

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-375
SEPTEMBER 3, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
FORM OF AGREEMENT BETWEEN WEST DES MOINES STATE BANK AND CITY OF DES MOINES FOR AFFORDABLE HOUSING PROGRAM	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JIM GRANT COMMUNITY DEVELOPMENT DIRECTOR

SYNOPSIS —

On the September 3, 1996 Council agenda is a roll call to approve an Agreement between the City and the West Des Moines State Bank (West Bank) for the administration and dispersal of a Federal Home Loan Bank of Des Moines Affordable Housing Program (AHP) Grant in the amount of \$400,000.

FISCAL IMPACT —

The AHP Grant in the amount of \$400,000 will be used in conjunction with \$948,000 in CDBG funds, \$895,000 in HOME funds, and \$439,999 in private funds for three Community Development Department programs: the Emergency Repair Loan Program, the Home Improvement Loan Program, and the Neighborhood Infill Housing Program. The City will be responsible for monitoring the dispersal of the AHP funds.

RECOMMENDATION —

Approval of the Form of Agreement.

BACKGROUND —

In April, 1996, West Bank applied for an AHP Grant from the Federal Home Loan Bank, in the amount of \$400,000, to be used in conjunction with funds already allocated for programs administered by the former Neighborhood Conservation Services Division of the Community Development Department. In June, 1996, West Bank was awarded \$400,000 in the form of a grant for this purpose.

More specifically, the AHP funds will be used to increase the amount of assistance available per project for the Emergency Repair Loan Program, the Home Improvement Loan Program, and the Neighborhood Infill Housing Program. The use of AHP funds will not affect the administration expenses of these programs. All recipients of AHP funds must be below 80 percent of median income.

A forgivable lien, equal to the amount of assistance, will be placed against the property for 10 years. The Community Development Department will be responsible for reporting program information to West Bank on a regular basis.