



Agenda Item:

38

COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 11/21/05
Agenda Item Type: Resolution

Communication No.: 05-655
Roll Call No.:

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Resolution authorizing a \$250,000 Grant Request to the Polk County Housing Trust Fund for the City of Des Moines' Emergency Repair Loan Program.

SYNOPSIS—

The City of Des Moines will submit a \$250,000 grant request to the Polk County Housing Trust Fund for the City of Des Moines' Emergency Repair Loan Program. If awarded, the grant will be matched by Community Development Block Grant (CDBG) Funds and a Federal Home Loan Bank (FHLB) grant. If the Polk County Housing Trust Fund grant is awarded, the City Manager or his designee is authorized to execute the terms of the agreement.

FISCAL IMPACT—

The grant application is for \$250,000. This will be matched by \$250,000 of 2006 Community Development Block Grant funds (to be authorized at the 11/21/05 Council meeting) and \$137,500 remaining of a Federal Home Loan Bank grant received in December 2004. The combination of these grant funds will enable the City's Emergency Repair Loan Program to correct emergency conditions for low-income homeowners.

RECOMMENDATION—

Authorization to submit a \$250,000 grant application to the Polk County Housing Trust Fund for operation of the City's Emergency Repair Loan Program

BACKGROUND—

The Emergency Repair Loan Program (ERL) targets low-income households most at risk of losing their homes. An \$8,000 per house subsidy allows the household to mitigate the immediate problem and to remain in the home. The majority of low-income households are unable to afford the cost of emergency repairs such as a roof, waterline, or furnace failure.

Several funding sources contribute to the Emergency Repair Loan Program administered by the Neighborhood Conservation Program of the Community Development Department:

- The City received a \$250,000 grant from the Polk County Housing Trust Fund in December 2004 to operate the Emergency Repair Loan in Calendar-Year 2005. The current grant application will enable the program to operate in Calendar-Year 2006.
- The City received a \$250,000 grant from the Federal Home Loan Bank in December of 2004 to operate the program in Calendar Years 2004 and 2005. The City will apply for additional Federal Home Loan Bank funds in April 2006.
- The City used \$250,000 of 2005 CDBG funds to operate the Emergency Repair Loan Program. On the Council's 11/21/05 agenda is an item authorizing more CDBG funds for the Emergency Repair Loan in 2006.

The City of Des Moines has operated the ERL Program for several years. Over that time, the assistance levels have been adjusted to keep pace with inflation. The assistance level of \$8,000 is generally adequate to address one emergency issue. If the Polk County Housing Trust Fund dollars are received, approximately 80 emergency repairs can be made.

If the Polk County Housing Trust Fund grant is received, the City Manager or his designee is authorized to execute the terms of the agreement.