

★ Roll Call Number

Agenda Item Number

71 A

Date July 13, 2009

COMMUNICATION FROM THE CHAIR OF THE NEIGHBORHOOD REVITALIZATION BOARD REGARDING THE REPROGRAMMING OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS.

WHEREAS, at their meeting on July 1, 2009, the Neighborhood Revitalization Board approved a motion to forward their recommendations for allocation of unspent and additional CDBG funds as outlined in the attached communication.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the recommendations of the Neighborhood Revitalization Board are hereby received and filed.

APPROVED AS TO FORM:

MOVED BY _____ TO ADOPT

Glenna K. Frank

Glenna K. Frank
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, HENSLEY, KIERNAN, MAHAFFEY, MEYER, VLASSIS, and TOTAL.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

CITY OF DES MOINES, IOWA
 Neighborhood Revitalization Board

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TO: The Honorable Mayor and
 Members of the City Council

DATE: July 2, 2009

FROM: Jean Minahan, Chair
 Neighborhood Revitalization Board

SUBJECT: 2009 Reprogramming

At their meeting on July 1, 2009, the Neighborhood Revitalization Board (NRB) reviewed the funds available and the Housing Services Staff recommendations for allocation of reprogramming funds from 2008 unspent funds and additional 2009 Entitlement funding. The following is a comparison of the actual allocations and what was estimated they would be in August 2008.

	<u>CDBG</u>	<u>HOME</u>	<u>ADDI</u>	<u>ESG</u>
2009 Projected	\$4,250,000	\$900,000	-0-	\$189,094
2009 Actual	4,273,411	1,086,850	-0-	189,094
Reprogrammed	-0-	-0-	-0-	-0-
Administration	(850,000)	(108,685)	-0-	(13,594)
Allocated to Projects to Date	3,400,000	810,000	-0-	175,500
Difference	+ \$23,411	+ \$168,165	-0-	-0-

The following is a list of unspent 2008 CDBG and additional HOME funds available for reprogramming.

	<u>CDBG</u>	<u>Home</u>	<u>ESG</u>
Monitoring Administration	\$62,427.47		
Neighborhood Revitalization	33,698.00		
Planning Admin	1,655.04		
Creative Visions Project	50,000.00		
ISED	2,628.00		
Hansen House	5,378.38		
NFC Tool Lending	2,293.42		
DART	2,210.00		
CHDC Senior Wise	1,064.00		
Public Works – NIRP	61,100.00		
Demolition	7,766.96		
Unallocated From Previous Years	11,202.47		
Additional CDBG	23,411.00		
Additional HOME		\$168,165.00	
Additional ESG			\$00.00
Total Balance for Reprogramming	\$264,834.74	\$168,165.00	\$00.00

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As reported by staff, monitoring funds were not all spent because of additional administrative funding from other sources such as SHP and a Department of Labor pass through grant. Staff vacancies also affected other administration categories. Creative Visions did not submit an audit or other financial status information as required by the City Council and their contract was not processed. Because of weather and flooding conditions, Public Works was unable to complete street, sidewalk, and curb improvements. Several projects under-spent their allocations, due to staff vacancies and lower than expected client participation.

The NRB is recommending that reprogramming funds be allocated to the following projects:

- Des Moines Human Rights Fair Housing Educator/Investigator - \$25,000. Fair Housing analysis and barrier removal is a high priority with HUD and a staff person in this position will be able to provide information required for reports on progress in addressing impediments to fair housing.
- Demolition - \$7,766.96. These are carryover funds to be allocated back to the program in order to balance 2008 expenditures.
- Neighborhood Based Service Delivery (NBSD) - \$134,121.77. The 2008 allocation anticipated over \$300,000 in program income from the salvage of abandoned vehicles. The salvage price in the early part of the year was significantly higher and residents were not abandoning vehicles. Later in the year the salvage prices dropped and revenue did not meet expectations. This allocation of reprogramming funds will balance the 2008 budget and expenditures.
- New Horizons - \$12,000. The Des Moines Public School District's state allocation was significantly reduced, and these funds will help fund staff needed to maintain work and instruction on two homes currently being rehabilitated. The project is usually able to operate on program income derived from the sale of the homes. However, school staff indicates that supplemental funding is needed for the last six months of this year. NCS staff is currently in discussions with the school district to adopt the RFP process used for non-profit housing agencies. This uniform process will simplify procedures and ensure that all compliance issues are addressed.
- HOME - \$168,165.00. The additional funding received for the 2009 HOME program will be allocated by the Neighborhood Conservation Strategy program through the established RFP process.

The additional CDBG and HOME funding along with unspent funds total \$432,999.74. The above allocations to CDBG and the HOME programs total \$347,053.73. We recommend that the balance of \$85,946.01 be retained and allocated to 2010 programs, during the annual planning conference when more information on which to base funding decisions is available. Indications are that the 2010 entitlement grants for CDBG, HOME, and ESG will be approximately the same as this year. Retaining a portion of the reprogramming funds may allow more flexibility in funding needed programs.

If you have any questions or need additional information, please advise.



Jean Minahan, Chair
Neighborhood Revitalization Board

cc: City Manager