



Agenda Item:

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## **COUNCIL COMMUNICATION**

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

#### **GENERAL INFORMATION**

Agenda Date: 08/08/05

Agenda Item Type: Resolution

Communication No.: 05-430

Roll Call No.:

Submitted by: Chris M. Johansen, Housing Services Director

#### **SUBJECT—**

Approval of the reallocation of \$160,000 of 2005 CDBG funding.

#### **SYNOPSIS—**

Approval of the reallocation of \$160,000 of 2005 CDBG funding from Anawim Housing's Acquisition/Rehabilitation of Des Moines Municipal Housing Agency Units to the Engineering Department for the 2005 Demolition Program.

#### **FISCAL IMPACT—**

N/A

#### **RECOMMENDATION—**

Approval.

#### **BACKGROUND—**

On November 8, 2004, the City Council approved the 2005 HUD Consolidated Plan. The Anawim Housing Acquisition/Rehabilitation of Des Moines Municipal Housing Agency Units project was allocated \$160,000 of 2005 CDBG funding as a part of the 2005 HUD Consolidated Plan. In his recommendations, the City Manager stated that, while he agreed with the Neighborhood Revitalization Board's (NRB) recommendation to fund the project, he was concerned that the allocation would not be spent in the 2005 Program Year.

Anawim Housing was unable to obtain Low-Income Housing Tax Credits to purchase and rehabilitate 9 units of public housing included in the City's disposition plan and could not implement the Acquisition/Rehabilitation project during the 2005 Program Year.

It is recommended that the \$160,000 of 2005 CDBG funding be reallocated to the 2005 Demolition Program. For the past several years the Demolition Program has annually demolished 25-30 vacant and abandoned properties in low and moderate-income areas of the City. As of June 30, 2005, twenty-six (26) properties have already been removed and the \$250,000 of 2005 CDBG funding allocated to Demolition has been nearly expended. There are several properties awaiting demolition and factors such as liability and the negative effect these dwellings have on neighborhood redevelopment efforts, make ongoing operation of the program a high priority.

Anawim Housing will still be able to access either CDBG or HOME funding from Community Development's NCS Division, if they wish to proceed with a project yet this year.

At their meeting on August 3, 2005, the City's Neighborhood Revitalization Board (NRB) reviewed and recommended approval of the reallocation of the \$160,000 of 2005 CDG funding as outlined above.