

CITY COUNCIL COMMUNICATION 97-425
AUGUST 18, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
REVISIONS TO THE HOUSING REHABILITATION POLICY	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES GRANT COMMUNITY DEVELOPMENT DIRECTOR

SYNOPSIS —

The Rental Rehabilitation Section of the Housing Rehabilitation Program is proposed to be revised to apply to large nonprofit projects.

FISCAL IMPACT —

The Rental Rehabilitation Program is funded through the Federal HOME Program. The proposed changes would alter the loan repayment portion of the program.

RECOMMENDATION —

Approve the revisions as outlined in Exhibit A.

BACKGROUND —

The Housing Conservation Division of the Community Development Department administers numerous housing programs, including the Rental Rehabilitation Program, in the City of Des Moines. These programs are implemented according to procedures outlined in the housing rehabilitation policy handbook.

In the past, the HOME Rental Rehabilitation Program was utilized to rehabilitate smaller rental units. Recently, however, the City has received requests from nonprofits for large rehabilitation projects. Because of the nature of the nonprofits, repayment of a portion of the City funding as outlined in the Rehabilitation Handbook is not feasible.

The revision to the policy would allow 100 percent of the City funding from rental rehabilitation projects to be forgiven if four conditions are met:

- the owner is a nonprofit;
- the City's contribution is significant (\$50,000 or greater);
- the project will not cash flow if repayment is required; and
- other funding sources are involved in the project.

The revision will allow the City to participate in large rehabilitation projects for which there are limited sources of funding.