



# Council Communication

Office of the City Manager

Date

December 21, 2009

Agenda Item No. 53

Roll Call No. 09-

Communication No. 09-895

Submitted by: Richard A. Clark, City Manager

## AGENDA HEADING:

Communication from the City Manager regarding Program Year 2011 Community Development Block Grant (CDBG) Funding allocations and approval of City Manager recommendations.

## SYNOPSIS:

This action recommends funding non-profit agencies for the 2011 Program Year, at a total of \$268,000, for transition during their discontinuation of funding through the CDBG allocation process. These additional funds are made available from CDBG funds currently allocated to the Neighborhood Conservation Services program, which is administered by the Community Development Department, and from \$50,000 in the Economic Development Enterprise Account. It is recommended that this funding would be the final CDBG funding for non-profits through the City's allocation process.

## FISCAL IMPACT:

Amount: \$268,000 for non-profit agencies in 2011, and \$0 CDBG for non-profit agencies for 2012 and beyond.

### Funding Source:

\$118,000 - HUD CDBG (CDBG2009014); 2009-2010 Operating Budget, Page 70, SP020 CDD049900

\$100,000 - HUD CDBG (CDBG2008017); 2009-2010 Operating Budget, Page 69, SP020 CDD049900

\$50,000 - Economic Development Enterprise Account

## ADDITIONAL INFORMATION:

During the November 9, 2009 Council meeting, the Program Year 2010 CDBG allocations were approved. Furthermore, the City Manager recommended that the 2011 allocations not include any funding for non-profit agencies. The CDBG funding will be allocated for City programs that benefit our neighborhoods. These allocations will follow the normal allocation process next year and be recommended to the City Council for approval. All non-profit agencies that have historically received CDBG funding in the past will have a year to prepare for this loss of funding. These CDBG funded agencies and programs are as follows:

- ISED Microenterprise Development
- Central Iowa Shelter – Community Kitchen
- Central Iowa Shelter – Transit Shuttle Service
- HHM – New Directions Shelter
- IHYC – Reggie's Place
- PHC – Clinic Operations Support
- CFI – Compass Project

- Home Connection – Transitional Housing Program
- MECCA – Transitional Housing
- Des Moines Neighborhood Resource Office
- CDD – Polk County Housing Continuum
- CCI – Home Ownership Project
- NFC – Homebuyer Education
- NFC – Tool Lending Library
- DART – Opportunities Thru Transit/Wages

For the 2011 Program Year recommendation, Council recommended the City Manager meet with the Neighborhood Revitalization Board (NRB) and others regarding the process for future years, provide a recommendation for implementation of necessary policy changes and procedures and share Council's intent to reduce future funding for agencies and ask the agencies to provide their plans for the reductions.

#### Neighborhood Revitalization Board Meeting

On December 2<sup>nd</sup>, the City Manager met with the NRB and non-profit agencies and discussed the Council's intent to reduce future funding for agencies and their impacts. The non-profit agencies addressed the negative impact this would have on their programs. The NRB supported the discontinuation of funding, but recommended that this occur over an additional year.

The United Way has been contacted to discuss their ability to assist in funding these agencies in future years. The United Way is experiencing a reduction in their fundraising, which would make it difficult for them to fill this gap. The United Way currently works with many of these agencies and will continue to do so to assist in the transition.

#### 2011 Program Year Recommendations

It is recommended that CDBG funding for each non-profit agency in the 2011 Program Year be allocated in an amount not more than 50% of their 2010 Program Year allocation, subject to City Council approval. Furthermore, the 2011 Program Year will be the final year non-profit agencies will be allocated CDBG funding. It is further recommended that we offer the assistance of staff to work with non-profit agencies in identifying non-city funding, if requested by the non-profit agencies.

Allocation of Emergency Shelter Grant (ESG) funding will continue to be available in accord with the current process.

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

Date: November 9, 2009

Roll Call Number: 09-2055

Action: On proposed First (2010) Year Action Plan of the 2010-2014 U.S. Department of Housing and Urban Development (HUD) Consolidated Plan. (Council Communication No. 09-771) Moved by Hensley to adopt the following: 1. Approve the City Manager's recommendations for 2010, with an amendment to allocate an additional \$10,000 to the Drake Neighborhood Historic Survey and reduce the funding in the NIRP Program. 2. Allow discussion with NRB, United Way and others regarding the process for future years, and come back at the December 21<sup>st</sup> Council meeting with a recommendation. 3.

City Manager to provide recommendations for implementation of necessary policy changes and procedures. 4. Share Council's intent to reduce future funding for agencies, and ask the agencies to provide their plans for the reductions. Motion Carried 6-1.

Date: September 28, 2009

Roll Call Number: 09-1749

Action: Communication from Neighborhood Revitalization Board. Moved by Coleman to adopt. Motion Carried 7-0.

Date: September 28, 2009

Roll Call Number: 09-1748

Action: On proposed First (2010) Year Action Plan of the 2010-2014 U.S. Department of Housing and Urban Development (HUD) Consolidated Plan, (11-9-09). (Council Communication No. 09-671) Moved by Coleman to adopt. Motion Carried 7-0.

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

Date: September 26, 2009

Roll Call Number: N/A

Action: The Neighborhood Revitalization Board finalized their recommendations for allocation of the First (2010) Action Year of the 2010-2014 HUD Consolidated Plan.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Receiving and approving the 2010 Consolidated Plan Grant Agreement with HUD and implementing the Plan through City departments and sub-recipients.

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