

2021 CDBG Application Workshop Downtown Revitalization Program

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Virtual Presentation

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CDBG Downtown Revitalization Program Overview

- » Awarded on annual basis; allocation in 2021 is same as 2020, (about \$ 2.5 million)
- » On average, about 5 projects funded per year; 63 funded since 2009
- » Projects must meet HUD's CDBG National Objective of Elimination of Slum and Blight
- » Ideally results in highly visible outcomes, but S & B most important
- » ***Buildings with first floor residential not eligible**



Impactful Photo Examples



2021 Application Cycle

- » **Application window opens tomorrow May 25 – deadline for submittal is end of day, Monday August 16.**
- » **Remember:**
 - *Minimum of 8 Buildings/Addresses for an award of \$500,000*
 - *Minimum of 6 Buildings/Addresses for an award of < \$500,000*
 - *No minimum number IF it is a landmark/iconic building application -*
 - Generally, no additional (non-grant) construction allowed on project buildings from date of submittal until end of project contract.....typically, 2.5 - 3 years!
 - Only fronts and readily visible sides qualify; rear facades, but only those having direct street frontage or complete view from adjacent street– rare circumstance

Brand New For 2021!

- » **Target Areas from previously funded applications can be re-used, but**
 - **Target area as whole must still meet 25% minimum slum and blight percentage, and**
 - **Buildings that previously received funding can NOT be the recipient of funds a second time and can NOT be counted as blighted towards the 25% a second time**
- » **Target Areas no longer have to be contiguous but should still be basically rectangular in shape and must still be fully within a community's core downtown area**
- » ***If less than 300 population, limit of \$1,000/person is eliminated***
- » ***If less than 1,000 population, max request limit of \$300,000 is eliminated***

Roof Component

» Remember there are limitations:

- Limited to any work performed that is back (inside of) the wall flashing.
- Work to the roof can represent only one element of multiple blighting elements
- In addition to the roof, there must be a minimum of 2-3 other blighting elements legitimately listed for the façade(s).
- Blighted roof conditions must be described, documented and photographed in reasonably the same manner as all other building elements contributing to slum and blight.
- Work related to the roof shall not exceed 40% of the total construction cost of any single façade(s)
- Obviously one roof may cover the exteriors of more than one facade be it a front and side of a single structure or a roof spread over several adjacent storefronts. The 40% figure is the total for all storefronts.

“Iconic” Building Awards

- » **What is an Iconic building? In part, it is a “know it when we see type of thing”, but must have all or most of these characteristics:**
- Physical size or footprint larger in comparison to all or nearly all other buildings in the downtown area
 - Being vacant or with clear underutilization of the space
 - Has high visibility from several directions
 - Is generally considered/accepted as a local landmark
 - Displays distinct historical, cultural or architectural features
 - Has strong importance to overall downtown redevelopment efforts
 - Very unlikely that any one non-entitlement city would have more than two, or perhaps three

Developing A Project

- » Applicants need to work with architects from early on
 - Procure architects in advance of an award – but do not sign final design/construction contract until the project is awarded funding
 - Have evaluation criteria to pick the best candidate
 - Remember procurement regulations: Solicit ALL phases at once
 - Application preparation is a pre-award cost that cannot be reimbursed
- » Provide property owners with realistic expectations
- » Obtain a commitment letter from property owners, (can still change mind later on)
- » Can call on IEDA during process with questions at any time

SLUM & BLIGHT NATIONAL OBJECTIVE

THIS IS CLEAR BLIGHT:



But.....This Is Also Blight; “Lighter” Blight



Meeting Slum and Blight National Objective

- » Step 1: Define the target or project area in core downtown
- » Step 2: 25% or more of the buildings in entire 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 preceding application, states:
 - 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
 - OR target area can be part of an already existing Urban Renewal Area – but show us where it is in URA, (map)

Meeting Slum and Blight National Objective

- » **In most cases in Iowa we are talking “Blight Light”**
- » Identify and describe deteriorating building components
- » Provide descriptive photos by element
- » CDBG funds can only be used for buildings properly classified as in Fair or Poor condition
- » So, Four Main Components for S & B
 - Select downtown area with 25% + blighted buildings
 - Basic inventory form for each/all buildings in Slum and Blight Area
 - Detailed Slum and Blight form for project buildings
 - City resolution (no older than two years) meeting Iowa Code 403 and specific area identified (**attach map to resolution**)

Slum & Blight Documentation

- » Slum & Blight summary form incorporated into the project information section in IowaGrants
- » Individual building details section in IowaGrants will require following for every building in target area:
 - General individual building description
 - Façade front picture and overall rating
- ❖ CDBG funded project buildings will ALSO need to provide:
 - Building element descriptions
 - Several building pictures: storefront, doors, windows, stairs, foundation, roof etc. with a priority ranking for each and with photos focused on slum and blight items

Individual Building Detail on lowagrants.gov

» **Summary: For CDBG funded buildings.....**

- Make sure to have a priority ranking for EACH blighted element
- Make sure to have provided descriptions and clear photographs of deteriorating conditions for EACH blighted element
- Make sure to propose improvements to areas of the buildings that you have ranked worst – address the worst first
- No first floor residential usage
- Often can't get to all bad elements or all bad buildingsbut need to get clear majority of both

Good pictures for general front facade: Must include one for ALL buildings in project Area



Front Façade Picture: entire height and width of building

Bad Pictures for Front Façade



Shows only a portion of the front façade of these buildings

Good Pictures for Documenting Fair & Poor Conditions on Potential CDBG project buildings



Category Picture: Storefront

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



Category Picture: Foundation

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



Category Picture: Windows

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



Category Picture: Masonry; Exterior Wall

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.

Application Evaluations



Most Common Evaluation Failings

- **All required attachments not properly prepared, executed and uploaded**
- **Application does not demonstrate overall clarity, consistency, readability, and organization**
- **Public hearing not properly noticed and conducted; points not covered**
- **Inadequate photographs and “fuzzy” description of blighting factors/elements on project buildings – sometimes including no prioritization of blighted elements**
- **Lack of consistency of project budget numbers throughout application**
- **Non descriptive or incomplete architect renderings and/or work write-ups for each proposed project building in terms of identified blighted elements**
- **Amount and level of commitment of local matching funds not demonstrated or not firm**
- **Owner pledge letters not covering all vital points**

Scoring Method

- **Changes:**
- “Iconic Building” applications will be assigned ratio of impact category scores based on the average of all other applicants plus “bonus” points for cities of under 10,000 population (1 point), or under 5,000 population (1.5)
- Also, Green Streets has been dropped as a scoring factor and will no longer be considered when evaluating DTR apps.
- The ratio percentages (project buildings to total buildings in target area) for impact scores have been lowered slightly – most everyone will score higher
- Scoring factors or categories all equally weighted
- Each criteria scored on a 1 to 5 scale. Maximum of 45 points for a “perfect” application
- Applications scoring less than about 28 points will probably not be funded
- Applications are evaluated by three persons; scores are averaged

Scoring Criteria

- NEW: Degree to which application demonstrates clarity, completeness, competence and viability (replaces Green Streets)
- Degree to which the proposed activity is appropriate for CDBG
- 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 target area. (# of project facades/ total number of facades in target area) – somewhat easier to achieve this year)
- Degree to which the proposed scope of work addresses identified contributing factors to slum and blight on individual buildings
- Degree to which the scale and scope of the project is appropriate for the CDBG program timeframe (up to 3 years)
- Degree of community involvement with the proposed downtown revitalization efforts
- Degree to which the project is ready to proceed
- Degree to which the project will impact the target area overall

Cost Estimate Preparation

- » Relative accuracy is vital to a project meeting goals
- » *Average* building cost may be **????** this year; \$75,000+?
- » Err on the high side, but 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
- » Can have relatively high contingency, but don’t get too excessive

Don't Forget LBP Applicability Costs

- » For residential spaces, same rules as for the housing rehabilitation
 - Affects residential units in a mixed-use building
 - Requires testing and interim controls on any residential units for all areas in which painted surfaces will be disturbed – regardless of cost
 - Does NOT apply to commercial portion of the structure
 - Applicable residential units are **either occupied or readily occupiable**
 - Hard costs cannot exceed \$24,999 unless building is determined historic – If it does **full abatement** is required!
 - The \$24,999 is considered per residential unit
 - It is acceptable to subtract out costs that are specifically for commercial improvements, however common spaces must be included 50/50
 - The full abatement situation not likely to occur – but could. We will be monitoring for compliance as applicable.

Role of Historic Preservation



Historic Preservation Items

- » Be aware of your community's historic/cultural assets as well as any past surveys (good for 5 years) and existing districts or local rehabilitation guidelines
- » DTR encourages historic preservation practices
- » If funded, 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
- » Allow time for this review in your overall project timeframe before bidding
- » **Contact Ann Schmid of IEDA staff for info and assistance with process: ann.schmid@iowaeda.com or (515) 348-6202**

The Role of Property Owners



Property Owner Involvement (Pre Award)

» Main Features of Owner Pledge Letter for Application:

- Acknowledgement of total cost estimate
- Acknowledgement of eventual financial contribution (percentage of total estimated cost and/or a not to exceed figure is best)
- Acknowledgement of applicability of federal requirements such as: historic review; prevailing wage and *“no other construction work”*
- Acknowledgement of post award easement agreement
- Acknowledgement that slum and blight are highest priority
- We can provide letter samples if need be
- **This letter does not legally bind the property owner**

City To Property Owners

- » Don't promise property owners inclusion in application until you know how much money you will have and have assessed all blight
- » Circulate commitment letter templates early on
- » Discuss expectations
- » Do NOT expect construction to begin in 2021; plan on spring 2022
- » 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 – HUD mandates no additional “construction” work to participating buildings through grant end – **routine maintenance work items and emergency repairs are exempted**

- » **Virtually raise hand or type question in chat box**

