



Council Communication

Office of the City Manager

Date

September 30, 2008

Agenda Item No. **Extra Item 1**
Roll Call No. **08-**
Communication No. **08-589**
Submitted by: **Chris M. Johansen, Assistant
City Manager**

AGENDA HEADING:

Approving Jumpstart Housing Assistance Program Grant Agreement and Application for Jumpstart Small Business Assistance and Community Development Block Grants (CDBG) Supplemental Funds.

SYNOPSIS:

Recommend approval of the Jumpstart Housing Assistance Program Grant Agreement with the Iowa Finance Authority and Application for Jumpstart Small Business Assistance and CDBG Supplemental Funds to the Iowa Department of Economic Development for funding to assist with the recovery efforts from the 2008 flooding.

FISCAL IMPACT:

Amount: \$658,711 Jumpstart Housing Assistance Program
 \$146,596 Jumpstart Small Business Assistance
 \$73,298 CDBG Supplemental Funds – Business (Application)
 \$1,152,745 CDBG Supplemental Funds – Housing (Application)

Funding Sources: The Iowa Finance Authority is providing the funding for the Jumpstart Housing Assistance Program. The Iowa Department of Economic Development is providing funding for the Jumpstart Small Business Assistance. Additionally, the Iowa Department of Economic Development will be providing CDBG Supplemental funds for future Business and Housing grants.

ADDITIONAL INFORMATION:

The Iowa Finance Authority has announced a program to assist residents impacted by the flooding events of early this summer. Their program, Jumpstart Housing Assistance, will allow Des Moines residents impacted by this summer's events access to assistance for down payment assistance, housing repair/rehabilitation, and interim mortgage assistance. This program is for owner-occupied households that have been approved by FEMA for housing assistance. At this time, it is anticipated that the funding will mainly be used for housing repair/rehabilitation.

The Iowa Department of Economic Development has announced a program to assist small businesses impacted by flooding. Their program, Jumpstart Small Business Assistance will provide forgivable loans to small businesses working capital to help ensure business survival. These loans will be equal to 25% of the approved SBA loan (whether or not the business accepted the loan), and up to \$50,000 provided the business reopens within 1 year.

The applications for CDBG Supplemental funds for Housing and Business will primarily be for the same uses as listed above, but more information will be provided on the potential uses from the State of Iowa.

This is the first of three rounds of assistance the City of Des Moines anticipates receiving from the State of Iowa and CDBG Disaster funding. For this round of funding Des Moines is eligible for 3.29% of the available State funding. Statewide there is \$20 million available for the Jumpstart Housing Assistance Program, \$20 million available for Jumpstart Small Business Assistance, \$10 million CDBG Supplemental Funds – Business, and \$35 million CDBG Supplemental Funds – Housing.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.