



Council Communication

Office of the City Manager

Date

August 6, 2007

Agenda Item No. 61

Roll Call No. 07-

Communication No. 07-488

Submitted by: Larry Hulse

Director, Community Development Department

AGENDA HEADING:

Approving the Form of Contract for a Rental Rehabilitation Grant utilizing Community Development Block Grant (CDBG) Funds and authorizing the City Manager to execute an agreement with Sixth Avenue Apartment Investors, L.P. upon full compliance with all requirements

SYNOPSIS:

Recommend approval to allow the city to provide a grant to Sixth Avenue Apartment Investors, L.P. for up to \$100,000 to eliminate lead based paint hazards at 1635 6th Avenue and have the building certified as "lead-safe" by the Polk County Health Department.

FISCAL IMPACT:

Amount: Not to exceed \$100,000

Funding Source: Fiscal Year 2007-08 Operating Budget, Special Revenue Funds, Community Development Block Grant Funds, 2006 Investor Owner Rehab, SP020 CDD04990 CDBG2006017, page 313.

ADDITIONAL INFORMATION:

The City and Polk County have a 28E relationship for the delivery of public health services which dates to the early 1980's. The agreement was created at the time the Des Moines-Polk County Health Department was eliminated. Under this agreement, some services (e.g. rental housing inspection) are retained by the City and some (e.g. air pollution control) are delegated to Polk County to be performed in Des Moines. On June 5, 2006 by Roll Call 06-1139, the 28E agreement was amended to include lead paint inspection and investigation of elevated blood levels and lead poisoning by Polk County Department of Health.

Lead hazards were identified during an inspection of the property at 1635 6th Avenue by the Polk County Health Department in June and July 2007. In addition, several children in the property have tested with elevated blood lead levels. The Polk County Health Department has notified Anawim Housing that it is in violation of the Polk County Local Board of Health Rules and Regulations, Chapter VII, Control of Lead Based Paint Hazards. The Polk County Health Department requires the lead-based paint hazards to be repaired within thirty (30) days. The property is owned by Sixth Avenue Apartment Investors, L.P. Anawim Housing is a part of the General Partnership/Managing Member of Sixth Avenue Apartment Investors, L.P. and manages the 18 units. Anawim (d/b/a/ ANAWIM Housing) has offices at 921 6th Avenue, Suite B, in Des Moines. Sister Stella Neill is the Executive Director of Anawim.

Staff recommends that Council approve the form of the grant agreement as presented and authorize the City Manager to execute an agreement with Sixth Avenue Apartment Investors, L.P. upon compliance with all requirements. The City of Des Moines did not participate in the rehabilitation of 1635 6th Avenue when it was renovated in 1996 and made no previous financial contribution to the property. Structuring the financial assistance as a grant that is not recorded on the property meets the CDBG requirements.

The City's Community Development Department has worked in cooperation with the Polk County Health Department to provide rehabilitation assistance to single family houses owned and occupied by low income families who have children with elevated blood lead levels. A program has been developed to provide financial assistance for rehabilitation through Community Development Block Grant funds combined with grants received from the Polk County Housing Trust Fund and Federal Home Loan Bank. A City rehabilitation inspector works with the family to ensure work is properly completed to code. A Polk County Health Inspector works with the family to monitor lead levels and ensure the house is certified as "lead-safe" at the end of the rehabilitation project.

This is the first time the City has provided funding for lead hazard reduction in a rental property that was not combined with other rehabilitation. The City has also never provided an outright grant to a rental property owner. Most city financial assistance provided to rental projects combines a repayable loan with a forgivable loan and a mortgage and/or lien is always recorded against the property. In the case of the property at 1635 6th Avenue, a grant will allow the work to be done expediently, will provide protection for 18 low income families and will ensure the nonprofit has sufficient income to continue to operate the building with rents affordable to low income families.

PREVIOUS COUNCIL ACTION(S):

Date: June 5, 2006

Roll Call Number: 06-1139

Action: Intergovernmental 28E Agreement with Polk County regarding Board of Health function and enforcement. (Council Communication No. 06-318) Moved by Hensley to adopt. Motion Carried 5-2.
Absent: Cownie and Coleman.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE