

# NIACOG NEWS

Vol. 22 No. 3

NORTH IOWA AREA COUNCIL OF GOVERNMENTS

June-July 2010

## **DISASTER-IMPACTED BUSINESSES MAY BENEFIT FROM TWO NEW ASSISTANCE PROGRAMS**

Small business owners impacted by the 2008 disasters now have access to two new recovery assistance programs to assist with damaged equipment and flood insurance premiums. The programs were developed by the Iowa Department of Economic Development (IDED) and were recently approved by the U.S. Department of Housing and Urban Development (HUD).

To date, more than \$117 million in Community Development Block Grant (CDBG) funds have been allocated for business assistance programs. Of that amount, nearly \$60 million has been approved and more than \$32 million has been spent.

The following programs are now available to business owners:

### **Equipment Reimbursement Assistance Program (ERAP):**

**This program provides financial assistance for equipment to businesses that owned their own building or leased rental space during the 2008 disasters.** The business must have sustained physical damage to machinery, equipment, furniture, inventory or supplies. Awards are limited to 75 percent of replacement cost, not to exceed a total amount of \$75,000 per business. Any business awarded funds must be located in a presidentially-declared county. Local Council of Governments or Entitlement Cities shall award funds to an eligible business for equipment fully paid for by December 31, 2010.

A business cannot receive assistance for losses that have already been covered by private/business insurance, federal funding, state or local grants, forgivable loans or private bank loans for the purpose of replacing machinery and equipment, furniture, supplies and inventory physically damaged by the 2008 disasters. Businesses who received money through the Business Rental Assistance Program (BRAP) or Expanded Business Rental Assistance Program (EBRAP) will not be eligible for additional assistance under this program. Also, in-home businesses and businesses located on upper floors of disaster-impacted buildings that did not sustain physical damage to equipment are not eligible for assistance.

### **Flood Insurance Reimbursement Program:**

**This program provides financial assistance to reimburse businesses for the cost of one year of flood insurance.** Businesses are eligible if they (1) had water in their building as a result of the 2008 disaster(s), involving overland flow or sewer backup; and/or (2) are located in the 100 or 500-year floodplain. Under criteria 2, businesses that located to either floodplain subsequent to the disaster may also be eligible for assistance. Reimbursement is for a one-time, one year of coverage, up to \$5,000 per qualified business. The flood insurance policy start date must fall between January 1, 2010 and December 31, 2010. In-home businesses are not eligible for this program.

Funds for both programs are awarded on a first-come, first-served basis. Small business owners must apply or update their applications at the North Iowa Area Council of Governments by December 31, 2010.

For further information, contact Laurel Clement at the NIACOG office.

### **CDBG HOUSING FUND GRANTS ANNOUNCED**

Earlier this month, Governor Chet Culver announced the recipients of the Iowa Department of Economic Development's (IDED) Community Development Block Grant (CDBG) Housing Fund. Two communities in NIACOG's region were awarded funding—the City of Sheffield and the City of Swea City. Both communities will each receive \$296,920 to rehabilitate eight owner-occupied single-family units.

These awards are part of \$29 million in housing fund awards that were disbursed to 47 recipients across Iowa. IDED received the CDBG allocations from the U.S. Department of Housing and Urban Development

Twenty-five percent of the CDBG allocation to IDED is designated for housing and compiled into a housing fund. The CDBG program works to ensure decent affordable housing is available to low to moderate-income families.



## NEW SINGLE FAMILY UNIT PRODUCTION PROGRAM

It was announced in the previous NIACOG newsletter that development plans for 54 new single family homes were submitted to the Iowa Department of Economic Development for participation in the CDBG Single Family Unit Production Program. Funds for this Program have now been awarded in the amount of \$2.425 million. These funds will be used to provide each of the buyers of these new homes with an acquisition subsidy or mortgage buy down equal to a 25% of the sales price. The sale prices will range from \$150,000 to \$180,000 meaning the grant assistance to each home buyer will be in the \$37,500 to \$45,000 range.

In the case of many of the 54 proposed new homes, the developer/builder has not been matched with an end buyer. These include locations in Clear Lake, Forest City, Garner, Osage, Riceville, St Ansgar, and Stacyville. Applications from potential home buyers are now being accepted at the NIACOG office. NIACOG will begin the full processing of these applications once archaeological/historic clearance is received on the 54 building sites and when all required environmental reviews are completed. Twenty-eight of the homes will be sold to home buyers that have an annual gross household of less than 80% of the HUD income limit, and twenty-six will be sold to home buyers in the 80-100% income range. The new limits for both of these income levels were recently announced by HUD and can be found on the following link; <http://www.iowalifechanging.com/community/community/default.aspx> (scroll down the page to the 2010 CDBG Median Income Levels (MFI)).

Households that are interested in buying a new home in any of the seven NIACOG cities listed in the above paragraph, and feel that they meet the HUD income limits, should contact the NIACOG office to discuss the application process. A preliminary review of home buyer applications received at the NIACOG office to date indicates that there are many homes yet available for home buyers that have gross annual household incomes that fall in the less than 80% HUD income limit range. Therefore these households are especially encouraged to contact the NIACOG office.

## TRANSPORTATION HAPPENINGS

The transportation committees met this Spring to review applications for funding for the Regional STP and Enhancement Funds administered by NIACOG to be included in FY 2011 through FY 2014 Transportation Improvement Program (TIP).

The Technical Committee made up of City and County engineers, transit directors and public works directors, reviewed applications for typical road, transit and bridge projects. The Technical Committee approved \$2,470,248 for projects.

The Enhancement Committee, made up of County Conservation Directors, economic Development professionals, city staff and the general public, received and reviewed applications for trail, pedestrian and beautification projects. The Enhancement Committee approved \$387,593 for projects. The recommended projects now go to the Policy Board for their endorsement to be included in the FY 2011-FY 2014 TIP and are as follows:

<b>STP Project Funding and Applications</b>			
<b>Entity</b>	<b>Location</b>	<b>Request</b>	<b>Year</b>
NIACOG Planning		\$54,000	2014
Mason City	19 <sup>th</sup> St SE	\$397,880	2010
	6 <sup>th</sup> St. SW	\$300,368	2011
Clear Lake	10 <sup>th</sup> Ave. N	\$343,000	2010
Kossuth	P66	\$375,000	2012
	B63	\$1,000,000	2014
<b>Total</b>		<b>\$2,470,248</b>	
<b>Enhancement Project Funding and Applications</b>			
Clear Lake	North Shore Drive	\$87,183	2011
Mitchell County	Wapsi Trail	\$100,410	2013
Mason City	Monroe Trail	\$200,000	2014
<b>Total</b>		<b>\$387,593</b>	

## STATE RECREATION TRAILS

Due to lack of funding for state fiscal year 2011, the State will not be accepting State Recreation Trail (SRT) project applications for either the July 1, 2010 or the January 2, 2011 round. However, the State is still planning to accept Federal Recreation Trail (FRT) and Statewide Transportation Enhancement (STE) applications that are due October 1, 2010.

## RAIL PORT PROGRAM

The Iowa General Assembly appropriated \$7.5 million dollars to the Iowa Department of Transportation for the Rail Port development program. The program is designed to bring new wind energy manufacturers to the state by assisting in the development of the unique rail infrastructure needed by this industry. It is funded through an allocation from state bonding authorized by Revenue Bonds Capital II Fund (RBCII). The Transportation Commission plans to operate the program through the existing program structure of the Railroad Revolving Loan and Grant (RRLG) program.

The specifics of the Rail Port program are:

Grants will be awarded to cities or counties. The threshold criteria is included in SF 2389 and each project must meet all of the following criteria:

- Be located in or adjacent to a rail industrial park.
- Be a facility that serves multiple industrial clients with one rail infrastructure investment.
- Accommodate building and loading a complete unit train in the rail port.

- Have connection tracks with adequate clearances to transport large components.
- Be located in an area with short unimpeded access for oversized wind components to a divided four-lane highway.

An additional threshold criteria, as required by the RRLG program, is that the applicant must demonstrate that at least a 50% match of rail port costs is secured.

Additional program requirements noted in the legislation include the following provisions:

- (1) a grant awarded for a project can not exceed more than forty percent (or \$3M) of the \$7.5 million appropriated for the program; and
- (2) priority in the awarding of grants will be given to communities that have experienced exceptional economic setbacks with an additional preference given to a project in a county that lost nine percent of its workforce to a permanent factory closing where the laid off workers are trade adjustment assistance eligible.

If you have a project that might qualify for financial assistance through this program, please feel free to contact Chris Diggins at the NIACOG office.

### **TRAFFIC SAFETY IMPROVEMENT PROGRAM**

The Traffic Safety Improvement Program (TSIP) is defined by [section 761, Chapter 164](#), of the Iowa Administrative Code. TSIP provides safety funds to cities, counties for roadway safety improvements, research, studies or public information initiatives.

Applications may be submitted for one of three categories.

- **Site-specific** - construction or improvement of traffic safety and operations at a specific site or corridor with a crash history
- **Traffic control devices** - purchase of materials for installation of new traffic control devices, such as signs, signals or pavement markings; or replacement of obsolete signs or signals
- **Research, studies and public information** - transportation safety research, studies or public information initiatives, such as signing or pavement marking research, driver education/information, work zone safety, and crash data analysis improvements.

Approximately \$5 million is available with no more than \$500,000 per project. Application will be accepted through June 14, 2010. For additional information on the traffic safety fund, please contact Chris Diggins at the NIACOG office.

### **AREA PROJECTS AWARDED CDBG FUNDS**

The City of LuVerne is a un-sewered community that was under IDNR mandate to eliminate untreated wastewater from entering area streams and waterways. The City of LuVerne had investigated several options of collection and treatment and is working with Iowa Lakes Regional Water for the construction and operation of the soon to be constructed system. The City was awarded \$299,000 in CDBG funds.

The City of Goodell is also a un-sewered community under IDNR Mandate to address their wastewater issue. Goodell has also investigated several options for collection and treatment. Goodell requested and was awarded \$174,000.

### **BUFFALO CENTER CAT**

Congratulations to the City of Buffalo Center on your recent CAT award of \$100,000. The City submitted a CAT application for the construction of a Community Center and Museum to be known as the Heritage Town Center. The project was undertaken by the City of Buffalo Center and many volunteers that saw a need for a facility that can host large gatherings, meetings and community events, as well as a way to preserve the area's history and cultural heritage.

The CAT process is an extremely arduous process. Applicants must be very committed to their project and the process. The CAT Committee, as stewards of State dollars will do everything possible to whittle down a funding request to as little as possible. To further illustrate this, the City of Buffalo Center originally applied for just over \$239,000 of a \$549,720 project, an approximate 43% request. The CAT Committee was very clear that they would not fund the project at this level and stressed that there would need to be additional local dollars contributed to the project before they would make an award. Luckily, many area residents and businesses saw the value of the facility and stepped up with further contributions. The City had all of the necessary contributions of local fundraising as well city and county financial contributions and in the end the City was awarded \$100,000 or just over 18%. While the CAT process has been somewhat flexible in funding awards in the past, it appears that they really want to stick to an award of 20% or less of the project cost.

### **NEW EMPLOYEE**



My name is Cindy Johnson and I recently joined the NIACOG staff as a Data Entry Clerk for the Region 2 Transit System. I have been working with the NIACOG team for the past year assisting with the

Jumpstart Iowa Housing Assistance Program. My placement arose through the Workforce Investment Act and Emergency Public Jobs Program. I believe the Jumpstart Program is a wonderful opportunity for disaster-affected homeowners to start their recovery and I feel fortunate to have participated with this endeavor.

My professional background includes 13 years of Administrative Assistant duties with several North Iowa employers including two temporary positions with the Iowa Workforce Development Center. I look forward to working with the dedicated staff at NIACOG and Region 2 Transit System.



**North Iowa Area Council of Governments**  
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**NIACOG CALENDAR OF EVENTS**

June 14 - Noon- NIACOG Executive Board Mtg. NIACOG Office

July 5 - NIACOG Office closed for Holiday

July 9 - 9:30am City Clerks Mtg. NIACOG Office

July 12 - Tentative NIACOG Board Mtg. Location TBD

July 14 - 1:30pm HAZMAT Mtg. NIACOG Office

July 14 - 2:30pm Transportation Policy Board Mtg. NIACOG Office



<b>NIACOG STAFF</b> <b>641-423-0491</b>		
<b>Joe Myhre</b>	<b>Executive Director</b>	<b>Ext. 11</b>
<b>Kevin Kramer</b>	<b>Transit Administrator</b>	<b>Ext. 17</b>
<b>Jodi Wyborny</b>	<b>Administrative Assistant</b>	<b>Ext. 10</b>
<b>Chris Diggins</b>	<b>Local Assistance Director</b>	<b>Ext. 15</b>
<b>Steve Wendt</b>	<b>Community Development Planner</b>	<b>Ext. 13</b>
<b>Dale Moe</b>	<b>Lead Mechanic</b>	<b>Ext. 24</b>
<b>Teresa Collins</b>	<b>Operations Manager</b>	<b>Ext. 22</b>
<b>Bonnie Lettow</b>	<b>Fiscal Officer</b>	<b>Ext. 12</b>
<b>Myrtle Nelson</b>	<b>Senior Planner</b>	<b>Ext. 16</b>
<b>Dan Schroeder</b>	<b>Regional Planner</b>	<b>Ext. 14</b>
<b>laurel Clement</b>	<b>Disaster Recovery Coordinator</b>	<b>Ext. 27</b>
<b>Dana Heimbuch</b>	<b>Community Development Planner</b>	<b>Ext. 28</b>

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