



**Economic Development**

**Community Development Block Grant (CDBG)  
Application Workshop**

November 19, 2024

# State of Iowa CDBG Program Upcoming Changes

- CDBG Certified Grant Administrator
- Consolidated Plan
- Build America, Buy America Act (BABA)
- Environmental Changes

# Certified Grant Administrator Training

- Prior to this round of applications, all Grant Administrators were required to go through the IEDA Certified Grant Administrator training. This is no longer a requirement for the Regular CDBG Program.
- Mandatory trainings are being developed, and more info will be put out once that has been completed.
- CDBG recipients should plan to contract with an experienced CDBG administrator for the day-to-day management of their project. Recipients must follow federal procurement requirements when selecting a grant administrator.
- Please note, there is no competitive procurement process required if the recipient chooses to contract general administrative services with their applicable local Regional Planning Commission/Council of Government.
- The entity that is contracted to be the Grant Administrator may not be the engineer and/or architect on the same project.

# Consolidated Plan

- IEDA staff is working with a consultant to write our 2025 - 2029 Consolidated Plan.
- Surveys were sent to a variety of partners and information was compiled to help facilitate ideas for CDBG eligible activities that meet the needs of Iowa residents going forward.
- The plan will affect the 2025 CDBG funding allocation. Stay tuned for more information to be forthcoming.

# Build America Buy America Act



Presenter:

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Iowa Economic Development  
Authority



# BABA Agenda

- BABA Overview
- Key Concepts
- Implementation
- Questions



# What is the Build America, Buy America Act (BABA)?

- Enacted as part of the bipartisan Infrastructure Investment and Jobs Act on November 15, 2021.
- BABA requires that the following materials, in connection with infrastructure projects funded by Federal Assistance, must be produced in the United States:
  - Iron and steel
  - Construction materials
  - Manufactured products

# What is the Build America, Buy America Act (BABA)?

- An infrastructure project is defined as any project that includes construction, alteration, maintenance or repair of:
  - Buildings and real property
  - Utilites (including drinking water and wastewater)
  - Broadband infrastructure
  - Electrical transmission facilities and systems (including EV charging)
  - Transportation infrastructure
  - Dams, ports and harbors and other maritime facilities

# Federal Government-wide Law

- BABA applies to ALL Federal financial assistance used for an infrastructure project, including:
  - Grants
  - Loans and loan guarantees
  - Direct assistance
  - Non-cash contributions
  - Cooperative agreements
  - Other financial assistance

# Federal Government-wide Law

- BABA is applicable to most HUD programs, including:
  - Community Development Block Grant (CDBG)
  - HOME
  - Housing Trust Fund
  - Many other programs, as well
- BABA does NOT apply to federally funded disaster or emergency assistance from the following programs:
  - CDBG – Disaster Recovery
  - CDBG - Mitigation
  - CARES Act programs, including CDBG-CV, HOPWA-CV, ESG-CV

# Compliance and Implementation

- Iowa Grants (coming soon)

# Compliance and Implementation

## ○ Step 1: Contract Language

- Specific contract language regarding BABA must be included in all contracts, including administration, engineering and construction.
- This language is in the management guide.

# Compliance and Implementation

- Step 2: Does BABA apply to your project?
  - Is your project a defined infrastructure project? > NO? BABA does not apply
  - Is your project using a covered Federal program? > NO? BABA does not apply
  - Does your project use iron, steel, defined construction materials and manufactured products? > NO? BABA does not apply
  - YES, to all three? Congratulations! BABA applies to your project (however, you may be eligible for a waiver).
  - Document this process on Iowa Grants (coming soon) to see if BABA applies to your project

# Compliance and Implementation

## ○ Step 3: Certification Process

- Grantees need to certify that all iron and steel, construction materials and manufactured products used on your projects are Made in America.
- Iowa Grants (coming soon) will make it easy to track each product's certifications.

# Compliance and Implementation

- Step 3: Certification Process (continued)
  - Engineer or architect will list all BABA-covered products in the bid packets.
  - The winning contractor will then begin submitting manufacturer certifications for each BABA-covered product to the grant administrator. The grantee will be required to keep records of the certification documentation consistent with existing records retention.
  - Grantees will take the engineer or architect's list of BABA-covered products and the contractor's corresponding certifications and include that information in Iowa Grants (coming soon) throughout the project.

# Compliance and Implementation

## ○ Step 3: Certification Process (continued)

- This certification submittal should begin prior to the start of construction. No construction activity claim will be approved without certification that the contractor has met BABA requirements for that respective claim.
- For each construction activity claim, the contractor and engineer will certify that materials used for that respective pay request is BABA-compliant. Grantees will provide that form for the contractor and engineer to certify.
- Grantees, upon submitting the claim to IEDA on Iowa Grants, will then certify that the claim is BABA-compliant. Grantees should have the certifications documenting compliance.

# Compliance and Implementation

- Step 3: Certification Process (continued)
  - The absence of a product certification could trigger the waiver request process.
  - Grantees job to ensure that each item from the engineer or architect's list has a corresponding and appropriate certification as well as tracking any change orders in the project that will utilize new BABA-covered products.
  - If the grantee does not have a certification for a specific product, you can't certify a claim, and funding will be held until that certification is documented.

# Compliance and Implementation

- Step 3: Certification Process (continued)
  - Industries are already providing a letter of certification – many times right on their website.
  - It will be the contractor's responsibility to bring these certifications to the grantee.
  - Items we're looking for in the certification (there will be a sample in the Management Guide):
    - Product specific information
    - Location where product was produced or manufactured
    - A company representative's signature / contact information

# Compliance and Implementation

## ○ Step 4: Classification

- BABA applies to the following categories of products:
  - Iron and steel
  - Construction materials
- Manufactured products
- A product cannot be classified in more than one of those categories
- Grantees should classify products based on their status when they arrive on the project site
- Use Iowa Grants (coming soon) to classify products

# Compliance and Implementation

## ○ Step 5: Definitions

- Construction Materials are defined as:
- Non-ferrous metals
- Plastic and polymer-based products
- Glass
- Fiber optic cable and optical cable
- Lumber
- Engineered wood
- Drywall

# Compliance and Implementation

## ○ Step 5: Definitions

- Manufactured Products are defined as:
  - Articles, materials, or supplies that have been processed into a specific form and shape and or combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies.
  - The cost of all the components in a manufactured product from domestic sources must be greater than 55%.

# Project- and Product-Specific Waivers

- There are three available categories for project- and product-specific waivers:
  - Public interest
  - Non-availability
  - Unreasonable cost
- Grantee must work with the project's cognizant agency to submit a waiver:
  - The cognizant agency is the agency with the most federal funding in the project
  - This process could take several months / plan for it
  - It could significantly delay your project

# Public Interest Waivers

- A public interest waiver may be available if BABA compliance would be inconsistent with public interest.
  - Unclear what specific public interest issues BABA would cause
- Any waiver requests regarding public interest should:
  - Explain how waiving BABA requirements for the project or product serves the public interest.
  - Demonstrate definite impacts on the community if specific products or materials are used on your project.

# Non-Availability Waivers

- A non-availability waiver may be available when a particular product needed for your project is not produced in the United States in sufficient quantities or of a satisfactory quality
- Any waiver requests for non-availability should:
  - Demonstrate that the grantee has conducted market research and adequately considered qualified alternate items.
  - Describe the due diligence performed, including information, quotes and/or responses from manufacturers, distributors or suppliers.

# Unreasonable Cost Waivers

- An unreasonable cost waiver may be available when applying BABA will increase the cost of the OVERALL project by more than 25%.
- Any waiver requests for unreasonable costs should:
  - Demonstrate that applying BABA increases the total project cost by more than 25%.
  - Determine the additional cost of BABA-compliant products.
  - Determine the dollar amount to be waived.
  - Demonstrate that no domestic alternatives are available within the project budget.

# HUD General Waivers

- There are general waivers which require no formal request to HUD
  - De Minimis Waiver
  - Small Grant Waiver
  - Exigent Circumstances Waiver
- Grantees should maintain documentation that demonstrates the applicability of a general waiver to the project.
- These waivers are effective until November 23, 2027

# HUD General Waivers

- Small Grant Waiver

- BABA can be waived for a project if the total project cost (including all sources of funding – not just federal) is \$250,000 or less.

- Exigent Circumstances Waiver

- BABA can be waived if a project must be completed immediately due to protect life, ensure safety or prevent the destruction of property

# HUD General Waivers

## ○ De Minimis Waiver

- BABA can be waived for a portion of the products used in a project if the cost of those products comprises no more than 5% of the total cost of covered products used in the project (not to exceed \$1 million).
- Example: a grantee is using CDBG funding to construct a playground and can find domestically produced products for nearly all the playground equipment, except for one \$20,000 slide. The total cost of the products used in the project is \$500,000.
- The cost of the slide is less than 5% of the total cost of the covered materials so the De Minimis waiver can be applied to the slide, therefore BABA does not apply to the slide.
- Note that BABA still applies to the other products used in the project.

## Bottom Line

- For project administration purposes, grantees must certify that all iron, steel, construction materials and manufactured products used in your projects are BABA certified.
  - No construction activity claim will be approved until IEDA is satisfied that all appropriate products in your claim are BABA-compliant
- Start with IEDA on any waiver. Ultimately, you will work with the project's cognizant agency to submit a waiver.
- Remember, this is new! Not every scenario can be foreseen so stay in contact with IEDA with your experiences, any challenges you face and your questions.

# Resources and Questions

- There is guidance available!
- Questions? Contact me:

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# General Environmental \_ Radon Changes

- HUD's new radon rule is now in effect.
- EVERY environmental review submitted is subject to it.
- Radon mitigation is no longer optional; it is mandatory for all projects with a pCi/L greater than 3.9. Any project on a building that will house people for 4 hours at a time is required to complete testing.
- No exceptions, no waivers, no sign-off forms – must complete testing and include mitigation where required.
- Affects nearly all programs that have an enclosed space.


# General Environmental \_ Floodplain Changes

- IEDA/IFA has implemented HUD's new FFRMS rule change.
- Utilizes the "Federal Flood Risk Management Standard" instead of FEMA Flood Insurance Rate Maps.
- FFRMS maps are called "CISA" maps: [Federal Flood Standard Support Tool](#).
- In practice, this effectively creates one large floodplain rather than having a 100-year and 500-year with separate regulations.
- All projects located in the FFRMS must complete the 8-step process.
- CISA tips: Be as accurate as possible when drawing your project area. Nearly every project will be considered "non-critical". Service life should be 2100+, as most of our project sites are being developed to last.
- If you do not have CISA map data, utilize the FEMA FIRMs with the understanding that anything in the 500-year floodplain will require an 8-step and more research on site elevation. Reach out if you encounter this, I can provide guidance.

# General Environmental \_ Floodplain Changes cont.

- If project requires an 8-step, step 5 will ask for information regarding floodplain mitigation.
- Mitigation is required if the project is considered a "substantial improvement".
- Substantial improvements occur when project costs are more than 50% of the project site's worth.
- Example: If you receive \$150,000 in DTR funds for a building that is worth \$200,000, this project is considered a substantial improvement and will require mitigation of some kind. If you receive \$150,000 in DTR funds for a building that is worth \$700,000, you are not committing a substantial improvement and mitigation will not be necessary for step 5.

# CISA Map Example

 FFRMS Freeboard Value Approach Report

Report generated by the Federal Flood Standard Support Tool on Mon Nov 18 2024. For more information on FFRMS and the data, visit <https://floodstandard.climate.gov>.

## Summary

Based on the user-defined location and **non-critical** designation, the proposed action is in the **riverine** FFRMS floodplain. A **2 foot freeboard** is applicable per the Freeboard Value Approach. This corresponds to a FFRMS flood elevation of **806.8 FT NAVD88**.

The North American Vertical Datum of 1988 (NAVD88) is the datum used on FEMA Digital Flood Insurance Rate Maps (DFIRMs) for Base Flood Elevations (BFEs).

Projects located in the FFRMS floodplain should be designed consistent with the applicable policies and directives of the agency taking or approving the action.

## Proposed Action Details

Location centroid (Latitude, Longitude): **Y: 41.563609 X: -93.643263**  
Service criticality: **Non-critical**    Service Life: **Through 2100**

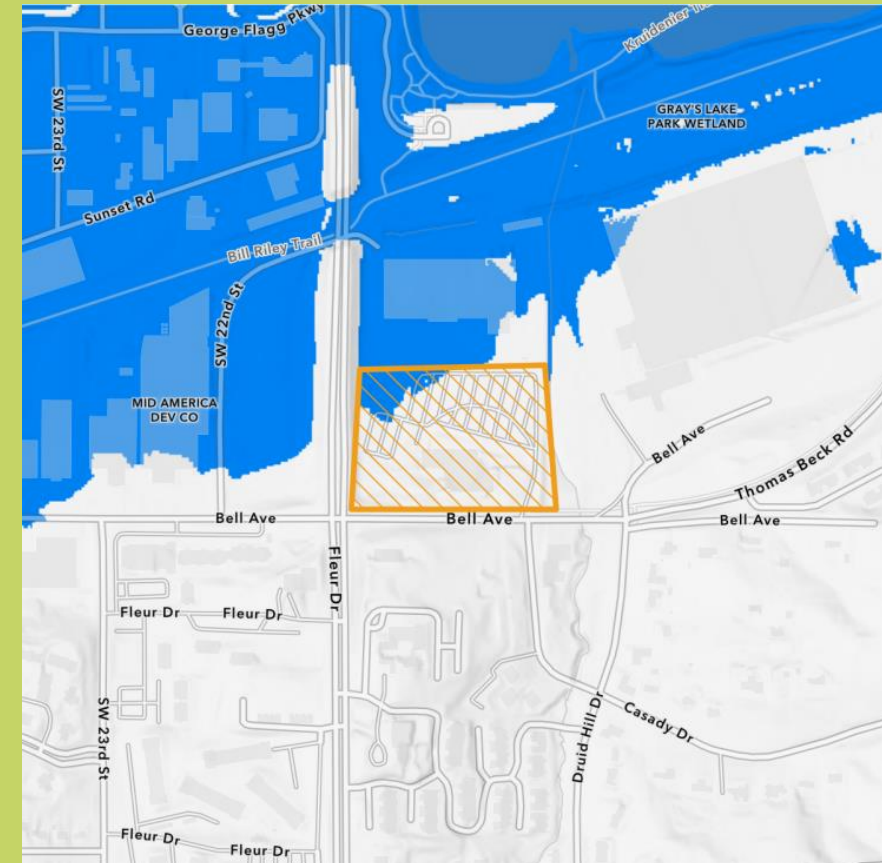
Consult with the applicable agency to identify any agency-specific policies, guidance, protocols, or direction on the critical action determination. The services of a professional engineer, architect, or other licensed design professional are recommended for designing critical actions or assets with long intended service life, and for other situations where risk tolerance is low because of unique characteristics of the action.

## Considerations of Freeboard approach at this location

No additional considerations at this location.

## Next Steps

This is the Step 1 of the 8-step decision-making process required in section 2(a) of Executive Order 11988, Floodplain Management (Determine if the proposed action within the FFRMS floodplain). Follow the remainder of the 8-step process outlined in the [Implementation Guidelines \(2015\)](#), page 4, including Step 5 which include minimizing harm and restoring and preserving natural and beneficial values. (Please refer to the Nature Based Solutions section). A licensed design professional should be contacted for the design or engineering of the action. If an action is in the FFRMS floodplain and its location is the only practicable alternative, then you may need the services of a professional engineer, architect, or other licensed design professional to determine how to minimize the impacts of flood and make the action resilient (e.g., elevation, flood-proofing and/or nature-based solutions), especially when dealing with critical actions.



## Contact Information for Questions

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**Thank You!**