

## **CDBG Housing Rehabilitation Program Exterior Home Improvements Guidelines**

The Iowa Economic Development Authority (IEDA) has initiated a Housing Sustainability Exterior House Improvements Program. This application may be combined with a Housing Sustainability Architectural Barrier Removal application, ONLY.

Projects will be funded through IEDA's Housing set-aside (HSG) from the State's Community Development Block Grant (CDBG) Program. IEDA will accept applications on an on-going basis, as funds are available.

### **National Objectives:**

- CDBG National Objective - All assisted homes shall meet the national objective of "Primarily benefits persons of low and moderate income – Housing". Effectively, this means that households must be at or below 80% of the area median income limits (LMI) by household size as established by HUD for the jurisdiction in which the home is located.
- For LMI Income limits:
  - IEDA website for CDBG Median Income Levels (MFI) Income Limits:  
<https://www.iowaeda.com/cdbg/management-guide/>
  - HUD Income Calculator:  
<https://www.hudexchange.info/incomecalculator/>

### **Definition:**

"Low and Moderate-Income" – Persons with income at or below 80% of the area median income as defined by the US Department of Housing and Urban Development (HUD)

### **Program Overview:**

- The Exterior House Improvements Program is to assist low- and moderate-income homeowners to improve the outside envelope of their home.
- All projects must comply with the IEDA's CDBG Exterior Home Improvements Eligible/Ineligible Activities guidance/ checklist.  
<https://www.iowaeda.com/cdbg/housing-rehabilitation/>  
(Under Resources)
- All window and door replacements must be compliant with IEDA's Window and Exterior Door Selection Guide.  
<https://www.iowaeda.com/cdbg/housing-rehabilitation/>  
(Under Resources)
- There is a maximum per project cap of \$24,999 in hard rehabilitation costs per property. Technical services including Radon testing plus lead hazard reduction carrying costs CANNOT exceed \$5,500 in total federal funds. Total federal fund costs per unit may not exceed \$38,500.

## **Eligibility:**

- To be eligible, applicants applying for assistance must have a household income that does not exceed 80% of the area median household income as established by the U.S. Department of Housing and Urban Development (HUD).
- The property must be the applicant's principal place of residence. The applicant must own the property. Ownership may be established by holding fee simple title to the property or maintaining a 99-year leasehold interest in the property.
- Residential properties containing businesses and or any kind of rental unit are not eligible for assistance.
- Properties included in a 100-year flood plain are not eligible for the program.
- Manufactured homes may be assisted with CDBG program funds only if all the following criteria are met:
  - The manufactured home was constructed after 1976.
  - The manufactured home is permanently affixed to a site-built permanent foundation and has had its towing hitch and running gear removed.
  - The homeowner owns the land on which the manufactured home is installed.
  - The manufactured home is taxed as real estate (real property) by the community.

## **Application Requirements:**

- The community will ensure that CDBG assistance is made available on a non-discriminatory basis without regards to race, color, religion, sex, disability, familial status, age, or national origin.
- Applications must be submitted to IEDA through the municipality in which the program is located, and in coordination with a CDBG experienced Grant Administrator. All CDBG regulations as outlined in IEDA's annual CDBG Management Guide shall apply.
- Applications will be accepted and reviewed on an on-going basis, as funds are available.
- Applications must be thorough and complete. All items identified in the application checklist must be provided as applicable, and all signatures included. Incomplete applications will not be reviewed.
- Cities/Counties applying for funds must complete the following and submit the documents at time of application:
  - Cities/Counties must have completed procurement for technical services.
  - Cities/counties must have completed procurement for grant administrative services, if applicable. If a Council of Governments (COG) is approved to be the Grant Administrator, no procurement is required. However, a resolution approving said COG to act in this capacity should be uploaded.
  - An Environmental Review (Tier I) must be complete and READY for publication.

- Cities/counties must have verified that the unit is the household's principal residence.
- Income verifications must be completed for all participating households. Income verification must be completed in accordance to 24 CFR 5.609 (Part 5 Annual Income). Income verifications are valid for twelve months from the date verification is completed.
- If awarded CDBG funding, cities/counties must have at least two units under contract within the first 6 months, and the remaining units within 12 months, after receiving notice of Release of Funds.
- If awarded CDBG funding, cities/counties will be required to submit a final budget for review at the end of month 18 of the grant award to determine if there are any funds that will need to be de-obligated.
- Contracts between city and IEDA will be 2-year agreements. All projects must be completed within this time frame.

### **Form of Assistance:**

- The form of financial assistance (CDBG funds) to the homeowner will be a 5-year receding, forgivable loan. The property must remain the applicant's principal residence for five years following the project acceptance date for the loan to be fully forgiven. However, the City has the discretion to decide in what extenuating circumstances it will allow the lien to be forgiven prior to the five years. All processes must be outlined in the Administrative Plan.
- The CDBG funds forgivable loan may be recorded in junior position to the principal conventional loan (if there is one).

### **Additional Requirements:**

- These CDBG funds are subject to the requirements of the Federal Lead Safe Housing regulations, impacting all dwelling units that were constructed prior to January 1, 1978. As such, this program is designed to limit projects to those that either work under Lead Safe Interim Controls or as qualified for under the exemption for National Register listed or eligible properties, under 24 CFR 35.115. Subpart B, J and R.
- All awarded projects are subject to the standard State and Federal Regulations associated with the expenditure of Federal Community Development Block Grant (CDBG) funds. Grant Administrators for these projects should be familiar with these regulations and should ensure that all developments are in compliance with the terms of the CDBG contracts.