


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	22-353	Meeting:	August 8, 2022
	Agenda Item:	40	Roll Call:	22-1258
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Resolution approving First Amendment to Memorandum of Understanding (MOU) between the City and Invest DSM, Inc., whereby Invest DSM, Inc. serves as a fiscal agent for the City's Neighborhood Block Challenge Grant (BCG) Program.

SYNOPSIS:

The Neighborhood BCG Program provides matching grant funds to improve the physical exterior conditions for residential properties located within the City, while bringing neighbors together to build community. In 2021, the City partnered with Invest DSM, Inc. to model Invest DSM's Block Challenge Grant Program and learn best practices in program management. In 2022, City staff is managing the BCG Program and Invest DSM, Inc. serves as the Program's fiscal agent only.

FISCAL IMPACT:

Amount: \$553,750 reflecting \$251,500 in fiscal year (FY) 2023 inclusive of project costs plus administrative fees and \$302,250 in FY 2024 inclusive of project costs plus administrative fees.

Funding Source: FY 2023 Operating Budget, Finance Department, Local Option Sales and Services Tax (LOSST), Neighborhood Improvements Expenditures, Neighborhood Matching Grant, P. 83.

ADDITIONAL INFORMATION:

- This action authorizes the Finance Department and Neighborhood Services Department staff to forward an additional \$250,000 to Invest DSM, Inc. as soon as practical for additional project costs incurred in the BCG Program in FY 2023.
- In addition to the agreement with Invest DSM, Inc., and administrative fee of \$15 per reimbursement check will be paid to Invest DSM, Inc., to serve as the BCG Program's fiscal agent.
- The additional funding of \$250,000 brings the total BCG Program funding to \$450,000 in FY 2023.

- Additional funding in FY 2023 allows the BCG Program to serve between 220 and 250 program participants, an increase from the anticipated 100 to 150 program participants; thereby, increasing the administrative fees by \$1,500.
- Further, this action authorizes the Finance Department and Neighborhood Services Department staff to forward \$300,000 to Invest DSM, Inc., on July 1, 2023, for project costs incurred in the BCG Program in FY 2024.
- Funding of \$300,000 in FY 2024 allows the BCG Program to serve between 120 and 150 program participants, with administrative fees of \$2,250.
- Under the BCG Program, the City provides up to a 50% matching grant of up to \$2,500 per application depending on team size and location within the City. Households that receive income-based assistance, such as food or utility assistance, may be eligible for a 75% matching grant of up to \$2,500 per application.
- Fifty percent (50%) of the City of Des Moines' annual funding for the BCG Program is reserved for low/moderate income areas, which are census tracts or block groups where at least 51% of the residents are low- and moderate-income persons. "Low- and moderate-income person" means having an income equal to or less than 80% of the Area Median Income (AMI), as published annually in the Section 8 low-income limit established by the U.S. Department of Housing and Urban Development (HUD).
- The City's application period for the BCG Program in FY 2023 started May 1, 2022. The application period ends September 30, 2022, or when funds are depleted, whichever is first.
- The amount of funding provided will allow for a total of 19 teams to move forward in FY 2023. After these awards, there will be 23 teams remaining on the wait list. Those projects will be prioritized to receive funds in FY 2024.
- The City's application period for the BCG Program in FY 2024 is to be determined.

PREVIOUS COUNCIL ACTION(S):

Date: April 18, 2022

Roll Call Number: [22-0615](#)

Action: [Resolution](#) approving the Memorandum of Understanding between the City of Des Moines and Invest DSM, Inc., for the fiscal administration of the City's Neighborhood Matching Grant Fund Program. ([Council Communication No. 22-181](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

This First Amendment extends the MOU through June 30, 2024. The City and Invest DSM, Inc., will reevaluate their partnership in 2024 and will make a joint decision if they should renew this agreement. If they do, there will be a City Council action in spring 2024 for renewal.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.