

Grantee: Iowa

Grant: B-08-DN-19-0001

January 1, 2021 thru March 31, 2021 Performance

Grant Number: B-08-DN-19-0001	Obligation Date: 03/19/2009	Award Date: 03/19/2009
Grantee Name: Iowa	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$21,607,197.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$21,607,197.00	Estimated PI/RL Funds: \$3,799,723.00	
Total Budget: \$25,406,920.00		

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

The Neighborhood Stabilization Program (NSP) provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline in value of neighboring homes.

In an attempt to target these funds to communities with the greatest need, the following factors were employed to determine eligibility. Again using data provided by HUD, Block Groups were selected that met two criteria: they had a Foreclosure Risk Score of 9 or 10, and the Block Group in its entirety met the LMMI criteria. (They are Low, Medium or Moderate Income eligible if more than 50 percent of the households in the Block Group are below 120 percent Area Median Income - the NSP eligibility level.) Using these two criteria resulted in a list that includes 361 Block Groups in 98 different communities. These 98 communities (approximately 10 percent of all communities in the state) will be considered eligible to submit a Plan and apply for NSP funding.

Distribution and and Uses of Funds:

The State of Iowa plans to allocate NSP resources to communities with the greatest need, and that have the interest and administrative capacity to operate the program. The State has determined that the most appropriate way to address these goals is to provide funding directly to Entitlement Communities, and have a competitive application process for the Non-Entitlement Communities. To determine an appropriate division of funding between the entitlement communities and the non-entitlement communities, the State proposes using a three-part formula. The three factors would include # of foreclosures, # of distressed/high-risk neighborhoods, and number of sub-prime loans. For the entitlements, the average of the three measures would be 38% (# of foreclosures) + 71% (distressed/high risk neighborhoods) + 45% (# of subprime loans). (38% + 71% + 45%) / 3 equals 51%. Using this figure of 51% to the Entitlement Communities, and 49% to the Non-Entitlements would result in the following: State Administration Up to \$864,287 (4% of the total award) Entitlement Communities \$10,579,231 Non-Entitlement Communities \$10,163,679 Total Funding \$21,607,197 A. Entitlement Allocation The allocation among the Entitlement Communities only has been calculated using the following formula: Number of Estimated Foreclosures in the community (weighted 60%), percent of sub-prime loans in the community (weighted 20%), and Foreclosure Risk (20%). After allocating the funds according to this formula and eliminating any allocations of less than \$250,000, the following totals are derived: Des Moines \$3,935,474 Davenport \$1,547,741 Cedar Rapids \$1,193,337 Council Bluffs \$1,184,874 Sioux City \$1,158,426 Waterloo \$850,570 Dubuque \$444,328 West Des Moines \$264,481 TOTAL \$10,579,231 If any of the eight Entitlement Cities above decide not to accept the funding, that amount will be allocated instead to the Non-Entitlement portion of the funding available to them by competitive application. B. Non-Entitlement Allocation As noted earlier, \$10,164,359 will be allocated for usage by non-entitlement communities, through competitive application.

Definitions and Descriptions:

Housing Rehabilitation Standards

All newly constructed multi-family and single-family housing must meet all locally adopted and enforced building codes, standards and ordinances. In the absence of locally adopted and enforced building codes, standards and ordinances, the requirements of the State Building Code apply.

All multi-family housing activities involving rehabilitation must meet all locally adopted and enforced building or housing codes, standards or ordinances. In the absence of locally adopted and enforced building or housing codes, standards or ordinances, the requirements of the State Building Code apply.

The State Building Code (Department of Public Safety) has adopted the International Building Code and related publications.



All single-family housing activities involving rehabilitation must meet all locally adopted and enforced building or housing codes, standards or ordinances. In the absence of locally adopted and enforced building or housing codes, standards or ordinances, the requirements of the Iowa Minimum Housing Rehabilitation Standards apply (all communities with a population of less than 15,000). Communities with populations of 15,000 or greater are required by state law to adopt a housing code.

5. Abandoned Property

A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

6. Foreclosed Property

A property "has been foreclosed upon" at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

Low Income Targeting:

At least 25% of the funds must go to benefit households at 50% or lower Area Median Income (AMI). To meet this statewide requirement, and because

HUD excludes administrative funds from the calculation, cities will be required to show that at least 26% of the funds they receive will be used to benefit

households at 50% or lower AMI. If communities have difficulty meeting this requirement IEDA will consider reducing the %.

However, this would mean another community would need to complete more than 26% to make certain that the 25% set aside is met. As of 2017, the State is exceeding the set aside requirement.

Acquisition and Relocation:

It is anticipated that some demolition and/or conversion of low- and moderate-income dwelling units will occur. It is understood that, although the "one-for-one" replacement requirement has been waived for the NSP program, the proposed activities should mitigate such losses to the extent possible.

Public Comment:

Comment #1: Targeting Criteria A comment was received from a community that having a targeting rule of no more than 25 percent of a community's Census Tracts might be unreasonable. In some cases, Census Tracts might be very small, and in other cases very large, so that using Census Tracts only for this rule might be unfair or inconsistent from one community to the next. Response: To address this potential concern, the Draft Plan has been revised to make clear that an acceptable alternative method of targeting would be the percentage of the community, by area, rather than strictly using a percentage of Census Tracts. For communities of 10,000 – 49,999 population, and for Entitlement Communities, this Final Plan allows the targeting to be up to 25% of the entire community, by area.

Comment #2: Clarification of holding costs A comment was received from a community that believed that in the current real estate market, holding costs may be a significant portion of their total NSP funds. "While we are of the understanding that holding costs can be used as a delivery cost, we would like to see more detail in the plan as to what constitutes a holding cost and how these costs can be accounted for."

Response: The Department will request additional guidance from HUD on this issue. Additional information will hopefully be available and provided to communities through the application process and/or other means of technical assistance.

Comment #3: Commitment definition A comment was received from a community that while the program rules state that funds need to be committed within 18 months, there is no clear definition of what commitment means. "Without this, we are unsure if we are required to complete all property acquisition within 18 months, have properties identified within 18 months, or simply to have an idea of where we would like to acquire property."

They would like the state plan to address what the definition of commitment should be. Response: The state's current understanding is that property acquisition would not be required within the 18 month period, but that property identification would be. Additional clarification on this issue will also be sought, and provided to communities as the state obtains more information on this subject.

Comment #4: Iowa Green Streets criteria A comment was received from a community that was concerned with the requirement that Iowa Green Streets criteria will be applied to all new construction projects. "Entitlement cities are unaware of the Iowa Green Streets requirements and how these requirements and will impact the cost of development. From our experiences working with non-profit housing developers, we have learned that green requirements need to be well defined. Another concern with green development is the cost. Depending on the specific requirements, "green" can increase costs by as much as 20%-30%, which makes affordability increasingly difficult."

Response: A manual outlining the guidelines and requirements for Iowa Green Streets can be found on the Department's website at

<http://www.iowalifechanging.com/community/downloads/green-criteria08.pdf>. The Department recognizes that while "green" can increase costs initially, long-term sav

Public Comment:

ings can actually increase affordability. Comment # 5: A comment was received from a non-profit organization asking that the Plan "Ensure that the needs of low income elderly residents are a designated priority in plans for neighborhood stabilization."

Response: Although the program regulations require that the funds be targeted to Low, Moderate, and Middle Income households, nothing in the program goals or regulations indicate an intent to prioritize e

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$25,401,491.00
Total Budget	\$0.00	\$25,401,491.00
Total Obligated	\$0.00	\$25,401,491.00
Total Funds Drawdown	\$0.00	\$25,401,491.00
Program Funds Drawdown	\$0.00	\$21,601,768.00
Program Income Drawdown	\$0.00	\$3,799,723.00
Program Income Received	\$0.00	\$3,799,723.00



Total Funds Expended	\$0.00	\$25,401,491.00
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
Audubon	\$ 0.00	\$ 322,162.00
Des Moines	\$ 0.00	\$ 4,499,154.00
Dubuque	\$ 0.00	\$ 917,083.00
Eldora	\$ 0.00	\$ 814,185.00
Fort Dodge	\$ 0.00	\$ 1,478,512.00
Guthrie Center	\$ 0.00	\$ 720,059.00
Hamburg	\$ 0.00	\$ 637,448.00
Iowa Department of Economic Development	\$ 0.00	\$ 864,287.00
Jefferson	\$ 0.00	\$ 1,033,495.00
Knoxville	\$ 0.00	\$ 922,216.00
Marshalltown	\$ 0.00	\$ 534,357.00
Boone	\$ 0.00	\$ 727,037.00
Oelwein	\$ 0.00	\$ 1,197,880.00
Ottumwa	\$ 0.00	\$ 850,250.00
Perry	\$ 0.00	\$ 1,073,364.00
Shenandoah	\$ 0.00	\$ 914,336.00
Sioux City	\$ 0.00	\$ 1,147,081.00
Waterloo2	\$ 0.00	\$ 838,404.00
Burlington	\$ 0.00	\$ 938,720.00
Cedar Rapids	\$ 0.00	\$ 1,193,337.00
Corning	\$ 0.00	\$ 446,070.00
Council Bluffs	\$ 0.00	\$ 1,184,874.00
Creston	\$ 0.00	\$ 351,618.00
Davenport	\$ 0.00	\$ 1,795,562.00
Davenport1	\$ 0.00	\$ 0.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	.00%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$.00	\$.00	\$.00
Limit on Public Services	\$.00	\$.00	\$.00
Limit on Admin/Planning	\$.00	\$2,098,995.00	\$2,098,995.00
Limit on Admin	\$.00	\$2,098,995.00	\$2,098,995.00
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$6,351,730.00		\$9,399,782.00

Overall Progress Narrative:

All Contracts are closed. Waiting for HUD to close grant.



Project Summary

Project #, Project Title

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
08-NSP-A FinancingMech, 08-NSP-A FinancingMech	\$0.00	\$150,000.00	\$150,000.00
08-NSP-B Acq/Rehab, 08-NSP-B Acq/Rehab	\$0.00	\$12,762,330.00	\$11,346,508.00
08-NSP-D Demolition, 08-NSP-D Demolition	\$0.00	\$4,239,240.00	\$3,581,807.00
08-NSP-E Redevelop, 08-NSP-E Redevelop	\$0.00	\$6,155,611.00	\$4,574,882.00
08-NSP-LocalAdm, NSP-LocalAdm	\$0.00	\$1,234,708.00	\$1,084,284.00
08-NSP-StateAdmin, NSP State Admin	\$0.00	\$864,287.00	\$864,287.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

