

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-142

SYNOPSIS -

AGENDA:

Application for the Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP). West Des Moines State Bank (West Bank) is the applicant, with the City as a sponsor.

APRIL 5, 1999

SUBJECT:

FISCAL IMPACT -

GRANT APPLICATION
BY WEST BANK AND
CITY OF DES MOINES
FOR FHLB
AFFORDABLE
HOUSING PROGRAM

The request is for \$475,000 for the Emergency Repair Loan Program. The funds would be used for "bricks and mortar"; the City would continue to fund staff costs and overhead through Community Development Block Grant (CDBG) funds.

TYPE:

RECOMMENDATION -

RESOLUTION
ORDINANCE
RECEIVE/FILE

Approval of the Application.

SUBMITTED BY:

In April 1996, West Bank applied for an AHP Grant from the FHLB 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 a \$400,000 grant for this purpose.

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

BACKGROUND -

The 1999 West Bank application will focus FHLB funds on the Emergency Repair Loan Program. Eighty-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 21 of the assisted households to make exterior repairs and improvements. These exterior improvements will have a positive effect on the house and on the neighborhood.

Due to reductions of CDBG funds allocated to this program, it is critical that alternative funding sources are identified. The FHLB AHP is one such source. Moreover, because the FHLB is in Des Moines, the program is very easy to administer and staff is readily available to answer questions.