



**Council
Communication**
Office of the City Manager

Date

April 24, 2006

Agenda Item No. 29

Roll Call No. 06-

Communication No. 06-237

Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

Approval of \$250,000 grant request to the Federal Home Loan Bank of Des Moines Affordable Housing Program by the City of Des Moines and West Des Moines State Bank to provide rehabilitation assistance in low-income owner-occupied housing that contains lead based paint.

SYNOPSIS:

Recommend approval of a grant application for \$250,000 to the Federal Home Loan Bank of Des Moines Affordable Housing Program. The funding will go directly into home repairs for low-income owner-occupants who have children under six and lead based paint in their homes. The grant application is matched by \$250,000 of Community Development Block Grant (CDBG) dollars and \$150,000 of Polk County Housing Trust Fund dollars. Money for staff and administration is provided by CDBG dollars. If the grant application is successful, approximately 50 low-income households could be assisted over a two-year period.

FISCAL IMPACT:

Amount: \$250,000

Funding Source: Fiscal Year 2005-06 Operating Budget, Community Development Block Grants, SP020 CDD049900 CDBG200514, NCS-Owner Occupied Program, Page 354.

ADDITIONAL INFORMATION:

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 held annually and are very competitive.

Over the past few years, the City of Des Moines has worked with West Des Moines State Bank (West Bank) to make application for and receive funds to supplement the City's Repair Loan Program for low-income owner-occupied structures. West Bank has also agreed to work with the City on the application

for rehabilitation assistance for homes with lead based paint. West Des Moines State Bank (1601 22nd Street, West Des Moines, IA, Joyce Chapman, Executive Vice President) is one of only a limited number of banks in the Des Moines area that is a Member Institution of the Federal Home Loan Bank and eligible to make application for the funds. In order to make application, the bank must also have its headquarters in the Des Moines region, which prohibits many local banks from sponsoring the City for this program.

Des Moines elected officials and staff have been meeting with Polk County to determine how to address lead issues in housing. In Des Moines' oldest neighborhoods on the north, east and south sides, officials believe an estimated 13 percent of children have dangerously high lead levels in their blood. That number is nearly twice the state average and seven times the national average, according to the Polk County health department.

Lead was used in house paint until 1978, when its perilous health effects became widely known. More than half of the houses in Des Moines were built before the restrictions took effect, and a majority of those houses contain some lead. Lead can enter the body by eating paint chips or inhaling paint dust from floors, walls and window sills. Children younger than 6 are most susceptible to lead poisoning. High levels of lead can hurt blood cells' ability to carry oxygen, which can cause kidney failure and brain damage, according to information from the Centers for Disease Control and Prevention.

County and City staff are jointly preparing a grant application to the U.S. Department of Housing and Urban Development for funding of education on lead paint, testing children for levels of lead paint, and correcting lead paint hazards in homes with children under six years of age. The Polk County Housing Trust Fund has approved a \$150,000 award to the City of Des Moines for a pilot program to rehabilitate and correct lead hazards in homes with children under six.

The grant application to the Federal Home Loan Bank's Affordable Housing Program would provide funding for additional rehabilitation in owner-occupied homes that have lead paint and children under six years of age. For example, one household in the Mondamin Neighborhood is receiving a City deferred payment loan for correcting lead paint. However, the house also did not have a working bathroom sink. Funding specifically for lead based paint can not be used for rehabilitation of a bathroom problem. The FHLB fund would supplement funds for lead paint control and provide additional rehabilitation assistance. If this application is fully funded, the Neighborhood Conservation Division could assist approximately 50 low-income homeowners at \$5,000 for each household. Staffing funds are provided through CDBG for the Neighborhood Conservation Division, Community Development Department.

PREVIOUS COUNCIL ACTION(S):

Date: November 21, 2005

Roll Call Number: 05-2791

Action: Submission of a \$125,000 grant request to Polk County Housing Trust Fund for the City's Owner-Occupied Housing Rehabilitation Loan program for a pilot program for Interim Lead-Based Paint Control. ([Council Communication No. 05-654](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

If the grant application is successful, a future action will be needed to sign a grant agreement with the Federal Home Loan Bank and with West Bank.