



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/27/04
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Communication No.:

Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Approval of \$250,000 grant request to the Federal Home Loan Bank of Des Moines Affordable Housing Program by the City of Des Moines/West Des Moines State Bank for funding to provide emergency home repairs for low-income owner-occupied housing.

FISCAL IMPACT—

The grant application is for \$250,000 that will go directly into emergency repairs for low-income owner-occupants. \$250,000 of Community Development Block Grant (CDBG) Dollars and \$250,000 of Polk County Housing Trust Fund dollars will match the money. Money for staff and administration is provided by CDBG dollars.

If the grant application is successful, 114 loans will be provided for low-income households. A condition of the grant application is to refund Permit and Development Division fees for emergency repair loans assisted through this program. This cost will be approximately \$6,375 in Permit and Development Division fees.

RECOMMENDATION—

Approval

BACKGROUND

The Federal Home Loan Bank of Des Moines provides grant funds for member banks through a grant program called the Affordable Housing Program. A member bank may sponsor a non-profit or government organization to make application to administer a program that preserves affordable housing for low-income residents. Applications for funds are requested twice annually and are very competitive.

In 2000 and 2001, the City of Des Moines worked with West Des Moines State Bank (West Bank) to make application for and receive funds to supplement the City's Emergency Repair Loan Program for low-income owner-occupied structures. Only certain banks in the Des Moines area are Member Institutions of the Federal Home Loan Bank and are able to make application for the funds. West Des Moines State Bank is headquartered at 1601 22nd Street in West Des Moines. Joyce Chapman is the Executive Vice President of West Des Moines State Bank with signature privileges from the Federal Home Loan Bank of Des Moines.

If this application is fully funded and the City receives anticipated money from the Polk County Housing Trust Fund, the Neighborhood Conservation Division could assist 114 low-income homeowners with emergency repairs on their homes. Emergency repairs include such system failures as a broken water line or collapsed roof. An emergency repair is limited to a total of \$6,600. The Federal Home Loan Bank funds would provide up to \$2,200 per structure for an emergency repair. The Polk County Housing Trust Fund dollars provide an additional \$2,200 and CDBG funds the final \$2,200. Staffing funds are provided through CDBG for the Neighborhood Conservation Division, Community Development Department.

The City Council has refunded building permit fees for all Emergency Repair Loans funded through the Federal Home Loan Bank Program in the past in order to make the application more competitive. Based on past experience, approximately 75 of the 114 loans will need a permit. A permit fee is approximately \$85 for a \$6,600 project for a total of \$6,375 of fees refunded.