows, etc are Fair or Poor condition make sure to have written and visual justification
  - Make sure to be proposing substantive improvements to areas (windows, storefronts) of the buildings that you have ranked worst
  - Only buildings that have been classified as Fair to Poor can be improved with CDBG dollars

IOWA<sup>12</sup>

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**Individual Building Detail**  
Complete the individual building detail for each building within the Slum & Blighted area including a photo for each facade

Building Address\*

Owner of Building

Business/Occupant Name (if applicable)

Year Building Built

Is this building abandoned or structurally vacant? ☐

If no, number of business inhabiting space

Is this building in a flood plain? ☐

Number of stories

Main material of building

Is this property contributing to slum and blight, in lot or poor condition, as documented on this form? ☐

Is this property being proposed for improvement with CDBG funds? ☐

Other contributing factors (500 character max.)

**Front Facade Picture**  
Provide for every building in the Slum & Blighted area

Primary Facade (Include entire height and width of building)

Overall Building Condition  ☐

**IOWA<sup>13</sup>**

IowaGrants  
Screenshot:

complete this  
section for  
EACH building  
in the slum &  
blighted area

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**CDBG Project Buildings**

**Design & Cost Details**  
Provide estimates for construction and related costs. Complete a separate estimate for each activity proposed in the application and upload the single document to Cost Estimate Detail field on this form. In the document, provide a detailed breakdown by line item of construction costs, professional fees and permits, any bid alternates, and contingencies as separate line items.

Estimated base construction costs (Not including design fees or alternates)

Financial commitment of property owner

Proposed Building Renderings:  
Cost Estimate Detail (Include alternates)

Owner Commitment Letter

Comments (500 Character Max.)

**IOWA<sup>14</sup>**

IowaGrants Screenshot:

complete this section for ONLY CDBG project buildings in the slum & blighted area

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**Project Building Pictures**  
It is expected that conditions varied worst will be fixed with CDBG funds.

Upload photographs as they are relevant to the building being surveyed. Include close-up detail of any deteriorating conditions and areas targeted for improvement with CDBG funds.

Side of building (if applicable)  
Rear of Building (if applicable)

Streetfront

Downs/entry ways

Windows (above 1st floor)

Porches/Stairs/Deck/Ramp

Foundation

Other

**IOWA<sup>15</sup>**

IowaGrants Screenshot:

complete this section for ONLY CDBG project buildings in the slum & blighted area

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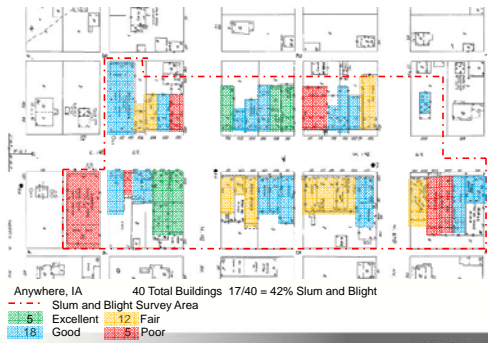
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### How the DTR Project Should Impact S & B




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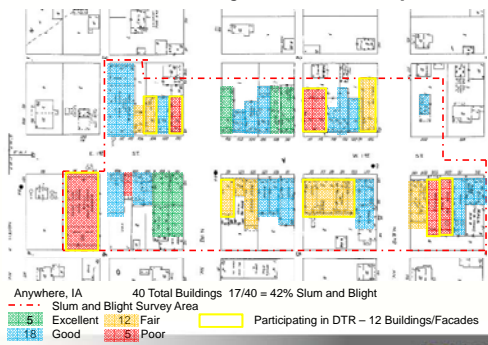
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### How the DTR Project Should Impact S & B




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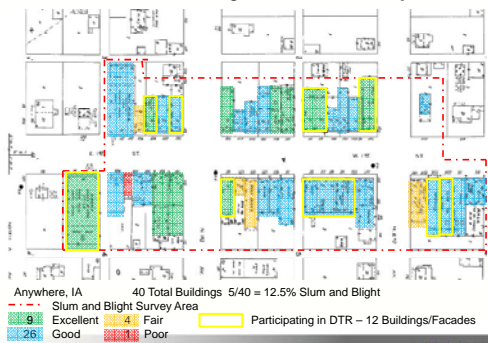
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### How the DTR Project Should Impact S & B




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Pictures for Front Façade: Must have for ALL Buildings in the Slum & Blight Area



Front Façade Picture: entire height and width of building

IOWA<sup>19</sup>

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Bad Pictures for Front Façade



Shows only a portion of the front façade of these buildings

IOWA<sup>20</sup>

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Good Pictures for documenting Fair & Poor conditions on potential CDBG project buildings



Category Picture: Storefront

IOWA<sup>21</sup>

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## Good Pictures for documenting Fair & Poor conditions on potential CDBG project buildings



Category Picture: Foundation

IOWA<sup>22</sup>

## Good Pictures for documenting Fair & Poor conditions on potential CDBG project buildings



Category Picture: windows

IOWA<sup>23</sup>

## Good Written Description Examples

### » Exterior Walls & Surfaces

- Brick work, primarily on second story, showing discoloration, face deterioration and missing or crumbling mortar. Some bricks appear to be loosening and out of alignment. Others are cracked, chipped, or pitted and much of paint cover has worn off. A degree of bowing has been noted on the exterior wall of the first floor. Lintel appears to be sagging and beginning to lose structural integrity. Cornice in need of cleaning and restoration of NE end decorative elements.

### » Windows

- A total of four windows on second floor are missing and openings have been filled in with plywood that is beginning to rot. Two other windows are clearly not operational. Upper sash on one second floor window is cracked. All window frames also showing signs of rot. First floor windows showing moisture damage; need to be resealed - caulking and weather stripping. Transom windows covered with metal panel that exhibits significant rust.

IOWA<sup>24</sup>



## Incomplete Written Description Examples

No windshield surveys. Preparer must walk around the buildings and visit with the owners.

### » Exterior Walls & Surfaces

- Brick in bad shape all over building. Lots of tuck-pointing called for.
- Looks like there has been some water damage.
- Wall could use repainting.

### » Windows

- Several windows either broken, missing or probably can't be opened.
- Some windows may not be weather tight.
- Window frames need work.

### » Doors & Entry Ways

- Front door is in bad condition.
- Recessed entrance way looks old and dirty.
- Signage dated.

IOWA<sup>25</sup>

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## Cost Estimate Preparation

- » Accuracy is vital to a successful project meeting goals
- » Average building, with share of design, expected to be about \$50,000 +
- » Err on the high side but stay within reason
- » CDBG funds can only be used for buildings properly classified in fair or poor condition so costs should rarely be "minimal"
- » Keep in mind that historic preservation standards may increase costs
- » Make sure that the property owner is "on board" with final cost estimates
- » Beware of unexpected or "hidden" costs
  - Asbestos testing or removal
  - DNR regulations on "deconstruction"
  - Structural problems not readily visible
  - Removal of special wastes

IOWA<sup>26</sup>

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## Role of Historic Preservation

- » Be aware of your community's historic/cultural assets as well as any existing districts or local rehabilitation guidelines
- » DTR encourages historic preservation practices
- » Survey and evaluation of all project properties will be required as part of environmental review (Section 106)
- » Any buildings deemed potentially eligible for national register must be rehabbed in accordance with Sec. of Interior Standards
- » Scope of work to be reflected in bid specs for historic buildings must go through IEDA (but no longer SHPO) review
- » Allow time for this review in your overall project timeframe
- » Contact Ann Schmid of IEDA staff for info and assistance with process: [ann.schmid@iowa.gov](mailto:ann.schmid@iowa.gov) or (515) 725-3078

IOWA<sup>27</sup>

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## Programmatic Agreement

- » Use the SHPO Status Report form in IowaGrants.gov to document and submit your Section 106 compliance information.
- » Previously this form was used to collect the SHPO Concurrence documents for all tiered projects (DTR & HSG)
- » Now – this form will be used for all CDBG funded projects.
- » DO NOT SEND ANY PACKETS TO THE SHPO!
- » Form changed from “SHPO” to “NHPA Section 106”

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# Programmatic Agreement

**Supporting Documentation**

*For all activities, please provide sufficient documentation to support the Responsible Entity's Finding certified in the sign-down list above. Be sure that as necessary the following documents are provided in the submittal below. Please include all identification documents, which, depending on the project may mean providing multiple uploads for some of the document types listed in the sign-down. Please also include the Signature Authorization Form to document the administrator can make determinations on behalf of the responsible entity. For any reviewed documents that support the Section 105 parcel but are not included below, simply select "Other" and upload the supporting documentation.*


**Upload**

**Archaeology**

- 7.3 Ohio U.S.D.O. (1+ mile radius with grid name and APE outlined map on-line at <http://ortho.gsa.state.oh.us>)
- Aerial photos showing lines of proposed activities or general layout (on-ground)
- Aerial photos (zoom to project area) (upload on-line at <http://ortho.gsa.state.oh.us>)
- Description of width and depth of proposed excavation and current conditions of project area
- GSA site search: Phase I, III, or Phase I Archaeological Survey

**Archaeology**

- Previous site information available (contact Ohio State Inventory Coordinator)
- Location map (no larger than 11x17) of APE clearly defined (Grid map or city map)
- Detailed description of proposed activities, including any or larger specifications, if applicable
- Upload (use more than 3 pages if of use. Use the Signature Form (available online at [www.ohiohistory.org/organizations/](http://www.ohiohistory.org/organizations/)) form must include the following items scanned as a single document:
  - Detailed completed GSA form with accurate description and statement of significance
  - Clear photos of property and surrounding area
  - Map showing the location of the home within the City
  - Copy of county or city assessor's land record or other appropriate property information
  - Historic photographs if available

**Document\*** 

**Document Description:**

**file** [Choose File](#) [No file chosen](#)

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**IOWA**  
NATIONAL ARCHIVES

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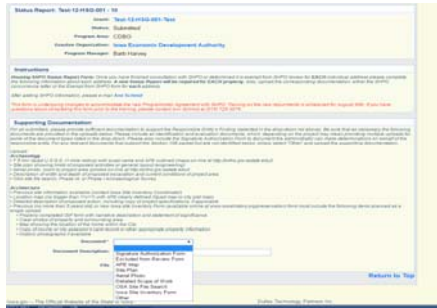
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## Programmatic Agreement



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## Tips on Communication with Property Owners

- » Don't promise property owners inclusion in application until slum/blight inventory determines fair or poor condition
- » Circulate commitment letter templates early on
- » Discuss cash match and façade easement expectations
- » Two-way communication important
- » Do NOT expect construction to begin in 2017; plan on mid 2018
- » Convey federal requirements, including that:
  - City will hire architect and contractor and will direct those services
  - Davis Bacon prevailing wages will apply
  - All work subject to Secretary of Interior Standards, (unless no historic potential)
  - Entire building subject to federal requirements - IEDA mandates no additional construction work to participating buildings from award through grant closure

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# NUISANCE PROPERTY REMEDIATION PROGRAM

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**IOWA**  
DEPARTMENT OF REVENUE

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## Nuisance Property Loan Program

- » Program created short-term low or no interest loan program (0 % interest option for communities of less than 2,000 in population)
- » Iowa cities of any size are eligible to apply
- » Intent of law is to assist cities in addressing abandoned, deteriorated or dilapidated structures – common problem
- » Flexible Funds - can be used for rehabilitation, stabilization, demolition or acquisition
- » Changes also made to Section 657A of the Iowa Code to expedite city acquiring deteriorated properties
- » NO pass through Federal requirements
- » Projects funded through the program must be completed within the term of the loan.

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## Nuisance Property Loan Program

- » Loan terms set at one, two or three years; corresponding rates of 1%, 2% and 3%
- » Payments can be made on quarterly, semi-annual, or annual basis
- » No identified collateral or security necessary – only a proposed source of repayment
- » Program proceeds can be used for residential, commercial industrial or institutional structures – basically anything excepting Brownfield or Greyfield clean-up
- » There is no actual established loan minimum or maximum; it will vary by size of community and project impact
- » Single building applications are potentially fundable but such buildings must be of a larger size (i.e.) multi-family housing complex, former school, former hospital, former warehouse, former hotel, former nursing facility
- » Turn around will be less than for CDBGs – approximately 30 days (?)



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Nuisance Property Loan Program

- » Applications are accepted on a rolling basis until funds depleted
- » Applications submitted through [iowagrants.gov](http://iowagrants.gov)
- » Costs incurred in the preparation of this application may be eligible to be reimbursed with program funds.
- » Applications evaluated and awarded first come/first served, BUT must have a minimum score of 50 points to qualify for funding
- » All buildings made part of the program must be documented as representing a public nuisance through abandonment, chronic building code violations, or structural dilapidation to the point of being hazardous to the public health, safety and welfare.
- » A redevelopment plan for all properties receiving funds must be part of the application

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Nuisance Property Loan Program

- » Applications should describe how the proposed activities will assist redevelopment activities in a comprehensive and coordinated manner.
- » IEDA staff will review applications under a competitive criteria review system. Review criteria categories:
  - Financial need of the community
  - Extent of overall blight in the community
  - Condition of housing stock in the community
  - Administrative and operational capacity
  - Percentage of low to moderate income residents in the community
- » Each of the five review criteria has a maximum of 20 points; thus the maximum score for an application is 100 points.

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Nuisance Property Loan Program

- » Key Application Components:
  - Evidence of city support
  - Project location(s) listed and illustrated on detailed map(s)
  - City budget & city's debt limit; City's general bonding capacity
  - Percentage of low-moderate income persons
  - Community's building and housing conditions
  - Proposed remediation plans & proposed redevelopment plans
  - Project's overall impact
  - Description of any other participating entities
  - Coordination with other community development efforts
  - Demonstrated project administration capacity
  - Complete line item budget
  - Evidence of commitment of other funds, (if applicable)

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### Nuisance Property Loan Program

- » \$6,000,000 currently in the funding "pot"; nothing additional until first loans begin to get repaid
- » Eight cities are in the editing stages, (one submitted under review) of formulating their applications but I do not expect that, even if all were funded, the monies would be exhausted.....but it is best to submit your application soon



**IOWA**  
economic development

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### QUESTIONS?

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**IOWA**<sup>41</sup>  
economic development

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