



Agenda Item:

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## **COUNCIL COMMUNICATION City Manager's Office**

### **GENERAL INFORMATION**

Agenda Date: 08/09/04  
No.: 04-385  
Agenda Item Type: Resolution  
No.:

Communication

Roll Call

Submitted by: Chris M. Johansen, Director, Housing Services Department

### **SUBJECT—**

Approval of amended grant agreement with the U.S. Department of Housing and Urban Development (HUD) for funding of the 2004 HUD Consolidated Plan.

### **SYNOPSIS—**

City Council approval of an amended grant agreement by and between HUD and the City of Des Moines whereby the City will receive an amended grant award of HOME Investment Partnership (HOME) and American Dream Down payment Initiative (ADDI) funding for implementation of the 2004 HUD Consolidated Plan.

### **FISCAL IMPACT—**

Approval of amendment will facilitate the City's receipt of \$148,737 of ADDI funding from HUD.

### **RECOMMENDATION—**

Approval.

## **BACKGROUND—**

On November 17, 2003, by Roll Call No. 03-2623, the City Council approved the 2004 HUD Consolidated Plan. On May 3, 2004, by Roll Call No. 04-928, the City Council approved HUD Grant Agreements of CDBG, HOME and ESG funding for the City's 2004 HUD Consolidated Plan. On June 7, 2004, by Roll Call No. 04-1172, the City Council approved an amendment to the City's 2004 HUD Consolidated Plan to address the use of ADDI funding, which HUD is now providing via an amended grant agreement.

ADDI funding is somewhat complex in that it involves an allocation of FY2003 (\$68,227) and FY2004 (\$80,510) funding. The allocated amounts have different regulatory requirements because of amendments made at the federal level before the final regulations were adopted in the Interim Rule. The program will provide the greater of 6% of the purchase price or \$10,000 for down payment assistance for first-time homebuyers. A first-time homebuyer is an individual and his or her spouse who have not owned a home during a three-year period prior to purchase of a home with assistance from ADDI.

The Consolidated Plan amendment recommended that ADDI funding be used in the King-Irving Neighborhood to supplement the current neighborhood redevelopment efforts in this area. Additionally, concentrating ADDI funding in this area will provide greater impact than if it were spread throughout the City. The City's Community Development Department, Neighborhood Conservation Services Division will administer the proposed program. ADDI funding can be used in conjunction with other HOME-funded programs that are currently available in the King-Irving Neighborhood. ADDI funds will be secured by a forgivable lien with a term of 60 months. ADDI funds cannot be used for administrative costs.

The City's Neighborhood Revitalization Board (NRB) reviewed the proposed 2004 HUD Consolidated Plan amendment at their meeting of May 19, 2004, and recommended their approval.