



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-479

SYNOPSIS -

AGENDA:

OCTOBER 25, 1999

On the October 25, 1999 Council agenda is a roll call to approve the Affordable Housing Agreement between the City of Des Moines, Federal Home Loan Bank of Des Moines, and West Des Moines State Bank.

SUBJECT:

APPROVAL OF
AFFORDABLE
HOUSING
AGREEMENT

FISCAL IMPACT -

The City of Des Moines and West Bank have been awarded \$475,000 for the Emergency Repair Loan Program. The funds will be used for "bricks and mortar"; the City will continue to fund staff costs and overhead through Community Development Block Grant (CDBG) funds.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval.

SUBMITTED BY:

JAMES GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

BACKGROUND -

In April, 1999, West Bank applied for an Affordable Housing Program (AHP) Grant from the Federal Home Loan Bank in the amount of \$475,000 to be used in conjunction with funds allocated for the Emergency Repair Loan Program administered by the former Housing Conservation Division of the Community Development Department. In July, 1999, West Bank was awarded \$475,000 in the form of a grant for this purpose.

The 1999 application focused Federal Home Loan Bank 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, these funds are critical to the continuation of the Emergency Repair Loan Program. 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.