



Agenda Item:

05

## **COUNCIL COMMUNICATION**

### **City Manager's Office**

#### **GENERAL INFORMATION**

Agenda Date: 03/01/04

Communication

No.: 04-100

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Chris M. Johansen, Director, Housing Services Department

#### **SUBJECT—**

2004 Consolidated Plan Amendments.

#### **SYNOPSIS—**

City Council approval of five (5) amendments to the Program Year 2004 HUD Consolidated Plan originally approved by the City Council on November 17, 2003 by Roll Call No. 03-2623.

#### **FISCAL IMPACT—**

Reallocation of \$392,295 of 2004 Community Development Block Grant (CDBG) funds and allocation of \$140,000 of unspent CDBG funds to one existing project and three new projects.

#### **RECOMMENDATION—**

Approval

#### **BACKGROUND—**

There have been several appropriation issues which have arisen since City Council approval of the 2004 Consolidated Plan on November 17, 2003. The resolution of these issues will require amendments to the Consolidated Plan. We are proposing to amend two projects in the 2004 Consolidated Plan and add three projects.

1. Amend Neighborhood Based Service Delivery (NBSD) – Police Department: reallocate the \$342,295 of 2004 CDBG funds from the Police department to the Neighborhood Inspection Division for intensified code enforcement. The CDBG funding will remain in the NBSD program and General Funds will be shifted from code enforcement to police. For CDBG purposes, this reallocation will make room under the Public Service cap, and will make the monitoring and administration of the federal funds more efficient.

In addition, we recommend that \$15,000 in reprogramming funds be added to the Neighborhood Inspection Division budget for a part-time Impound Clerk. The clerk will process the necessary paperwork (i.e. notices, lien research, demolition certificates, etc.) to impound and dispose of over 2,500 abandoned and junked vehicles annually. Most of these vehicles are located in low- moderate-income areas of the city.

2. Amend Supplemental Special Assessment Subsidy: reallocate \$50,000 from special assessment to the Neighborhood Infrastructure Repair Program (NIRP). HUD changed the regulations governing special assessments and classified this activity as a public improvement. This will require that environmental assessments and Davis-Bacon monitoring be performed on each sidewalk replacement funded through CDBG. The cost to administer the program could exceed the benefit to residents. We recommend that the \$50,000 allocated to special assessment be transferred to the NIRP project along with an additional \$20,000 from previous years unspent CDBG. Public Works will use general funds to pay for sidewalk replacements for eligible low- moderate-income residents throughout the city. The \$70,000 of CDBG funds will be added to the 2004 allocation for NIRP for infrastructure improvements in low/mod areas and will involve only one environmental review and no Davis-Bacon monitoring, since City crews do the work.
3. Add Neighborhood Finance Corporation (NFC) – Homebuyer Education: allocate \$50,000 of reprogramming funds to the NFC Homebuyer Education program. With the reallocation of the police funding to code enforcement, there is room under the cap to fund this activity as a Public Service. This is a more workable solution than the proposal to amend the City's 28E agreement with NFC to allow homebuyer education.
4. Add Hawthorn Hill – New Directions Shelter: allocate \$30,000 of CDBG reprogramming funds to the New Directions Shelter. The Neighborhood Revitalization Board recommended, and the City Council adopted, the provision to fund New Directions if management of this transitional housing program for homeless women and children was improved. City staff and representatives of United Way, and the Iowa Finance Authority met recently with members of the Hawthorn Hill Board of Directors and the Iowa Conference United Methodist Church. Staff outlined their concerns regarding the operation of the shelter and the steps the agency should take to resolve the issues and be considered for future funding. Hawthorn Hill made staffing changes and the Methodist Church, United Way, IFA, IDED and the Iowa Institute for Community Alliances have committed approximately \$110,000 to fund the shelter this year. United Way has also loaned a Senior Planner to manage the shelter until permanent staff is hired. Staff

believes the facility will continue to operate and recommends the allocation of \$30,000 of CDBG funds to this project

5. Add Central Iowa Employment & Training Consortium- Tom Harkin Resource Center: allocate \$25,000 of reprogramming funds for the purchase of classroom equipment and computers adapted for the disabled. The project will provide job training and job readiness skills for disabled CIETC clients at their new facility at 403 E. Grand Ave.

The City has received information from HUD regarding the 2004 entitlement grants. CDBG will be funded at \$5,108,000, which is \$108,000 more than the estimate used for development of the 2004 Consolidated Plan. The Home program will be funded at \$1,139,160 - \$39,160 more than estimated; and the Emergency Shelter Grant Program will be funded at \$188,421 - \$9,421 more than estimated. Within the next six weeks we will advise the City Council of the total amount of additional funding and unspent funds available for reprogramming less the \$140,000 allocated to the above projects.