

CHAPTER 45  
COMMUNITY CATALYST BUILDING REMEDIATION PROGRAM

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

**261—45.1(15) Purpose.** Pursuant to Iowa Code sections 15.231 and 15.106A, the authority is directed to establish a community catalyst building remediation program fund for the purpose of providing grants to cities for the remediation or redevelopment of underutilized buildings. The authority shall administer the fund in a manner to make grant moneys annually available to cities for the purposes of this chapter.

[ARC 3384C, IAB 10/11/17, effective 11/15/17]

**261—45.2(15) Definitions.** For purposes of this chapter, unless the context otherwise requires:

*“Agreement”* means a contract for financial assistance under the program describing the terms on which the financial assistance is to be provided.

*“Applicant”* means a city applying for financial assistance under the program.

*“Authority”* means the economic development authority created in Iowa Code section 15.105.

*“Building”* means a structure located in a city that is either:

1. Used or intended to be used for commercial or industrial purposes; or
2. Used or intended to be used for residential purposes.

*“Building”* includes structures in which some floors may be used for retail stores, shops, salesrooms, markets, or similar commercial uses, or for offices, banks, civic administration activities, professional services, or similar business or civic uses, and other floors are used, designed, or intended to be used for residential purposes.

*“Community catalyst”* means a building or buildings which, if remediated, would stimulate additional economic growth or reinvestment in the community, especially private sector financial investment. For purposes of this chapter, “economic growth” may include the creation of additional jobs, growth of new or existing businesses, development of new housing units, increased property values, or potential population growth. The building will be located in an area central to the city’s economic development activities. A community catalyst project will be expected to have a significant positive expected impact on the community.

*“Costs directly related”* means expenditures that are incurred for acquisition, deconstruction, disposal, redevelopment, or rehabilitation of a community catalyst to the extent that the expenditures are attributable directly to the remediation or redevelopment of the community catalyst. “Costs directly related” includes expenditures for site preparation work, surveying, construction materials, construction labor, architectural services, engineering services, building permits, building inspection fees, and interest accrued on a construction loan during the time period allowed for project completion under an agreement entered into pursuant to the program. “Costs directly related” does not include expenditures for furnishings, appliances, accounting services, legal services, loan origination and other financing costs, syndication fees and related costs, developer fees, or the costs associated with selling or renting the dwelling units whether incurred before or after completion of the housing project.

*“Director”* means the director of the authority.

*“Financial assistance”* means a grant or loan made by the authority to an applicant approved for funding under the program.

*“Program”* means the procedures, agreement, terms, and assistance established and provided pursuant to this chapter.

*“Project”* means a proposed plan for the remediation of underutilized buildings in a city. “Project” must include at least one building but no more than two buildings. For two buildings to be considered part of the same project, the buildings must be contiguous and under the same ownership. All community catalyst buildings to be remediated must be included in the proposed plan upon application, and the proposed plan must demonstrate the steps and actions necessary to further remediation and redevelopment efforts in a comprehensive and coordinated manner.

“*Public nuisance*” means a building that is a menace to the public health, welfare, or safety, or that is structurally unsafe, unsanitary, or not provided with adequate safe egress, or that constitutes a fire hazard, or is otherwise dangerous to human life, or that in relation to the existing use constitutes a hazard to the public health, welfare, or safety by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment. “Public nuisance” includes buildings with blighting characteristics as defined by Iowa Code section 403.2.

“*Redevelopment*” means development activities associated with a project that are undertaken either for the purpose of remediating underutilized buildings, for constructing new buildings or improvements at a site where formerly existing buildings have been demolished, or for rehabilitating, reusing or repurposing existing buildings or improvements at a project site. “Redevelopment” typically includes projects that result in the elimination of blighting characteristics as defined by Iowa Code section 403.2.

“*Remediation*” or “*remediating*” means the redevelopment, repair, improvement, rehabilitation, disposal, or deconstruction of at least one but no more than two underutilized buildings at a site included in a project.

“*Underutilized building*” means a building that is vacant or mostly vacant, is blighted or severely deteriorated, and contains potential safety hazards including structural instability, code noncompliance, vermin infestation, vandalism or potential for vandalism, vagrancy, hazardous materials or generally unsafe or hazardous conditions. The building may or may not be considered a public nuisance.

[ARC 3384C, IAB 10/11/17, effective 11/15/17]

## **261—45.3(15) Program description.**

### **45.3(1) Amount, form, and timing of assistance.**

a. The program provides financial assistance to cities for the redevelopment or remediation of underutilized buildings. The amount of assistance awarded will be determined by the authority based on the total amount of funds available to the authority for the program and based on the project details. Each applicant shall receive no more than one grant per project per fiscal year. The maximum grant amount per applicant per fiscal year shall not exceed \$100,000. If an applicant received a technical assistance grant under paragraph 45.3(2) “b,” the amount of the financial assistance for redevelopment or remediation plus the amount of the technical assistance grant shall not exceed the maximum grant amount of \$100,000.

b. In providing grants under this chapter, the authority shall allocate 40 percent of the moneys available at the beginning of each fiscal year to funding grants to cities with populations of less than 1,500 as shown by the most recent federal census. If at the end of each application period the amount of grants awarded to cities with a population of less than 1,500 is less than the amount allocated to such grants under this rule, the balance may be awarded to any approved applicant, regardless of city population.

### **45.3(2) Application.**

a. *Forms.* All applications and other filings related to the program shall be on such forms and in accordance with such instructions as may be established by the authority. Information about the program, the application, and application instructions may be obtained by contacting the authority or by visiting the authority’s Web site:

Iowa Economic Development Authority  
Community Development Division  
200 East Grand Avenue, Des Moines, Iowa 50309  
(515)725-3000  
<http://iowaeconomicdevelopment.com/>

b. *Preapplication.* An application may not be submitted to the authority until a preapplication has been submitted to the authority and the authority has approved submission of the application. A preapplication may be submitted to the authority at any time. Following the receipt of a preapplication, the authority may offer technical assistance, including technical assistance grants up to \$5,000 per applicant per fiscal year. The purpose of such technical assistance and technical assistance grants shall be to ensure a complete application that is sufficiently detailed to enable the authority to make a determination. The authority reserves the right to deny an application if the applicant’s preapplication was submitted less than 30 days before the announced application period.

*c. Application period.* Each fiscal year during which funding is available, applications for financial assistance other than applications for emergency projects submitted pursuant to paragraph 45.3(2) “e” will only be accepted during the established application period, or periods, as identified by the authority on its Web site. The authority will accept applications year-round for emergency projects submitted pursuant to paragraph 45.3(2) “e.”

*d. Complete application required.* An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided.

*e. Emergency project applications.* Cities that identify projects which present a unique and immediate threat or opportunity may submit an application for funding at any time. For purposes of this subrule, a “unique or immediate threat” includes unforeseen challenges or problems that could result in catastrophic failure of a building’s structural system and overall integrity. A threat includes various acts of nature, such as flood, fire, or storm damage, or sudden and unexpected structural failures, such as partial wall collapse. Deferred maintenance will not be considered an immediate threat. For purposes of this subrule, a “unique or immediate opportunity” means a time-sensitive remediation project that is reasonably expected to result in economic growth. All applications for financial assistance for projects submitted under this subrule must meet all other requirements of this program and shall be scored using the same criteria as the criteria that are applied to applications for financial assistance for projects submitted during the regular application period.

**45.3(3) Approval of assistance.** The authority will review, score, and recommend applications for financial assistance under the program to the director. Authority staff will review applications for financial assistance and score the applications in accordance with subrule 45.4(2). A project that does not receive funding may reapply.

**45.3(4) Agreement required.** The authority shall enter into an agreement with each applicant for the receipt of a grant under this chapter. The agreement must state the terms on which the financial assistance is to be provided. For an applicant to receive grant moneys under this chapter, the agreement must require the applicant to provide resources, including financial or in-kind resources, to the remediation project. The authority may negotiate the terms of the agreement. The applicant shall execute the agreement before funds are disbursed under the program.

**45.3(5) Form of financial assistance.** The authority will provide financial assistance in the form of a grant to the applicant. The amount of the grant and any other terms shall be included in the agreement required pursuant to this chapter.

**45.3(6) Use of funds.**

*a.* An applicant shall use funds only for reimbursement of the costs directly related to the project. The authority may require documentation or other information establishing the actual costs incurred for a project. Failure to use the funds for reimbursement of the costs directly related to a project shall be grounds for default under the agreement required pursuant to this chapter.

*b.* The authority shall coordinate with the applicant to develop a plan for the use of grant moneys that is consistent with the community development, housing, and economic development goals of the city. The terms of the agreement executed pursuant to these rules and the use of grants provided under this program shall be consistent with the plan developed.

[ARC 3384C, IAB 10/11/17, effective 11/15/17]

## **261—45.4(15) Program eligibility, application scoring, and funding decisions.**

**45.4(1) Program eligibility.** An applicant must meet the following eligibility criteria to qualify for financial assistance under this program:

*a.* The applicant must be a city. If the project building or buildings are owned by an entity other than the city, the city must provide information to the authority regarding ownership and the relationship between the owner and the city.

*b.* The building or buildings that constitute the project must meet the definition of “underutilized building” as determined by the authority.

*c.* The building or buildings that constitute the project must meet the definition of “community catalyst.” The authority shall determine whether the building or buildings meet the definition of “community catalyst” set out in rule 261—45.2(15).

- d. The project must include financial or in-kind resources contributed by the city.
- e. The applicant must complete the application and provide all other information and documents reasonably required by the authority.

**45.4(2) *Application scoring criteria.*** All completed applications will be reviewed and scored. In order for an applicant to be considered for funding, the application must meet or exceed a minimum score established by the authority. Each application will be scored using criteria set forth by the authority, which may include the following:

- a. Economic impact of remediation project. The authority will take into account the potential economic growth and investment that is reasonably expected to occur as a result of the project. The applicant must provide information demonstrating that the expected economic impact of the project is reasonable based on existing factors.
- b. Local government support. The level and amount of local government support, including financial support, will be considered for each applicant.
- c. Readiness. The authority will assess whether the project is well-prepared and ready to begin within a reasonable amount of time.
- d. Project plan and time line. The authority will assess whether the applicant has prepared a detailed project plan and time line for the execution of the project.
- e. Project financing. The authority will assess whether the applicant has secured financing and is financially prepared to complete the project.

**45.4(3) *Funding decisions.*** Funding decisions will be made using the following process:

- a. Staff review. Each application will be reviewed and scored by staff using the eligibility and scoring criteria under this rule. The scores assigned by all participating staff will be added together and divided by the number of participating staff to determine an average numerical score. The application and the average numerical score will be referred to the director with a recommendation as to whether to fund the project and, if funding is recommended, a recommendation as to the amount of the grant.
- b. Director's decision. The director will make the final funding decision on each application, taking into consideration the amount of available funding, the average numerical score of the application, and the recommendations made by community development division staff. The director may approve, deny, or defer funding for any application.
- c. Minimum score required. In order to receive financial assistance under this program, the application must receive an average minimum score established by the authority. A score exceeding the minimum does not guarantee that the applicant will receive funding.
- d. Notification. Each applicant will be notified in writing of the funding decision within 60 days of receipt by the authority of a complete application unless extenuating circumstances exist.

[ARC 3384C, IAB 10/11/17, effective 11/15/17]

#### **261—45.5(15) Agreement required.**

**45.5(1)** Each applicant that is approved for financial assistance under the program shall enter into an agreement with the authority for the provision of such financial assistance. The agreement will establish the terms on which the financial assistance is to be provided and may include any other terms reasonably necessary for the efficient administration of the program.

**45.5(2)** The authority and the applicant may amend the agreement at any time upon the mutual agreement of both the authority and the applicant.

**45.5(3)** The agreement may require an applicant that has been approved for financial assistance under the program to submit information reasonably required by the authority to make reports to the authority's board, the governor's office, or the general assembly.

[ARC 3384C, IAB 10/11/17, effective 11/15/17]

These rules are intended to implement Iowa Code section 15.231.

[Filed ARC 3384C (Notice ARC 3256C, IAB 8/16/17), IAB 10/11/17, effective 11/15/17]