

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

**CITY COUNCIL COMMUNICATION 96-363
AUGUST 26, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
HOME RENTAL REHABILITATION FUNDS—OAKRIDGE NEIGHBORHOOD	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES GRANT COMMUNITY DEVELOPMENT DIRECTOR

SYNOPSIS —

On the August 29, 1996, Council agenda is a Roll Call to approve an Agreement between the City and the Iowa Department of Economic Development for the use of HOME funds on the Oakridge Neighborhood Project.

FISCAL IMPACT —

This project is utilizing \$200,000 in City HOME funds, accompanied by \$600,000 in State of Iowa HOME funds. The City is responsible for the administration of the State's HOME funds.

RECOMMENDATION —

Approval of the form of contract and use of \$200,000 in City HOME funds for the project.

BACKGROUND —

On May 28, 1996, the Des Moines City Council conditionally committed \$200,000 in City HOME funds to the Oakridge Neighborhood for the rehabilitation of 81 units. The approximately \$900,000 project proposes using \$200,000 of City HOME Rental Rehabilitation dollars, \$600,000 of State HOME dollars and \$100,000 of Iowa Finance Authority funds.

There is a significant need for the rehabilitation of these units. The Oakridge Neighborhood has received a \$250,000 grant from the Federal Home Loan Bank to replace all pitched roofs, but the funds cannot be used for replacement of flooring, counter tops, or kitchen and bathroom cabinets, many of which are the original equipment.

This project (because of the HOME fund involvement) will be affordable to low-/moderate-income tenants for a minimum of 10 years.