

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	August 24, 2009
	Agenda Item No. 31 Roll Call No. 09- Communication No. 09-599 Submitted by: Larry Hulse, Community Development Director	

AGENDA HEADING:

Approve forms of agreements and support documents for the Community Development Neighborhood Conservation Services Division Neighborhood Stabilization Program (NSP).

SYNOPSIS:

The Neighborhood Conservation Services (NCS) Division of the Community Development Department administers numerous housing programs funded by the City's Home Investment Partnerships (HOME) and Community Development Block Grant (CDBG) entitlement funds. Along with these programs, the NCS Division will administer the NSP.

Community Development Department staff has prepared updated drafts of the contracts and security exhibits that have been previously utilized and approved for the HOME and CDBG program and have modified them for use with the NSP. This Council action will approve the form of these documents to be utilized for the daily operations of this program.

FISCAL IMPACT: NONE

Amount: N/A

Funding Source: N/A

ADDITIONAL INFORMATION:

At the June 8th, 2009 meeting, the City Council approved the contract with the Iowa Department of Economic Development to allocate \$3.9 million of Neighborhood Stabilization Funds (Roll Call No. 09-996). The plan calls for the City to work with a coalition of housing agencies to

purchase and redevelop approximately 90 foreclosed and abandoned housing units over the next four years. The coalition of housing agencies purchasing foreclosed properties currently includes: Greater Des Moines Habitat for Humanity, Community Housing Development Corporation, Home Opportunities Made Easy Inc., (HOME Inc.), and the Neighborhood Finance Corporation. The coalition also includes the following for profit construction companies; Double D Construction, MJM Homes, and JRW & Associates.

The NSP has very specific regulatory requirements for the use of these funds. Specifically, all properties must be purchased at a maximum of 99% of their current appraised value. The income limit for the NSP is 120% Area Median Income (AMI), while other U.S. Department of Housing and Urban Development Programs (HUD) cap income at 80% AMI. NSP funds can only be used in the approved project area, and 26% of all funds must be allocated for individuals who earn less than 50% AMI.

Because of these unique regulations, it is necessary to create new program documents. This action will approve all standard documentation required for the implementation of this program, which has incorporated changes necessary to conform to changes in the HUD and NSP guidelines, as well as NCS standard operating procedures. This action will be completed yearly to ensure an annual review of all standard documentation by the legal department staff, as well as incorporate statutory changes as required by HUD.

PREVIOUS COUNCIL ACTION(S):

Date: June 8, 2009

Roll Call Number: 09-997

Action: Memoranda of Understanding with designated local housing agencies to implement the Neighborhood Stabilization Program. (Council Communication No. 09-386) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: June 8, 2009

Roll Call Number: 09-996

Action: Neighborhood Stabilization Program Contract with the Iowa Department of Economic Development (IDED). Moved by Vlassis to adopt. Motion Carried 7-0.

Date: February 23, 2009

Roll Call Number: 09-341

Action: On the City's plan to spend CDBG Neighborhood Stabilization Program Funds. (Council Communication No. 09-105) Moved by Coleman to adopt. Motion carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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