


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	22-560	Meeting:	December 12, 2022
	Agenda Item:	38	Roll Call:	22-1897
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of the Rental Enhancement Program Policy and Procedures to address separation of shared forced air heating sources and knockout panels.

SYNOPSIS:

Recently Chapter 60 was amended to include the separation of shared forced heating sources and knockout panel removal. Acknowledging that these code updates may cause some financial burden to local landlords, the City included funding for Rental Housing Enhancement in the most recent budget to help offset these costs. This action approves the guidelines for assisting landlords under such program.

FISCAL IMPACT:

Amount: \$500,000

Funding Source: FY23 Operating Budget, Finance Department; Local Option Sales and Services Tax (LOSST), S888 ND414000; Expenditures: Rental Housing Enhancement, p.82.

ADDITIONAL INFORMATION:

- The enhancements covered in this program are replacement of knock-out panels pursuant to Des Moines municipal code ordinance 60-170 and separate shared forced air heating sources pursuant to code ordinance 60-185.
- The Program will reimburse and provide a forgivable loan (secured with a promissory note, mortgage, and restrictive covenant) to rental property owners who have paid for eligible costs to replace knockout panels and/or to separate shared forced air heating systems. Projects will be reviewed and funded on a first come, first served basis upon receipt of a completed application.
- The forgivable loan will be for 75% of the cost actually paid by the property owner, up to a maximum of \$15,000 per unit with a \$50,000 per project maximum (\$1,000 minimum project expenditure required), to the owners who meet the requirements of the program.

- An appeal for increasing the maximum award may be made in writing to the Neighborhood Services Director, and support for an increased award will be based on valid bids.
- Rent amounts on properties for which LOSST funds were used in the Program cannot be raised without the approval of the Neighborhood Services staff. The City will review rents reported by the owner in their rent roll to ensure they do not exceed Fair Market Rents.
- Applications for the program are expected to be available January 1, 2023.

PREVIOUS COUNCIL ACTION(S):

Date: June 13, 2022

Roll Call Number: [22-0957](#) and [22-0958](#)

Action: [Amending](#) Chapter 60 of the Municipal Code relating to the separation of shared forced air heating sources and testing of heating sources in rental units. Moved by Gatto that this ordinance be considered and given first vote for passage. Second by Voss. Motion Carried 6-1. Absent: Sheumaker. ([Council Communication No. 22-264](#))

- (A) Final consideration of ordinance above, requires six votes. Moved by Gatto that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#16,139](#). Second by Voss. Motion Carried 6-1. Absent: Sheumaker.

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

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