

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-359
AUGUST 26, 1996 AGENDA**

| SUBJECT: | TYPE: | SUBMITTED BY: |
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| STATE OF IOWA REACH DEMONSTRATION PROJECT APPLICATION | ◆ RESOLUTION ORDINANCE RECEIVE/FILE | JIM GRANT COMMUNITY DEVELOPMENT DIRECTOR |

SYNOPSIS —

Permission for the City of Des Moines through its Community Development Department to be a participant in a grant application submitted by the State of Iowa to the U.S. Department of Health and Human Services for a demonstration REACH (Residential Energy Assistance Challenge Option) pilot project and to operate a program locally if the State's application is funded.

FISCAL IMPACT —

Program would be operated 100 percent with federal grant funds.

RECOMMENDATION —

Approval of the Mayor's Letter of Intent to participate in the REACH program if the State of Iowa is awarded a demonstration project from the U.S. Department of Health and Human Services.

BACKGROUND —

The U.S. Department of Health and Human Services Office of Community Services is seeking grant applications from the 50 states to demonstrate the long-term cost effectiveness of supplementing traditional energy assistance payments with other monetary and non-monetary benefits that can increase the ability of eligible households to meet energy costs and help them to achieve energy self-sufficiency. Overall REACH goals and purposes include: 1) minimizing health and safety risks that result from high energy burdens on low-income Americans; 2) prevent homelessness as a result of inability to pay energy bills; 3) increase efficiency of energy usage by low-income families; and 4) target energy assistance to individuals who are most in need.

The State of Iowa is planning to submit, by the September 3, 1996 deadline, an application for a REACH demonstration grant to be operated in four areas of the State through Community Action Agencies. Because the City of Des Moines is the State's largest city, and because of the State's positive experience with the Des Moines Community Action Agency's operation of the Low-income Home Energy Assistance Program (LIHEAP), weatherization services, and innovative franchise fee-funded energy programs, the State's Department of Human Rights would like the City of Des Moines to participate as a local operator if the State is awarded a REACH demonstration grant.

The City's Community Action effort could receive \$430,000 over a 36-month period to operate a number of innovative energy assistance programs which would complement and enhance programs currently operated by the City. Program funds would be used for direct client assistance for targeted at-risk households. A portion of the grant would support staff efforts and costs associated with the local implementation and delivery of the REACH grant locally. An innovative arrearage buy-down and payment program, resource and budget counseling, and weatherization services would be targeted to high risk households experiencing high energy burden in the City's Enterprise Community District.