

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-339

SYNOPSIS -

AGENDA:

JULY 24, 2000

Communication from City Manager regarding reprogramming of unspent 1999 Community Development Block Grant (CDBG) funds and allocation of additional PY 2000 funds.

SUBJECT:

CDBG
REPROGRAMMING

FISCAL IMPACT -

Recommendation from the City Manager to allocate \$200,000 to the Des Moines Agribusiness Park, \$89,000 for Neighborhood Cleanups and \$200,000 to Public Works for the Neighborhood Infrastructure Rehabilitation Program (NIRP). Balance of \$22,340 of CDBG, \$82,000 HOME and \$1,000 Emergency Shelter Grant (ESG) to be placed in a pool of funds available for PY 2001 projects.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

BACKGROUND -

At the City Council meeting on March 20, 2000, by Roll Call No. 00-753, the City Council approved grant agreements with the U.S. Department of Housing and Urban Development (HUD) for PY 2000 CDBG funding of \$5,119,000; HOME \$1,282,000 and ESG \$80,000. The CDBG allocation was \$119,000 more than what was anticipated when the City developed its PY 2000 HUD Consolidated Plan in the fall of 1999; \$82,000 more than projected of HOME funding; and \$1,000 more of ESG funding.

The above amounts are in addition to \$392,340 of unspent funds from the 1999 Program Year, identified by Community Development staff. With the additional funds the total amount available for reprogramming is \$594,340 Staff has recommended that a portion of these funds be allocated to meet immediate needs and that the balance

be carried over for PY 2001 projects to be allocated at the NRB's annual planning conference in September. Immediate needs include the following:

DES MOINES AGRIBUSINESS PARK - \$200,000

The Des Moines Agribusiness Park is being developed to facilitate the growth of value-added agribusinesses in Des Moines by providing a quality environment in which businesses can be profitable, employees can be productive, the environment will be protected and businesses and residents will be good neighbors. It is the City of Des Moines' goal to increase its tax base, provide quality livable wage employment, and create the best agribusiness development in the nation. A map is attached showing the general boundaries of the proposed Agribusiness Park.

Industries proposed to be targeted for attraction to the Park include human and animal food products processing and packaging plants, vaccine developers and producers, agribusiness research and development operations, aquaculture and fisheries-related activities, hydroponic farming and other support services.

It is projected that within 20 years, development of vacant and underutilized land in the Des Moines Agribusiness Park will add approximately \$250 million to the tax base and create about 7,000 new jobs.

The City currently lacks the resources to begin acquisition, cleanup and securing properties in the area. The use of CDBG funds would facilitate the implementation of this effort. This is an eligible economic development activity and would meet the objective of creating and/or retaining jobs for households at or below 80% of the median family income.

NEIGHBORHOOD CLEANUPS - \$89,000

Over the past three years, the number of code enforcement actions requiring cleanups has increased, indicated by 1,131 cleanups in 1999 to 970 in the first five months of 2000. Based on the activity so far this year, we can anticipate over 1,900 cleanups by December 31, 2000. The cleanups performed do not include the estimated 800 plus curb area cleanups by the "Clean Team" from Public Works, not funded by CDBG.

This increase is mainly due to better customer service. The enforcement process has been changed from an effort to seek

voluntary compliance, which often resulted in delays of 45 to 90 days to a cleanup by City crews which occurs in a relatively short period of time. In other words, because we are cleaning them faster we are doing more. Based on the current rate, we estimate that we will need an additional \$89,000 to complete the program year ending December 31, 2000.

NEIGHBORHOOD INFRASTRUCTURE REHABILITATION PROGRAM (NIRP) - \$200,000

The NRB, at their July 5, 2000 meeting, recommended to allocate \$200,000 to the Public Works NIRP program. The NRB indicated that there was a need for these funds for the backlog in sidewalk repair and curb replacement in the currently designated neighborhoods. I support this recommendation.

PY 2001 ALLOCATION - \$105,340

The remainder of the reprogrammed money should be placed in the pool of funding available for PY 2001 projects.

Staff recommends that \$200,000 of the reprogrammed funds be immediately allocated to the Des Moines Agribusiness Park; that \$89,000 be added to the B-Neat program to cover the anticipated Public Works' cost of cleanups during the rest of the program year; \$200,000 for NIRP; and that the balance of the reprogrammed funds, in the amount of \$105,340, be included in the amount available for PY 2001.

Attachment