


COUNCIL COMMUNICATION

	Number:	20-133	Meeting:	March 23, 2020
	Agenda Item:	64	Roll Call:	20-0572
	Submitted by:	Chris Johansen, Community Development Director		

AGENDA HEADING:

Public hearing for approval of the 2019 U.S. Department of Housing and Urban Development (HUD) Consolidated Annual Performance and Evaluation Report (CAPER).

SYNOPSIS:

As a condition of receiving federal entitlement funds, the City must report via the CAPER how those funds were used. HUD also requires the City to publish and allow the public to comment on the activities and programs funded. After the public hearing, the CAPER will be submitted to HUD for final review and approval.

FISCAL IMPACT:

Amount: HUD allocated \$3,657,970 in Community Development Block Grant (CDBG), \$958,732 in HOME Investment Partnerships Program (HOME), and \$313,288 in Emergency Solutions Grant (ESG) funds in 2019

Funding Source: HUD

ADDITIONAL INFORMATION:

- In summary, the City's most prominent successes include:
 - Exceeding homeownership goals for new construction, rehab, and direct down payment assistance in the strategic plan.
 - More than doubling its demolition goal for both the annual and strategic plans.
 - Consistently exceeding property inspections goal each year in the strategic plan.
 - Exceeding its public services goal of assisting 20,000 people for 2019.

*See chart on the following page.

<u>Annual Goal</u>	<u>Amount Above or Below Annual Goal</u>	<u>5-Year Goal</u>	<u>Amount Above or Below 5-Year Goal</u>	<u>Goal Outcome Indicator</u>
Goal 1: Affordable Housing				
10	-10	100	-89	Rental units constructed
0	0	200	-200	Rental units rehabilitated
5	12	15	31	Homeowner Housing Added
40	-26	500	214	Homeowner Housing Rehabilitated
5	12	0	46	Direct Financial Assistance to Homebuyers
6	6	25	36	Buildings Demolished
4,000	1,104	20,000	5,489	Housing Code Enforcement/Foreclosed Property Care
Goal 2: Economic Development				
2	0	10	-6	Facade treatment/business building rehabilitation
2	-1	25	-8	Jobs created/retained
2	2	20	-15	Businesses assisted
Goal 3: Homelessness Strategy				
100	-81	150	530	Tenant-based rental assistance / Rapid Rehousing
3,500	-877	1,000	10,087	Homeless Person Overnight Shelter
0	0	35	-24	Overnight/Emergency Shelter/Transitional Beds added
0	0	150	-150	Homelessness Prevention
Goal 4: Public Services				
20,000	7,418	100,000	-6,075	Public service activities other than LMI Housing Benefit

- Although there were many successes, some programs are being reevaluated for effectiveness and may change in the upcoming 2020-2024 Consolidated Planning cycle. Three (3) of such programs include Emergency Repair Loans (ERL), Neighborhood Commercial Revitalization (NCR), and demolition--recently renamed “Blitz on Blight”.
- Emergency Repair Loan - The main difference between goals and outcomes for the rehab of existing units in the ERL program was due to staff changes. A staff person was dedicated to processing applications for the Emergency Repair Loan (ERL) program, and there is also an inspector dedicated to the program. The first staff member left the organization, which has slowed the approval of new applications. Other reasons for not meeting goals included:
 - Repairs did not meet the definition of an emergency (35)
 - No response from applicant (22)
 - Applicant or project did not meet program guidelines (11)
 - Applicant was over income guidelines (4)

- Neighborhood Commercial Revitalization - For several years, the NCR program funded with CDBG has underperformed. The City's Economic Development staff do not receive many eligible applicants for this program due to geographic constraints and administrative requirements such as low-income job or household tracking. In some instances, when a small business has submitted reporting, the business has not reached its goal number of low-income jobs. In addition, there are several other small business funding sources or programs that are more competitive than Economic Development's CDBG-based incentives.
- Blitz on Blight - Another CDBG-funded program that will be changing is the demolition of public nuisance properties. Unlike the NCR program, demolition in the City of Des Moines is a constant need. The legal process for obtaining action on a public nuisance property is long and detailed. The additional layer of CDBG requirements has at times been challenging to the program's effectiveness. As a result, City staff determined to revamp the program, now called Blitz on Blight, to streamline processes and fund it through the local option sales tax, which was approved in spring 2019. Demolition funded by CDBG will slow down considerably in the 2020-2024 Consolidated Planning cycle.
- Conversely, the City is evaluating other opportunities to better utilize its CDBG funds. In the future, opportunities may include infrastructure, parks, and further addressing homelessness.

PREVIOUS COUNCIL ACTION(S):

Date: February 24, 2020

Roll Call Number: [20-0334](#)

Action: [On](#) approval of 2019 US Department of Housing and Urban Development (HUD) Consolidated Annual Performance and Evaluation Report (CAPER), (3-23-20). Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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