

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 24, 2010
	Agenda Item No. Extra Item 2 Roll Call No. [Roll Call] Communication No. <u>10-308</u> Submitted by: Larry Hulse, Community Development Director

AGENDA HEADING:

Resolution to authorize staff to apply for additional Neighborhood Stabilization Program funds from the Iowa Department of Economic Development.

SYNOPSIS:

The City of Des Moines was awarded \$3.9 million in Neighborhood Stabilization Program (NSP) funds to redevelop foreclosed and abandoned housing. Additional NSP funds may become available from the Iowa Department of Economic Development (IDED) as unused NSP funds from other cities are re-allocated. This resolution will allow the City to apply for additional funds. Any additional funding will be used in accordance with the approved action plan (Roll Call No. [09-2289](#)).

FISCAL IMPACT:

Amount: Up to \$2,000,000

Funding Source: The Iowa Department of Economic Development is providing funding from the Federal Neighborhood Stabilization Program Fund Title III of the Housing and Economic Recovery Act of 2008 (PL 110–289). No City matching funds are required.

ADDITIONAL INFORMATION:

The State was awarded \$21 million of NSP funds in 2008. The purpose of these funds is to redevelop foreclosed and abandoned housing. In February 2009, the State allocated \$3.9 million of NSP funds to the City of Des Moines. IDED has placed two deadlines on communities to allocate NSP funds. The first deadline was to allocate 50% of funds by March 31, 2010, while the second deadline is to allocate 75% of funds by June 30, 2010. All NSP funds must be allocated by September 30, 2010.

Communities that do not meet the allocation deadlines will have their funding revoked by IDED. These funds will be reallocated to communities that have demonstrated the capacity to administer these funds in a timely manner.

As of May 15, 2010, the City has allocated \$3.4 million or 84% of NSP funds. These funds have been allocated to redevelop 64 housing units across the City. Included in this total are 22 Habitat for Humanity homes, 12 scattered single family homes and the redevelopment of the 30-unit Southern Meadows Apartments.

Because the City has met the allocation deadlines, we have been invited by IDED to apply for additional funds. Any additional NSP funding will go toward implementing the approved NSP Action Plan (Roll Call No. [09-2289](#)).

PREVIOUS COUNCIL ACTION(S):

Date: December 21, 2009

Roll Call Number: [09-2289](#)

Action: [Amendment](#) to Neighborhood Stabilization Program (NSP) Plan to provide acquisition and rehabilitation financing for developers who acquire and rehabilitate foreclosed and abandoned properties. ([Council Communication No. 09-876](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 26, 2009

Roll Call Number: [09-1931](#)

Action: [Amended](#) Neighborhood Stabilization Program (NSP) Contract with the Iowa Department of Economic Development and related supporting Documents. ([Council Communication No. 09-751](#)) 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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