

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-206

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

AGENDA:

APRIL 22, 2002

SYNOPSIS -

Council approval of the reallocation of \$25,899.41 of 2001 and \$20,000 of 2002 Community Development Block Grant (CDBG) funding from the Innvision Management Service Organization to Churches United for the Food Enterprises project.

SUBJECT:

REALLOCATION OF
COMMUNITY
DEVELOPMENT
BLOCK GRANT
FUNDS FOR FOOD
ENTERPRISES

FISCAL IMPACT -

None.

RECOMMENDATION -

Approval.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

BACKGROUND -

SUBMITTED BY:

JAMES M. GRANT,
COMMUNITY
DEVELOPMENT
DIRECTOR

On November 6, 2000, by Roll Call No. 00-4267, the City Council approved the 2001 Department of Housing and Urban Development (HUD) Consolidated Plan including an allocation of \$33,208 of 2001 CDBG funding for a Homeless Shelter Pool for collaborative projects. This pool of funds was available for homeless service providers who are Affordable Housing and Homeless Partnership (AHHP) members to provide administrative or support services needed by all homeless agencies. Community Development staff was directed to work with the AHHP to develop these services.

On August 20, 2001, by Roll Call No. 01-2575, the City Council approved a contract between the City and Innvision, Inc. for the period from July 1, 2001 to June 30, 2002, to operate a Management Service Organization using \$26,208 of 2001 CDBG funding allocated to the Homeless Shelter Pool. The remaining \$7,000 was used for the agency license fees for homeless agencies (with Emergency Shelter Grant contracts with the City) required to use the Service Point information management system. Any funds remaining after the license purchase

were to be added to the Innvision Management Service Organization (MSO) project.

The MSO, in cooperation with several homeless agencies including Churches United, Hope Ministries, and Beacon of Life, operated the Food Enterprise program. The MSO also proposed to provide training and operate a centralized bookkeeping service for homeless providers, organize a purchasing cooperative, and recruit volunteers for homeless agencies.

For various reasons, the other agencies dropped out of the Food Enterprise program. The Innvision MSO acted as fiscal agent and Churches United prepared the food, delivered it to the sites, and staffed the sites. On February 7, 2002, the Innvision Board notified the Community Development Department that they wished to transfer operation of the Food Enterprise program to Churches United. Innvision did not have any staff, and they felt it would be a duplication of effort to hire someone, even on a part-time basis, to work with the Food Enterprise program, when Churches United was already performing most of the duties. This transfer involves the \$20,000 of 2002 CDBG funding allocated to the Food Enterprise program.

In addition, none of the homeless agencies responded to Innvision's proposal for accounting services and organizing volunteers. Apparently, for the most part, volunteers with the various homeless agencies are already performing these services. While Innvision has ceased operations, they intend to maintain their non-profit status and be available to collaborate with homeless agencies in the future. This leaves \$25,899.41 of the \$26,208 in 2001 CDBG funds available for reallocation. The amount remaining includes \$1,250 of unspent money from the licensing fees.

Since these funds were originally allocated to homeless activities, the issue was referred to the Affordable Housing and Homeless Partnership and the Neighborhood Revitalization Board (NRB) for their input.

On March 6, 2002, the AHHP discussed two proposals for use of the funds. Churches United requested the money be reallocated to the Food Enterprise program in order to purchase equipment, which will allow the program to expand services. AHHP proposed that \$15,899.14 be allocated to Food Enterprises and \$10,000 be set aside for licenses and renewals for the Service Point information management system.

At their meeting on April 3, 2002, the Neighborhood Revitalization Board discussed the proposals and voted to recommend to the City Council that the 2001 CDBG funds (\$25,899.41) be reallocated to Churches United and that the operating agency for the \$20,000 of 2002 CDBG funds be changed from Innvision to Churches United.

Staff recommends approval of the NRB recommendation.
