

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

98-110

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

AGENDA:

APRIL 6, 1998

SYNOPSIS –

SUBJECT:

FORM OF
AGREEMENT
BETWEEN WEST
DES MOINES STATE
BANK AND CITY OF
DES MOINES FOR
THE AFFORDABLE
HOUSING
PROGRAM

On the April 6, 1998, 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. A previous Agreement between the City and West Bank was executed in September 1996 and has expired.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

FISCAL IMPACT –

The Affordable Housing Program Grant in the amount of \$400,000 is being 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.

SUBMITTED BY:

JAMES GRANT
COMMUNITY
DEVELOPMENT
DIREC

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 are 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 does 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 ten years. The Community Development Department will be responsible for reporting program information to West Bank on a regular basis.