



Agenda Item:

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## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 02/07/05  
058

Communication No.: 05-

Agenda No.	Item	Type:	Resolution	Roll	Call
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Submitted by: Larry Hulse, Community Development Director

### SUBJECT—

Approve the form of agreement between the City of Des Moines, West Des Moines State Bank, (West Bank) and the Federal Home Loan Bank of Des Moines to implement the Affordable Housing Program Grant for Emergency Home Repairs for low-income owner-occupants.

### FISCAL IMPACT—

The grant for \$250,000 will go directly into emergency repairs for low-income owner-occupants. The Federal Home Loan Bank money will be matched by \$250,000 of Community Development Block Grant (CDBG) dollars and \$250,000 of Polk County Housing Trust Fund dollars. Money for staff and administration is provided from CDBG dollars. The combination of funds will provide loans for 114 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

At its September 27, 2005 meeting by Roll Call 04-2046, the City Council approved a grant application sponsored by West Des Moines State Bank for submittal to the Federal Home Loan Bank for \$250,000 to be used in conjunction with the City of Des Moines' Emergency Repair Program. In December 2004, West Bank and the City of Des Moines were notified by the Federal Home Loan Bank that the grant application was successful. The City will receive \$250,000 through West Bank to supplement loans for 114 low-income households. The City has also received an additional \$250,000 for the Emergency Repair Program from the Polk County Housing Trust Fund.

Emergency repairs include such system failures as a broken water line or collapsed roof. Under the City's guidelines, an emergency repair is limited to a total of \$6,600. The Federal Home Loan Bank funds will provide up to \$2,200 for an emergency repair per structure, the Polk County Housing Trust Fund dollars 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.

City staff has been actively searching for grant funds to supplement the city's CDBG funds. 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 administer a program that preserves affordable housing for low-income residents. Only certain banks in the Des Moines area are Member Institutions of the Federal Home Loan Bank 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. In 2001, the City of Des Moines successfully worked with West Bank to make application for and receive funds to supplement the City's Emergency Repair Program for low-income owner-occupied structures