



**Council
Communication**
Office of the City Manager

Date

April 24, 2006

Agenda Item No. 28
Roll Call No. 06-
Communication No. 06-238
Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

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

SYNOPSIS:

The grant application is for \$250,000 that will go directly into minor home repairs for low-income owner-occupants. The grant application is matched by \$250,000 of Community Development Block Grant (CDBG) dollars and \$250,000 of Polk County Housing Trust Fund dollars for repair work. Funding for staff and administration is provided by CDBG dollars. If the grant application is successful, approximately 83 loans will be provided for low-income households.

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.

In 2000, 2001, and 2004, 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. West Des Moines State Bank (1601 22nd Street, West Des Moines, IA, Joyce Chapman, Executive Vice President) is one of only certain banks in the Des Moines

area that are Member Institutions of the Federal Home Loan Bank and able to make application for the funds.

If this application is fully funded, the Neighborhood Conservation Division could assist 83 low-income homeowners with emergency repairs on their homes. Minor home repairs include such system failures as a broken water line or collapsed roof. A minor home repair is limited to a total of \$9,000 per loan. The Federal Home Loan Bank funds would provide up to \$3,000 for a home repair per structure, the Polk County Housing Trust Fund dollars add \$3,000 and CDBG dollars fund the final \$3,000. 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: 05-2792

Action: A \$250,000 grant request to the Polk County Housing Trust Fund for the City of Des Moines Emergency Repair Loan Program. ([Council Communication No. 05-655](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: September 27, 2004

Roll Call Number: 04-2046

Action: \$250,000 Grant request from the City and West Des Moines State Bank, to the Federal Home Loan Bank of Des Moines Affordable Housing Program, to fund emergency repairs for low-income owner-occupants. ([Council Communication No. 04-463](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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.