

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-285

SYNOPSIS -

AGENDA:

JUNE 21, 1999

SUBJECT:

City Council approval of the Program Year (PY) 2000 Department of Housing and Urban Development (HUD) Consolidated Plan Goals and Objectives submitted by the Neighborhood Revitalization Board (NRB); and authorization to issue Request for Proposals (RFP) for projects to address the needs identified in the Plan.

PROGRAM YEAR
2000 HOUSING AND
URBAN
DEVELOPMENT
(HUD)
CONSOLIDATED
PLAN GOALS &
OBJECTIVES

FISCAL IMPACT -

PY 2000 HUD block grant entitlement funds available for the three programs included in the Consolidated Plan are currently estimated to be: Community Development Block Grant (CDBG) - \$5,000,000; Home Investments Partnership Act (HOME) - \$1,000,000; and Emergency Shelter Grant (ESG) - \$180,000. Appropriation committees in both the House and Senate are currently proposing cuts to CDBG funding ranging from 10 - 40 percent. Final action on the Fiscal Year (FY) 2000 federal budget may be delayed until late this year.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval.

SUBMITTED BY:

ERIC ANDERSON
CITY MANAGER

BACKGROUND -

The NRB has submitted their recommendations for the PY 2000 Consolidated Five-Year Strategy and One-Year Action Plan. The process for developing these recommendations included a Needs Assessment, Housing Market Analysis, Citizen Input Strategic Planning, and Goal Setting.

A committee of the NRB made up of six NRB members and representatives of the County, United Way, Chamber of

Commerce, State, and the Neighborhood Finance Corporation (NFC) prepared the Needs Assessment and Housing Market Analysis with the assistance of Community Development staff.

Briefly, the Needs Assessment showed that 46 percent of Des Moines households were at or below 80 percent of the Median Family Income (MFI), and of that 46 percent more than half are below 50 percent of MFI. The Needs Assessment estimates housing needs over the next five years. Categories of need include: large families, single persons, elderly, persons with disabilities (including HIV/AIDS), and households experiencing specific housing problems (including cost-burden, severe cost burden, substandard housing, and overcrowding). The assessment also showed, for example, that there is a need for 3,400 units of affordable rental housing for households below 30 percent of MFI. There is also a high need for home maintenance programs and owner-occupied housing rehabilitation for 5,449 households below 50 percent of the MFI.

Based on the Needs Assessment, the committee presented proposed priorities to the NRB. The NRB held a public hearing to obtain input from the general public, neighborhood groups, and service providers regarding the proposed priorities.

The NRB then held a special meeting to develop a five-year strategy and one-year action plan and finalize their recommendations to the City Council on priority needs to be addressed in the Consolidated Plan. The attached chart outlines the five-year goals and objectives, the action plan for PY 2000, recommended funding levels, and other resources that may be available to help meet the goals of the plan. The full document containing all the elements of the Consolidated Plan will be developed, based on this outline, by October 1, 1999.

The NRB is recommending significant changes in the approach the City takes in developing the Consolidated Plan. These changes are necessitated by HUD's emphasis on housing, changes to the planning and reporting formats, and HUD's criticism that the City's previous five-year strategy spread the funding too thin and did not impact high priority needs.

In the past, following a Needs Assessment the City would issue an RFP and agencies would respond with proposals addressing a wide range of needs. With this new approach, we are selecting the areas of greatest need and the problems that are

most appropriately addressed with the limited amount of federal funds available.

This means that the NRB will only consider proposals that specifically address the goals outlined on the attached chart. Recreation, life-skills training, community mentoring, meal programs, etc. will not be considered. This does not mean that there is no need for these types of programs. The Needs Assessment indicates the need for many of these human services programs. However, the housing, childcare, economic development, homeless, and transportation needs are a higher priority at this time.

I agree with the NRB's approach to development of the Consolidated Plan. They have picked the types of activities they will recommend for funding over the next five years and stated their goals for each of these activities. The Plan can be amended in any subsequent action year to address emergencies and/or emerging needs. My only recommendation is to fund demolition from CDBG at a proposed level of \$400,000.

Upon City Council adoption, individual RFPs for programs that address one or more of the activities listed will be forwarded to City departments, public agencies, and non-profits. Agencies will have until August 6, 1999, to apply for funding.

The NRB will review proposals and hear agency presentations on September 14, 15, and 16, 1999, and will finalize their recommendations on September 18, 1999.

The NRB recommendations will be forwarded to the City Council on September 27, and the Council, after a 30-day review period, will adopt the 2000 Consolidated Plan at a public hearing on November 1, 1999. The Plan will then be forwarded to HUD 45 days before the start of the City's program year on January 1, 2000.

The NRB has done an excellent job of developing the Consolidated Five-Year Strategy and One-Year Action Plan. Their efforts have produced a workable plan that emphasizes high priority housing needs, maximizes the impact of limited funds, and increases the City's capacity for effective oversight and monitoring. I recommend approval with the addition of CDBG funding for demolition.

Attachment

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