

**CITY COUNCIL  
COMMUNICATION:**

**03-130**

**AGENDA:**

MARCH 24, 2003

**SUBJECT:**

PROGRAM YEAR  
2003 GRANT  
AGREEMENTS WITH  
THE DEPARTMENT  
OF HOUSING AND  
URBAN  
DEVELOPMENT

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

MIKE E. MATTHES  
ACTING DIRECTOR  
HOUSING SERVICES  
DEPARTMENT

**ITEM 39**

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

**SYNOPSIS —**

City Council approval of grant agreements with HUD for a partial allocation of Program Year (PY) 2003 Community Development Block Grant (CDBG - \$1,443,000), Home Investment Partnerships (HOME - \$324,000), and Emergency Shelter Grant (ESG - \$50,000) entitlement funds.

**FISCAL IMPACT —**

The partial allocation will allow the city to reimburse 2003 project expenditures until the balance of the allocation is available.

**RECOMMENDATION —**

**Approval.**

**BACKGROUND —**

The adoption of the FY 2003 federal budget was delayed until the end of February 2003. Because Des Moines is an "early entitlement city" with our program year beginning in January, HUD provided the option of a partial allocation until the federal budget was finalized. Without knowing at that time how long it would take for final budget approval, we opted to take advantage of the partial allocation to avoid incurring unreimbursed costs for a lengthy period.

The City recently received notification from HUD of the final allocation amounts for PY 2003. The difference between our August, 2002 estimates, which were the basis for the City's 2003 Consolidated Plan, and the actual amounts follows:

<b><u>Program</u></b>	<b><u>Estimate</u></b>	<b><u>Actual</u></b>
<b><u>Difference</u></b>		
CDBG	\$5,130,000	\$5,151,000
+\$21,000		
HOME	\$1,450,000	\$1,144,102
(\$305,898)		
ESG	\$ 181,000	\$ 178,000
(\$3,000)		

	<p>We should receive the grant agreements for the balance of the funding in late April or early May. At that time we will also have the final reprogramming amounts and, with the Neighborhood Revitalization Board's input, the City manager will forward for City Council approval recommendations for dealing with the shortfalls in the HOME and ESG funding.</p>
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