

Meeting Agendas/Info

CITY COUNCIL COMMUNICATION:

ITEM _____

OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

01-131

SYNOPSIS -

AGENDA:

MARCH 26, 2001

To approve the submittal of two grant requests to the Federal Home Loan Bank of Des Moines for funding to provide emergency home repairs for low-income owner-occupants.

SUBJECT:

GRANT
APPLICATIONS TO
FEDERAL HOME
LOAN BANK

FISCAL IMPACT -

Each grant application is for \$249,999 for a total of \$499,998. This money will go directly into emergency repairs for homes. Funding for staff and administration is provided through Community Development Block Grant (CDBG) dollars. An additional \$50,000 of CDBG funds is provided for Emergency Repair Program dollars.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval.

SUBMITTED BY:

JAMES M. GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

BACKGROUND -

The Federal Home Loan Bank of Iowa provides grant funds for member banks through a program called the Affordable Housing Program. A member bank may sponsor a non-profit or government organization to administer a program that encourages affordable housing.

In 1999 and 2000, the City of Des Moines worked with West Bank and Bankers Trust to make application for and receive funds to supplement the City's Emergency Repair Loan Program for low-income owner-occupied structures. The grant applications propose a similar program. Both Bankers Trust and West Bank have expressed an interest in again sponsoring the City for this program.

Two grant applications for \$249,999 each, one sponsored by

Bankers Trust and one by West Bank, are attached to the roll call. If these applications are fully funded, the City could assist 100 low-income homeowners with emergency repairs on their homes such as a broken water line or a roof failure. The Federal Home Loan Bank funds would provide up to \$5,000 for an emergency repair per structure. Staff funds are provided through CDBG. CDBG funds also can provide an additional \$500 per structure if needed.

In 2000, the Community Development Department administered \$499,998 of Federal Home Loan Bank funds for 100 low-income homeowners. This grant money allowed the City to supplement City and federal funds for housing and enabled many families to stay in their homes when an emergency occurred.

On April 3, 2000, by Roll Call No. 00-979, City Council adopted a temporary ordinance to refund building permit fees for all Federal Home Loan Bank applications in order to make the application more competitive. An amendment extending this ordinance will be presented for Council approval at the April 2, 2001 City Council meeting.