

# Stormwater Infrastructure Program Guidelines

## Program Purpose

The CDBG-DR grant provides funding to selected units of general local government with identified public infrastructure needs to accomplish the following goals: Reduce flood risk; increase resilience; and improve the quality of life and health, especially for vulnerable populations. This program can also be used to improve disaster-damaged infrastructure and increase stormwater management in order to make disaster-affected communities more resilient to floodwater impacts and prevent future natural disaster events.

## Version History

Version	Date	Summary Description
1.0	December 2020	Program Launch
1.1	April 3, 2023	Misc. updates
1.2	June 21, 2023	Removal of redundancies included in Combined Policies and Procedures Manual

## Administration

This program is administered by the Iowa Economic Development Authority (IEDA). IEDA is a state agency which administers Community Development Block Grant-Disaster Recovery (CDBG-DR) awards issued to the State of Iowa by the U.S. Department of Housing & Urban Development (HUD). Administrative activities are led by the IEDA Disaster Recovery Team Lead and members of both the Disaster Recovery and Federal Programs teams.

## Available Funds

Program	Budget	Harrison, Mills, and Fremont Counties	Other Presidentially Declared Counties
Stormwater Infrastructure	\$3,086,008	\$3,086,008	\$0

## Eligible Applicants

Units of general local government (UGLGs) are the eligible applicants for these funds. This includes all city, tribal, and county governments within the HUD MID area of Harrison, Mills, and Fremont Counties from December 2020 through December 2022. From January 2023, applications are open to municipalities in any of the presidentially-declared counties. All UGLGs that are not entitlement communities must work with a council of government or IEDA-approved consultant to submit the application and conduct project delivery.

## Application Rounds

Applications are accepted on a first come, first-serve basis.



## Application Workshops

Round 1 Application Workshop Date: December 2020

## National Objective and Eligible Activities

This program is designed to meet Low- to Moderate-Area Benefit benefit.

Eligible activities include HCDA 105(a)2 and applicable waivers identified in the applicable Federal Register notices for 2019 CDBG-DR funds.

## Disaster Tieback

This program addresses the unmet needs for infrastructure tied to the disaster by reducing flood risk, increasing resilience, and improving the quality of life and health for LMI communities affected by the disaster. All activities will occur in counties included within the HUD MID Area or within the presidentially-declared disaster area for FEMA DR 4421.

## General Program Requirements

This program's intent is to help communities by providing for infrastructure improvements to help the community recover from the disaster and become more resilient to future disasters. With that, there are numerous federal and state requirements that will apply to this funding.

IEDA will make awards to cities/counties/tribes for infrastructure improvements. Subrecipients will **procure** for the work with a contractor after award. Only **estimates are required, not procurement** at the application stage.

All activities must occur within **Low to Moderate Income (LMI) areas**. These are communities, census tracts, service areas etc. in which at least 51% of residents are at or below 80% of the Area Median Income.

This program will be subject to **Davis Bacon** prevailing wage requirements.

All projects receiving more than \$200,000 in HUD assistance (including CDBG-DR) are subject to **Section 3**.

The applicant must **own the project site** at the time of application.

If **critical actions**, if the project site is located **within the 100 or 500-year floodplain**, all critical action infrastructure must be elevated or floodproofed (in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(2)-(3) or successor standard) to the higher of the 500-year floodplain elevation or three feet above the 100-year floodplain, whichever is higher. According to 24 CFR Part 55, *"critical actions are those activities where even a slight risk of flooding would be too great, because of the potential loss of life or injury to persons, or damage to property. Critical actions include hospitals, nursing homes, fire and police stations, and roads providing sole egress from flood-prone areas"*.

Any **contingencies** proposed in the application budget may **not exceed 15%**.

Prior to the obligation of funds for construction, subrecipients will demonstrate costs are reasonable to IEDA. IEDA will also require that the subrecipient demonstrate additional financing and submit supporting documentation for estimated project costs prior to Release of Funds.





The State does not anticipate **program income** being generated by this program. However, subrecipients will be required to return program income if the program income meets or surpasses \$35,000 in a year. The whole amount, not just the amount above \$35,000, will be required to be returned to IEDA.

IEDA will reimburse funds for actual costs incurred up to the CDBG-DR award amount. Claims for reimbursement will be submitted via IowaGrants. The subrecipient shall maintain a file of all claim supporting documents, invoices, payments, and approval.

Claims are due within every 6 months. CDBG-DR assistance may be drawn down amid construction with supporting documentation of costs incurred submitted with the claim on IowaGrants. The final drawdown for reimbursement will only be granted once the “Demographic Data Collection” information is completed in IowaGrants.

10% of awarded funds will be withheld as a retainage until 100% of all invoices with all costs claimed are submitted to IowaGrants, reviewed, and approved. The subrecipient, in coordination with the grant administrator, will reduce the IowaGrants requested amount by the retainage so that the claim is paid in full.

Once closeout and compliance are complete, the subrecipient will claim the final 10% and IEDA will issue payment.

All **contractors and contract data must be submitted for Contractor Clearance** in IowaGrants. All work for construction must be recorded in a written, executed contract. All contractors must be registered to work in the State of Iowa.

**No Duplication of Benefits (DOB) will be allowed.** Subrecipients, in coordination with their grant administrators, will complete all necessary DOB documentation in accordance with the DOB Policy requirements noted in the Combined CDBG-DR Policies and Procedures Manual.

Federal regulations require FEMA **National Flood Insurance** for federally funded projects located within a Specific Flood Hazard Area-100-year floodplain as applicable to the project scope. Insurance will be obtained before work begins and must be maintained at minimum throughout the remaining project and closeout. Consult with the IEDA Environmental & Historic Preservation Specialist for more information.

Subrecipients **shall follow the federal procurement requirements** detailed in the Combined CDBG-DR Policies and Procedures Manual for CDBG-DR projects and in 2 CFR Part 200. Any procurement conducted by the subrecipient must comply with the procurement policy in the Combined CDBG-DR Policies and Procedures Manual.

Any construction contracts procured through awarded projects must comply with the Bonding Requirements noted in the Procurement Policy in the Combined CDBG-DR Policies and Procedures Manual.

All projects **must be cost reasonable.** IEDA will determine project cost reasonableness through the competitive application comparison, review, and selection processes and may obtain third-party verification on a case-by-case basis. As such, application budgets must be thorough and accurate for evaluation.



The subrecipient will maintain safety procedures designated by federal and state law for construction of new buildings.

For projects awarded after July 1, 2021, all projects receiving more than \$200,000 in HUD assistance at a project site are required to comply with the “new” Section 3 rule, as detailed in [24 CFR Part 75](#). This includes the tracking of all labor hours on the project sites, including projects not subject to Davis Bacon, and qualitative efforts undertaken to demonstrate compliance. See IEDA’s Section 3 guidance for more information. For projects awarded prior to July 1, 2021, projects follow the “old” Section 3 rule as they were awarded during the HUD grace period for implementing the “new” Section 3 rule.

All projects will be tracked by the IEDA project manager in the annual risk assessment for their timeliness in completion. The budgetary discrepancy limits are as follows for a 1-year project:

Year	Projected Expenditure	Discrepancy
Year 1	100%	10%

The budgetary discrepancy limits are as follows for a 2-year project:

Year	Projected Expenditure	Discrepancy
Year 1	50%	40%
Year 2	100%	10%

These timelines were revised down from the 6-year timeline in the State’s HUD-approved certifications to reflect the shorter time span.

If the spending differential is found to be greater than the limit shown, the project manager will determine the reason by reviewing current reporting narratives or metrics to determine if the spending is reasonable in regards to the status of tasks and deliverables. The project manager will also determine if the delays in spending or the completion of deliverables/tasks can potentially result in a negative impact to the project. If the discrepancy in spending or progress is deemed reasonable, the project manager will continue to monitor the expenditures.

If the project manager has concerns about the spending discrepancy or the status of project deliverables/tasks, or the recipient has reported a spending discrepancy for 2 consecutive years, the project manager will confer with the Disaster Recovery Team Lead for next steps. One of the following action items will be taken:

- Annual spending projections will be amended
- Project manager will continue to monitor the project status
- A meeting with partner management will be held. Partner will submit revised quarterly budget projection and/or a plan to overcome progress delay.
- Terminate the agreement.



## Eligible Projects

Eligible facilities include but are not limited to:

Grey Infrastructure	Green Infrastructure
Construction of infrastructure	Wetland creation or expansion
Repair of damaged public infrastructure	Bioretention cells
Culverts and stormwater drainage	Ponds
Water & sewer repair and resiliency improvements or capacity increase	Rain gardens, culverts, and other green road structures
Pumps	New stormwater management on buyout and non-buyout public lands
Match to FEMA, USDA, EPA, or other programs	Increase stormwater capacity
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If you have questions about further eligible facilities, reach out to IEDA.

## Promoting Equity in Recovery

This program is intended to help impacted residents, protected classes, vulnerable populations, and members of underserved communities. Subrecipients will be expected to reduce barriers to individuals impacted by disaster, protected classes, vulnerable populations, and members of underserved communities in accessing the housing market. These classes include:

Population	Type	Population	Type
Race	FHA, Iowa Civil Rights Act Protected Class	Disability	FHA, Iowa Civil Rights Act Protected Class
Color	FHA, Iowa Civil Rights Act Protected Class	Sexual Orientation	Iowa Civil Rights Act Protected Class
National Origin (including immigrants & refugees)	FHA, Iowa Civil Rights Act Protected Class	Gender Identity	Iowa Civil Rights Act Protected Class
Religion	FHA, Iowa Civil Rights Act Protected Class	Citizenship	Iowa Civil Rights Act Protected Class
Sex (including sexual orientation and gender identity)	FHA, Iowa Civil Rights Act Protected Class	Political Affiliation	Iowa Civil Rights Act Protected Class
Familial Status	FHA, Iowa Civil Rights Act Protected Class	Indigenous Populations	Vulnerable & Underserved Population

Subrecipients will be expected to expedite the recovery of these populations and their participation in this program by conducting efforts including but not limited to:

- Performing outreach and engagement to understand the needs of impacted participants
- Creating a personalized recovery plan (during the application phase) that addresses the needs of the local community
- Coordinating with government agencies and developers



- Coordinating with local organizations to ensure that refugee and immigrant populations are aware of the assistance and can access it
- Coordinating with local nonprofit organizations that provide services to people experiencing homelessness, people with disabilities, and historically underserved populations to ensure the promotion of the program and help remove their barriers to access the assistance
- Completing a Language Access Plan and identifying language access needs for the community

For applicants awarded after November 1, 2022: In the Fair Housing and Outreach plan, applicants should also specify which mandatory and elective activities. Applicants must indicate how they will complete all of the mandatory activities, which are as follows:

Mandatory Activity	Description
1	Advertise, publicize, and pass an affirmative fair housing policy that will certify that the local government adheres to the requirements of the federal Fair Housing Act and the Iowa Civil Rights Act of 1965 (adoption and use of the Equal Housing Opportunity logo and the Equal Housing Opportunity statement)
2	Identify and publish the name and contact information of a Discrimination Complaint Officer within the agency or jurisdiction for any housing-related bias or discrimination complaint
3	Refer housing discrimination complaints and assist in filing complaints with the Iowa Civil Rights Commission, the U.S. Department of Housing and Urban Development, or a local civil rights commission

Applicants will also indicate which of the following elective activities that they will complete. The list of elective activities includes the following:

Elective Activity	Description
1	Advertise the availability of housing and related assistance to population groups that are the least likely to apply through various forms of media (i.e. radio stations, posters, flyers, newspapers, Facebook, city web page) in English and other languages spoken by eligible families within the project service area
2	Include a flyer about fair housing in a local utility or tax bill and send it to every household within the municipality
3	Have the Responsible Entity staff attend a fair housing training or conference
4	Organize a letter writing campaign to local legislators and/or local government staff about the need to fund and support fair housing programs
5	Sponsor trainings for realtors, bankers, landlords, homebuyers, tenants, public housing authority and other city/town employees to educate them on their fair housing rights and responsibilities. This activity MUST be done in collaboration with the Iowa Civil Rights Commission or a local civil rights commission
6	Provide training/educational programs about fair housing for financial, real estate, and property management professionals at local firms, including their obligations to comply with the federal Fair Housing Act and the Iowa Civil Rights Act of 1965 (this can be done by partnering with a bank, board of realtors association, or other local group and helping



	to sponsor a program taught by a qualified entity such as the Iowa Civil Rights Commission
7	Conduct meetings with advocacy groups for members of the protected classes on the availability of affordable and accessible housing and determine housing needs to plan future projects
8	Establish and/or fund fair housing organizations in areas where there are no such organizations
9	Conduct fair housing testing to ensure that local housing providers and/or lenders do not discriminate (fair housing testing must be conducted by a HUD-certified fair housing agency)
10	Assist Housing Choice Voucher program participants to help locate and secure housing outside of racially concentrated areas of poverty (RCAPs) or outside of areas nearby RCAPs
11	Conduct outreach to housing providers and housing developers to discuss affordable and accessible housing needs in RCAPs and near RCAPs
12	Evaluate the local zoning ordinance against fair housing benchmarks identified in this AI, using the Zoning Risk Assessment Tool. Evaluate the need for amendments to the zoning ordinance and make them.
13	Organize a tester recruitment event in collaboration with the Iowa Civil Rights Commission to help document instances of housing discrimination.

IEDA monitoring will include reviewing efforts indicated in the Fair Housing and Outreach Plans (if awarded after November 1, 2022), along with the mandatory and elective activities to affirmatively further fair housing.

### Project Delivery

IEDA will only award applications with a project delivery entity indicated on the application. All non-entitlement subrecipients (cities/counties/tribes) will be required to contract with a council of government (MAPA for Mills County, SWIPCO for Harrison, Mills, and Fremont counties) or procure an IEDA-approved consultant for project delivery services. Entitlement communities may conduct project delivery in-house or choose to use a council of government or procure an IEDA-approved consultant. Under Iowa law, procurement is not required if a local government chooses to use their council of government (COG). COG or consultant staff working with the project will be required to maintain an active IEDA Certified Grant Administrator certification.

The entitlement community, COG, or consultant will provide a lump sum estimate for project delivery in the application for CDBG-DR funding. Project delivery must be substantiated by documentation of costs incurred and cannot be duplicated by another federal funding source. Project delivery includes but is not limited to:

- Environmental Review Record documentation, including required publication costs
- Retaining records and submitting required reports
- Lien development and filing
- Assistance with procurement
- Federal Labor Standards Compliance



- Section 3 Compliance
- Financing/interest incurred for project implementation

## Exception Policy

IEDA will consider exceptions to the program guidelines on a case-by-case basis. All exceptions must be submitted in writing with the application and include a justification. Exceptions should enhance the benefit to LMI households or areas.

Exceptions cannot violate federal, state, or local laws or regulations. Exceptions must still meet HUD's requirements for necessary and reasonable, comply with federal accessibility standards, and accommodate a person with disabilities if applicable.

A written response will be authorized in writing to the applicant upon approval or denial of the application requesting an exception.

## Required Application Documentation

Only complete, timely-received applications will be reviewed, scored, and ranked. Complete applications will complete all required fields in IowaGrants and provide at least the following required documentation unless granted an exception in writing by IEDA:

- **Resolution of support** from the city/county/tribe
- **Completed HUD Disclosure Form 2880** signed by the applicant
- **Federal Assurances Signature Page** signed by the applicant
- **Procurement** for project delivery services if applicable
- **Site control** documentation
- **Project Cost Estimates**
- **Project Design Documents** (Site Plan, Rendering, Concept, etc.)
- **DOB Application Certification** signed by the applicant
- **CDBG-DR Subrogation Agreement** signed by the applicant

## Post Award Steps to Release of Funds

All funded projects will be required to comply with all federal and state requirements. By signing the federal assurances, the subrecipient (city, county, or tribe) acknowledges and accepts these requirements. By passing a resolution of support and executing a contract with IEDA, the subrecipient assumes the responsibility of enforcing these requirements as the HUD-designated Responsible Entity (RE) in accordance with 24 CFR Part 58. The following steps will be required post award:

1. IEDA will enter into contract with the city/county/tribe for the award amount
2. The subrecipient will enter into a contract for project delivery (n/a for Cedar Rapids)
3. Release of Funds will be issued by IEDA





## Release of Funds

Before Release of Funds can be issued by IEDA, an environmental review process in accordance with the National Environmental Policy Act (NEPA) must take place to ensure compliance with all federal and state laws and regulations.

The timeline for this will generally take 4-6 months, but the specific timeline will be dependent on-site conditions. Once the environmental review checklist is complete, it will be submitted to IowaGrants.

Throughout the environmental review, **no choice-limiting** actions can be committed by the subrecipient or its partners. These include actions to commit or spend CDBG-DR or non-HUD funds for activities including but not limited to:

- Purchase of property or structures (including executing an option agreement)
- Bidding (or advertisement of bids)
- Signing construction contracts of any kind
- Construction, demolition, rehabilitation, repair, conversion, site improvements, and any phase of construction activities
- Platting and rezoning land (can work on preliminary plats and rezoning needs)
- Apply for building permits

If you have any questions regarding choice-limiting actions, please contact IEDA immediately.

## Document Retention

The subrecipient must retain **all documentation** of this project for three years after the entire 2019 CDBG-DR grant between IEDA and HUD is closed. Grant closeout with HUD is anticipated in 2026. Subrecipients should expect to retain all documentation **through at least 2029**. IEDA will notify all subrecipients when documentation retention is no longer required. Subrecipients may also contact IEDA's Federal Programs and/or Disaster Recovery divisions to inquire about document retention times for 2019 CDBG-DR.

