

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-261

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

AGENDA:

SYNOPSIS -

MAY 20, 2002

Approval of the Affordable Housing Agreement between the City of Des Moines, the Federal Home Loan Bank of Des Moines (FHLB), and Bankers Trust Company (Bankers Trust, 665 Locust, Des Moines, Iowa).

SUBJECT:

AGREEMENT WITH
BANKERS TRUST
COMPANY FOR
DISPERSAL OF THE
FEDERAL HOME
LOAN BANK
AFFORDABLE
HOUSING
PROGRAM GRANT

FISCAL IMPACT -

The City of Des Moines and Bankers Trust have been awarded \$249,999 for the Owner-Occupied Rehabilitation (Minor) Program. The funds will be used for "bricks and mortar" while the City will continue to fund staff costs and overhead through Community Development Block Grant (CDBG) funds.

TYPE:

RECOMMENDATION -

Approval.

RESOLUTION
ORDINANCE
RECEIVE/FILE

BACKGROUND -

SUBMITTED BY:

JAMES M. GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

In March, 2001, Bankers Trust applied for an Affordable Housing Program (AHP) Grant from the FHLB in the amount of \$249,999 to be used in conjunction with funds allocated for the Owner-Occupied Rehabilitation (Minor) Program administered by the Neighborhood Conservation Services (NCS) Division of the Community Development Department. In July 2001, Bankers Trust was awarded \$249,999 in the form of a grant for this purpose.

The 2001 application focused FHLB funds on the CDBG Owner-Occupied Rehabilitation (Minor) Program. Fifty 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 of FHLB

funds will be available for 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 Owner-Occupied Rehabilitation (Minor) Program. Because the FHLB is in Des Moines, the program is very easy to administer and staff is readily available to answer questions.
