



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

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Communication

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Roll Call

No.:

Submitted by: Larry Hulse, Director, Community Development

SUBJECT—

Goals for the 2005-2009 Housing and Urban Development (HUD) Consolidated Plan Affordable Housing Strategy.

SYNOPSIS—

Approval of the Goals for the 2005-2009 Consolidated Plan Affordable Housing Strategy submitted by the Neighborhood Revitalization Board (NRB).

FISCAL IMPACT—

The HUD block grant entitlement funds available for the three programs included in the Consolidated Plan are awarded annually and are currently estimated to be: Community Development Block Grant (CDBG) - \$5,000,000; Home Investment Partnership Act (HOME) - \$1,000,000; and Emergency Shelter Grant (ESG) - \$180,000. The total amount of entitlement funds awarded to the City through the 2000-2004 Consolidated Plan came to \$33,369,000.

RECOMMENDATION—

Approval

BACKGROUND—

The NRB is submitting their recommendations for the 2005-2009 Consolidated Plan Affordable Housing Strategy. The process for developing these recommendations included receiving Housing Needs Assessment information, gathering citizen input, and participating in a goal setting session.

The NRB received Needs Assessment data, which came from a special census report the 2000 CHAS data (Comprehensive Housing Affordability Strategy). The CHAS is a special Census analysis prepared for HUD and provided to all the entitlement cities by HUD. Staff presentations were given at their regular meeting schedule from January through April. Areas of focus were based on the components within the Affordable Housing Strategy, housing needs for low to moderate-income residents in Des Moines, homeless housing needs, and community development needs.

The CHAS data indicates:

- total number of households in the City increased by less than 1% from the 1990 Census (from 78,587 to 78,637 households);
- % of households that meet HUD criteria for low/moderate income benefits increased by 3 points (from 46% in 1990 to 49% in 2000);
- homeownership increased from 63 to 64% of Des Moines households between 1990 and 2000
- the majority of the homeownership gains occurred in the 51% Median Family Income (MFI) and above categories (50% to 80%MFI: up four points from 1990 to 59%, above 80%MFI: up 15 points to 79% homeowners).

The Median Family Income for a family of four in Des Moines has reflected slow growth since 2000 (from \$60,000 in 2000 to \$65,300 in 2004). Slow growth in family income combined with a record number of house sales for an aging housing stock (89% built before 1979) lends itself to a strong need for housing rehabilitation programs.

There are 20,794 households with family incomes that are at or below 50%MFI (\$33,450 in 2004) and the majority are renters (58%). More than half of these households are experiencing housing problems meaning that they are paying 30 to 50% of their housing income on housing and utilities and/or have inadequate housing for their needs. The data for renter households reflects the same need for rehabilitation of housing units plus a strong need for large family units (5 or more persons) at every income level.

CHAS data breaks out Black and Hispanic homeownership information according to the HUD low/moderate-income-levels. It is a national goal for HUD to increase minority homeownership. The data is provided to the entitlement cities to review and address minority homeowner in their communities.

- From 1990 to 2000 the number of Black households has remained at 7% of the total households in Des Moines;
- Hispanic households increase from less than 1% of the total in 1990 to 4% in 2000;
- Homeownership among Black households at 50-80%MFI decreased three points, from 43% in 1990 to 40% in 2000;

- Homeownership among Hispanic households at 50-80% MFI increased nine points, from 39% in 1990 to 48% in 2000.

For the citizen input component City staff partnered with the Des Moines Making Connections organization to provide four community outreach workshops some that would especially target minority and ethnic communities within Des Moines. Two workshops were held on Saturday, February 28 one at the Grubb YMCA in the morning and the other at the Hispanic Educational Resources Center in the afternoon. Another workshop was held at the March 3rd business meeting of the Des Moines Asian Alliance and the final workshop was advertised Citywide and held in the evening at the Botanical Center on Wednesday, March 10th. Attendance from all the workshops was just over one hundred.

The Community Forum comments were very favorable about the infrastructure improvements, neighborhood SCRUB clean-ups and the environmental inspection services. At the Asian Alliance and Hispanic Education Resources Center forums there were many remarks about communicating City policies and program information to the non-English speaking residents. There was strong interest in having printed materials made available in multiple languages.

On Saturday, April 17th, 2004 the NRB held a special goal setting session to develop the goal recommendations for the next 5-Year Consolidated Plan. Discussion carried over to the April 21st NRB meeting and the final recommendations (see Roll Call attachment) were selected at the May 5th meeting. This means that the NRB will only consider proposals that specifically address the goals outlined on the attachment over the course of the 2005-2009 Consolidated Plan.

The following are the goal recommendations by the NRB to the City Council for the 2005-2009 Consolidated Plan:

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| <p>◆ OWNER-OCCUPIED HOUSING REHABILITATION</p> <p>Preserve and maintain owner-occupied housing through rehabilitation for low to moderate-income households (30% to 80% MFI).</p> |
| <p>◆ RENTAL HOUSING REHABILITATION</p> <p>Preserve and maintain existing affordable rental housing through rehabilitation of investor properties for low-income households (at 60% MFI or below).</p> |
| <p>◆ RESIDENTIAL DEVELOPMENT</p> <p>Redevelop and rehabilitate traditional neighborhoods, outside of the downtown area, to increase affordable housing and to maintain property values and improve neighborhood appearances in income-eligible areas.</p> <p>Develop new downtown affordable housing to increase the housing opportunities in an emerging downtown residential neighborhood.</p> |

◆ **HOME MAINTENANCE/CHORE SERVICES**

Support emergency repair, minor repair, and seasonal chore service programs to assist disabled and elderly low-income homeowners (at 50% MFI or below) to maintain their property.

◆ **EMERGENCY SHELTER HOUSING & SUPPORTIVE SERVICES**

Sustain the availability of emergency housing and maintain support services for homeless individuals and families.

◆ **TRANSITIONAL HOUSING & SUPPORTIVE SERVICES**

Maintain the availability of transitional housing and maintain support services for homeless individuals and families.

◆ **ECONOMIC DEVELOPMENT - COMMERCIAL REDEVELOPMENT**

Redevelop commercial areas within income-eligible areas to attract commercial development and improve neighborhood appearances.

◆ **INFRASTRUCTURE - STREET IMPROVEMENTS**

Support expanded services in public improvements in eligible low-income areas to increase home values and neighborhood appeal.

Replace sidewalks, curbs, driveway approaches, ramps, and street and alley surfacing.

◆ **CODE ENFORCEMENT**

Provide expanded services in housing code enforcement to support decent, safe, and sanitary rental housing.

Provide expanded services in environmental code enforcement, to improve health, safety, and neighborhood appearances. Provide resident education about City regulatory policies and issues and assist with neighborhood-initiated clean-up activities.

◆ **PUBLIC SERVICES – HOMEBUYER EDUCATION PROGRAMS**

Provide homebuyer education and support services for affordable housing for low/moderate-income households (at 80% MFI or below).

◆ **PUBLIC SERVICES - SUPPORTIVE SERVICES FOR AFFORDABLE HOUSING (SITE OFFICES)**

Provide housing support services to maintain or obtain affordable housing that will assist low-income residents (at 50% MFI or below).

◆ **PUBLIC SERVICES - NEIGHBORHOOD CLEAN-UP (SCRUB PROGRAM)**

Support neighborhood clean-up services to improve the safety and appearance of neighborhoods in

income-eligible areas.

◆ **ECONOMIC DEVELOPMENT - JOB CREATION/RETENTION**

Increase economic opportunities through job creation/retention, job placement, and micro-enterprise programs that pay livable wages for Extremely Low (30% MFI) and Low Income (50% MFI) residents.

◆ **PUBLIC SERVICES - EMPLOYMENT TRAINING**

Increase economic opportunities through job creation/retention, job placement, that pay livable wages for Extremely Low (30% MFI) and Low Income (50% MFI) residents.

Based on discussion at the work sessions on the recent decreases in federal entitlement funding levels and the potential for other funding resources available to youth and transportation programs, the NRB chose to not include the past goals under public services for transportation and for childcare assistance.

Upon City Council adoption, individual Notices of Fund Availability (NOFAs) for programs that address one or more the activities listed will be forwarded to City departments, public agencies and non-profit organizations. Agencies will need to make application for funds to the City by July 8th, 2004.

The NRB will review proposals and hear agency presentations on September 7th through the 9th and will finalize their recommendations on September 11th, 2004. The recommendations will be forwarded to the City Council on September 27th, and the City Council, after a 30-day review period, will adopt the 2005-2009 Consolidated Plan at a public hearing on November 8th, 2004. The Plan will then be forwarded to HUD 45 days before the start of the City's program year on January 1, 2005.

Community Development and Housing Services staff are in agreement with the NRB's goal recommendations to the City Council for the 2005-2009 HUD Consolidated Plan. Reductions in entitlement funding and continued increases in applications for limited funds have increased the need to closely evaluate other available funding resources and agency capacity to deliver quality programs.

The NRB has done an excellent job of developing the 5-Year Consolidated Plan Affordable Housing strategy. Their efforts have produced a workable plan that emphasizes high priority housing needs, maximize the impact of limited funds, and increase the City's capacity for effective oversight and monitoring.