



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**02-207**

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

**AGENDA:**

APRIL 22, 2002

**SYNOPSIS -**

City Council approval of the reallocation of \$45,300 of 1998 Home Investment Partnership Program (HOME) funds from Neighborhood Housing Services, Inc. to the Community Housing Development Corporation, Inc.

**SUBJECT:**

REALLOCATION OF  
\$45,300 OF 1998  
HOME FUNDS FROM  
NEIGHBORHOOD  
HOUSING  
SERVICES, INC TO  
THE COMMUNITY  
HOUSING  
DEVELOPMENT  
CORPORATION,  
INC.

**FISCAL IMPACT -**

This action will ensure that these HOME funds are spent within the five-year time limit set by Department of Housing and Urban Development (HUD) regulations. If not spent within the time limit, the funds must be returned to HUD.

**RECOMMENDATION -**

**Approval.**

**TYPE:**

**BACKGROUND -**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

On November 17, 1997, by Roll Call No. 97-3759, the City Council approved the 1998 HUD Consolidated Plan that included an allocation of \$170,800 in 1998 HOME funds for Neighborhood Housing Services (NHS), Inc. These funds were part of the 15 percent set aside of the total HOME grant, which must be reserved for a Community Housing Development Organization (CHDO).

**SUBMITTED BY:**

JAMES M. GRANT  
COMMUNITY  
DEVELOPMENT  
DIRECTOR

NHS completed two properties, which were rehabilitated and sold to eligible households. A third property did not comply with the HOME regulations, and the Community Development Department is recommending that the remaining balance of the 1998 HOME funds (\$45,300) be reallocated to the Community Housing Development Corporation (CHDC).

The City has suspended its contractual agreement with NHS pending

the resolution of several findings regarding compliance with Community Development Block Grant regulations. If the \$45,300 of HOME CHDO funds are not spent by March 2003, they must be returned to HUD.

At their meeting on April 17, 2002, the Neighborhood Revitalization Board (NRB) recommended that the HOME funds be reallocated to CHDC.

Staff recommends that \$45,300 of 1998 HOME CHDO funds be reallocated to the Community Housing Development Corporation by adding this amount to their 2002 HOME contract to provide for the rehabilitation of one additional house for resale to an income eligible household.

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