



# Council Communication

Office of the City Manager

Date

August 24, 2009

Agenda Item No. 28

Roll Call No. 09-

Communication No. 09-586

Submitted by: Chris M. Johansen, Assistant  
City Manager

## **AGENDA HEADING:**

Approval of Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) for funding of the HUD Community Development Block Grant – Recovery (CDBG-R) Program.

## **SYNOPSIS:**

Recommend authorizing and directing the Mayor to execute the Grant Agreement between HUD and the City for CDBG-R Program funding.

## **FISCAL IMPACT:**

Amount: \$1,152,886

Funding Source: HUD Community Development Block Grant – Recovery Program.

## **ADDITIONAL INFORMATION:**

Congress recently enacted the American Recovery and Reinvestment Act of 2009. Title XII of that program designated additional financial assistance and services to local governments to carry out, on an expedited basis, eligible activities under the CDBG-R program. The City of Des Moines was allocated \$1,152,886, contingent on HUD approving a substantial amendment to the City's 2008 HUD Consolidated Plan. On June 3, 2009, by Roll Call No. 09-939 the City Council approved the substantial amendment, which was forwarded to HUD for review and approval.

The purpose of the additional CDBG funding is to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents.

The substantial amendment approved by the City Council on June 3, 2009 allocated \$737,598 of CDBG-R funds to the Neighborhood Infrastructure Revitalization Program (NIRP) to expand services currently being provided in low/mod-income areas of the City that are participating in the Neighborhood Revitalization Program. At their meeting on July 1, 2009, the Neighborhood Revitalization Board (NRB) approved a motion to support the City Council's recommendation that \$737,598 of CDBG-R funds be allocated to NIRP. At their meeting on July 27, 2009, the NRB recommended that the funds be used to improve sidewalks along school walk routes in the following chartered neighborhoods, which received little or no funding when going through the original planning process: Woodland Heights, Capital East, Columbus Park, River Bend, Union Park, Accent, Highland Park and Capitol Park. The CDBG-R funding will allow approximately \$92,000 for each neighborhood. If funding is left over in any neighborhood after sidewalks are repaired, additional work will be conducted to repair or replace curbs or paving that meet replacement requirements previously set by Public Works and the pavement condition index. The City Manager agrees with this recommendation.

The NRB also supported the City Manager's recommendation that \$300,000 of CDBG-R funding be allocated to the Residential Demolition Program to expand the program in low/moderate-income areas of the City that are participating in the Neighborhood Revitalization Program. This existing program will remove abandoned structures that reflect negatively on neighborhood appearance and stability, and create health and safety hazards. Infill housing can then be constructed on cleared lots and provide affordable housing opportunities in distressed neighborhoods.

Up to 10% of the funds (\$115,288) can be allocated for three years of administrative costs incurred through planning, monitoring, reporting, auditing and other fiscal activities.

On July 31, 2009, the City received notice from HUD that the substantial amendment had been approved and also forwarded a Grant Agreement and Funding Approval.

HUD requires that the signed Grant Agreement be returned within 30 days (August 30, 2009) of the date of the notice.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: June 3, 2009

Roll Call Number: 09-939

Action: Hearing on proposed substantial amendment to the Fourth Year (2008) Action Plan of the 2005-2009 HUD Consolidated Plan for the Community Development Block Grant Funding (CDBG-R) under the American Recovery and Reinvestment Act of 2009. (Council Communication No. 09-352) Moved by Hensley to adopt. Motion Carried 6-1. Absent: Cownie.

Date: May 18, 2009

Roll Call Number: 09-852

Action: On proposed substantial amendment to the Fourth Year (2008) Action Plan of the 2005-2009 HUD Consolidated Plan for the Community Development Block Grant Funding (CDBG-R) under the American Recovery and Reinvestment Act of 2009, (Hearing will be held at a special Council meeting on June 3, 2009 at 4:00 PM). Moved by Kiernan to adopt. Motion Carried 6-1. Absent: Cownie.

**BOARD/COMMISSION ACTION(S):**

Date: July 1, 2009

Roll Call Number: N/A

Action: The Neighborhood Revitalization Board approved a motion to support the recommendations for allocation of the CDBG-R funds.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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