

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

98-158

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

AGENDA:
APRIL 27, 1998

SYNOPSIS —

SUBJECT:
APPROVAL OF
GRANT
APPLICATION BY
WEST BANK AND
CITY OF DES
MOINES FOR
FEDERAL HOME
LOAN BANK
AFFORDABLE
HOUSING
PROGRAM

Approval of application for the Federal Home Loan Bank Affordable Housing Program. The applicant is West Des Moines State Bank (West Bank), and the sponsor is the City of Des Moines.

TYPE:
RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT –

For the Emergency Repair Loan Program, \$650,000 is requested for “ bricks and mortar.” The City would continue to fund staff costs and overhead through Community Development Block Grant funds.

SUBMITTED BY:
JAMES GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

RECOMMENDATION –

Approval of the application.

BACKGROUND –

In April, 1996, West Bank applied for an Affordable Housing Program 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 Housing Conservation Division of the Community Development Department. In June, 1996, West Bank was awarded \$400,000 in the form of a grant for this purpose.

The 1998 West Bank application will focus Federal Home Loan Bank funds on the Emergency Repair Loan Program. Ninety-five households in emergency situations will be able to access these funds to repair a dangerous furnace or water heater, to fix a leaking roof, to repair a water line, or to repair hazardous wiring or plumbing. The maximum assistance per household is \$5,500. An additional \$5,000 will be available for

25 of the assisted households to make exterior repairs and improvements. These exterior improvements will have a positive effect on the homes and the neighborhood.

As federal funding becomes more scarce, it is important to identify alternative funding sources for City programs. The Federal Home Loan Bank Affordable Housing Program is one such source. Moreover, because the Federal Home Loan Bank is in Des Moines, the program is very easy to administer and staff is readily available to answer questions.