



East Central Iowa Council of Governments

# **CDBG Water/Sewer/Stormwater and Wastewater & Drinking Water Treatment Financial Assistance Program (WTFAP)**

**January 13, 2026**

# Community Development Block Grant (CDBG) Water/Sewer/*Stormwater*

- New in 2026: Stormwater projects will be eligible for CDBG
- Water/Sewer/Stormwater CDBGs will be offered twice/year starting in 2026
  - Tentatively due **May 1** and **September 1**, 2026
- Grant maximum: \$500,000
- Grant length: 3 years



# Eligibility



- National Objective: Benefit low-to-moderate income (LMI) persons according to the American Community Survey data (currently using 2016-2020 data)
- IEDA Link: [City LMI % based on 2016-2020 ACS data](#)
- >51% LMI according to the ACS data OR perform and income survey
- Cities may only have 1 active CDBG grant per program at a time (for example, may have 1 water/sewer and one DTR CDBG, but not 2 water/sewer CDBGs)
- Population of <50,000

# Pre-requisites

- Demonstration of LMI status
- Water projects: Approved Preliminary Engineering Report letter from IDNR
- Wastewater projects: Approved Facility Plan letter from IDNR
- Stormwater projects: To be announced
- Approved DNR construction permits ***are not*** required in 2026 (proof of application submittal is still required)
- Local match committed and documented (SRF loan, city funds, etc.)

# Income Survey

- Income surveys may be conducted if a city does not qualify as LMI according to the American Community Survey data
- The income survey will take place for the entire area that would benefit from infrastructure improvements
  - Entire city (if the project serves the whole city)
  - Neighborhoods/areas served by the project

# Public Notice Requirements

- Public hearing on the proposed activities must be held prior to submittal of application
- Community Development and Housing Needs Assessment must be conducted at a public hearing; this is valid for 1 year
- Notice of public hearing must be posted in a local newspaper

# Example Project Types

Wastewater Treatment Plant Improvements

Water Main Replacements

Water Treatment Plant Improvements

\*New\* Stormwater Improvement Projects

# More CDBG Information/Federal Requirements

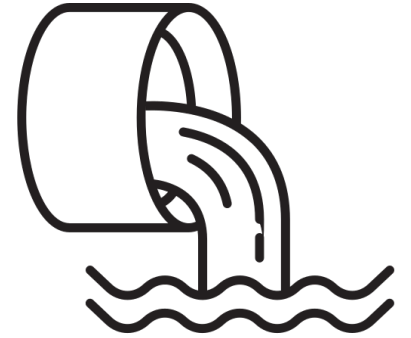
IEDA CDBG Resources Link: [IEDA CDBG Program Guidance](#)

Federal Requirements: Davis/Bacon Wages, BABA, Section 3, Procurement, etc.

Certified Grant Administrator required for administration (ongoing training requirements)



# WTFAP



- Annual grant opportunity for awards up to \$500,000
- Provides grant funding to Iowa communities for wastewater and drinking water treatment facilities
- May be used in conjunction with other funding, such as CDBG, SRF loan, USDA loan or grant, etc.
- Grant awards are determined by a committee with representatives from the Iowa Finance Authority (IFA), Iowa Department of Natural Resources (DNR), and Iowa Department of Agriculture and Land Stewardship (IDALS)
- State program that receives a portion of the tax on metered water

# WTFAP

- Project *must* fall into one or more of these 7 priority categories:
  1. Disadvantaged Communities installing/upgrading ww or drinking water *treatment* facilities
  2. Project provides significant improvement to water quality in the watershed
  3. Project employs alternative wastewater treatment technology (Iowa Code 455B.199C)
  4. Sewer or water rates are more than 2% of the community's median household income
  5. Project that employs technology to address goals of the Iowa Nutrient Reduction Strategy
  6. Drinking water supply is a source water on the impaired waters list
  7. Project improves water(s) on the impaired waters list

# WTFAP

- DNR SRF Socioeconomic Assessment Worksheet Link: [FY26 Socioeconomic Assessment](#)
- More Information: [Iowa WTFAP Information](#)

# Example Projects

- Anamosa Wastewater Treatment Plant Improvements, Equalization Basin Project (2025)

Photo:  
5/14/2025,  
equalization  
basin under  
construction



Photo: 1/6/2026

# Example Projects

- Marengo Wastewater Treatment Facility Improvements Project, 2025



Photo: 11/24/2025, levee earthwork to install new force main



# Example Projects



Photo: 8/9/2024, CDBG sign on Robins Rd. in Hiawatha

- Robins Road Phase I Water Main Replacement Project in Hiawatha (2024)

# Example Projects

- Daws, Clymer, Thiher Phase II Water Main Replacement Project in Hiawatha (2025)



Photo: 5/13/2025, water main installation on Clymer Rd. in Hiawatha

# Considerations for both programs

- Project readiness
  - LMI/Disadvantaged Community Status
  - Engineering
  - DNR Approvals
- Funding
  - SRF Loan, etc.
- Timing



# Questions?

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