


# COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>24-136</b>	Meeting:	<b>April 1, 2024</b>
	Agenda Item:	<b>24</b>	Roll Call:	<b>24-0499</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

## AGENDA HEADING:

Resolution approving 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, Inc.'s Block Challenge Program and learn best practices in program management. Since 2022, City staff has managed the BCG Program and Invest DSM, Inc. has served as the Program's fiscal agent only.

## FISCAL IMPACT:

Amount: \$2,000 in Fiscal Year (FY) 2025; Impact in FY 2026 and FY 2027 are dependent upon future budget approvals for the BCG Program

Funding Source: FY 2025 Operating Budget, Finance Department, Local Option Sales and Service Tax (LOSST), Neighborhood Improvements Expenditures, Neighborhood Matching Grant, Page 77

## ADDITIONAL INFORMATION:

- An administrative fee of \$20 per reimbursement check will be paid to Invest DSM, Inc. to serve as the Program's fiscal agent in FYs 2025, 2026, and 2027.
- This action also authorizes the Finance Department and Neighborhood Services Department staff to forward the approved budgeted amount for project costs to Invest DSM, Inc. no later than July 1 of FYs 2025, 2026, and 2027. Neighborhood Services Department staff will direct Invest DSM, Inc., when projects are completed and checks should be issued.
- The City will provide 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. In

FY 2025, the Program will serve an estimated 100 to 150 participants. The number of Program participants in FYs 2026 and 2027 are dependent upon the annually approved budgeted amount.

- Fifty percent (50%) of the annual funding for the Program is reserved for low/moderate 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 begins annually on May 1 and ends annually on September 30 or when funds are depleted, whichever is first.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: September 11, 2023

Roll Call Number: [23-1261](#)

Action: [Resolution](#) approving Supplemental Funding for the City’s Neighborhood BCG Program. ([Council Communication No. 23-422](#)) Moved by Gatto. Second by Boesen. Motion Carried 6-0.

Date: August 8, 2022

Roll Call Number: [22-1258](#)

Action: [Resolution](#) approving First Amendment to the MOU between the City and Invest DSM, Inc. for Supplemental Funding for the City’s Neighborhood BCG Program. ([Council Communication No. 22-353](#)) Moved by Gatto. Second by Boesen. Motion Carried 7-0.

Date: April 18, 2022

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

Action: [Resolution](#) approving MOU between the City and Invest DSM, Inc., for the provision of services for the City’s BCG Program. ([Council Communication No. 22-181](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

Date: May 24, 2021

Roll Call Number: [21-0784](#)

Action: [Resolution](#) approving MOU between the City and Invest DSM, Inc., for the administration of the City’s Neighborhood Matching Grant Fund Program. ([Council Communication No. 21-225](#)) Moved by Boesen to adopt. Motion Carried 7-0.

Date: August 19, 2019

Roll Call Number: [19-1346](#)

Action: [Intergovernmental](#) 28E Agreement between the City of Des Moines, Polk County, and Invest DSM, Inc. ([Council Communication No. 19-376](#)) Moved by Boesen to adopt. Motion Carried 7-0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The MOU between the City and Invest DSM, Inc. is through June 30, 2027. The City and Invest DSM, Inc. will reevaluate the partnership in 2027 and will make a joint decision on the renewal of the MOU. City Council will consider action in spring 2027.

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](mailto:cityclerk@dmgov.org).