

2020 Derecho CDBG-DR

For Sale Housing - Housing Developer Incentives

\$20,000,000

- Funds the construction of **new affordable and resilient** for sale single-family houses and multifamily buildings.
- Competitive applications to IEDA through local municipality (**City, County, and Tribes**). One application per project with development team identified. Applications will be scored and ranked in rounds.
- For **owner-occupied housing units**, the base incentive is **\$100,000 per unit**. All sold units can also utilize a CDBG-DR down-payment assistance. **\$25,000 per unit** mitigation incentive also available.
- All units must have access and connection to municipal utilities including water and sewer, no projects dependent on wells and/or septic systems will be eligible. **Up to \$70,000** will be **competitively** awarded for infrastructure needs per housing unit.

Program	Budget	Linn	Marshall, Tama, Benton
Single Family- For Sale Housing	\$20,000,000	\$16,000,000	\$4,000,000
Infrastructure in Support of Housing	\$6,187,700	\$4,950,160	\$1,237,540

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- » **All for sale housing units must be sold to persons** of Low to Moderate Income (**LMI**). 80% of the area median income or less.
- » The homes must be the primary residence of the LMI buyer
- » **At least 51% of rental housing units** must be leased to LMI persons.

County	1-person 80%	2-person 80%	3-person 80%	4-person 80%	5-person 80%	6-person 80%
Cedar Rapids Metro (Linn)	\$50,050	\$57,200	\$64,350	\$71,500	\$77,250	\$82,950
Benton	\$50,400	\$57,600	\$64,800	\$72,000	\$77,800	\$83,500
Marshall	\$44,200	\$50,500	\$56,800	\$63,100	\$68,150	\$73,200
Tama	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350

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- » The **maximum sales price** to the initial occupant cannot exceed \$175,000.
- » Down payment assistance of 100% of a 5% down payment and closing costs are available from IEDA to buyers.
- » Income-restricted rental housing units (51%) are subject to the **HUD 65% HOME rental maximums** and utility allowances determined by the local housing authority.
- » All for sale and rental units must be marketed to persons impacted by the derecho for 4 months prior to being offered to a member of the general public.

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- » **15-year affordability period** for single-family homes (1-4 units on a parcel). Homes will need to be resold to LMI buyers during that period or the homeowner will need to repay the State for remaining unforgiven balance of the housing incentive awarded for the construction of the home. Recorded as a monthly receding lien.
 - » **5-year period** for down payment assistance. Recorded as a monthly receding lien. Buyer will need to repay the State for the remaining unforgiven balance if the home is sold within the 5 years.
 - » **15-year affordability period** for single family homes, single family rentals & 1-4 rental units in a project.
 - » **20-year affordability period** for 5+ rental units in a project.
- Recorded as a deed restriction and non-receding forgivable mortgage.

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- » **Iowa Green Streets Criteria** applies to all projects. This is a green building standard that follows much of the Enterprise Green Communities standard but has been adapted for Iowa projects.
- » Baseline requirements are the minimum to complete; however, projects that incorporate more green elements will score higher.
- » Green Streets includes **Universal Design**. Waivers cannot result in fewer than 5% of units must be ADA accessible and no fewer than 2% of units may be accessible to persons with hearing or vision impairments.
- » Contact Jeff Geerts (Jeff.Geerts@IowaEDA.com) for any specific questions on the Green Streets Criteria.

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- » Project sites receiving greater than \$200,000 in HUD assistance must comply with **Section 3**.
- » Projects of 8+ units must comply with **Davis Bacon** labor standards
- » All infrastructure in support of housing must also comply with **Davis Bacon** labor standards
- » All units must undergo review under the **National Environmental Protection Act**
- » All units must be built to comply with local enforced **building codes**; if no local code is enforced, it must comply with the State building code.