



Council Communication

Office of the City Manager

Date	November 6, 2006
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Agenda Item No.	23
Roll Call No.	<u>06-</u>
Communication No.	<u>06-701</u>
Submitted by: Larry Hulse, Director Community Development	

AGENDA HEADING:

Authorizing a \$250,000 grant request to the Polk County Housing Trust Fund for the City of Des Moines Minor Repair Loan Program.

SYNOPSIS:

Resolution authorizing a \$250,000 Grant Request to the Polk County Housing Trust Fund for the City of Des Moines' Minor Repair Loan Program for low-income owner-occupants.

FISCAL IMPACT:

Amount: The grant application is for \$250,000. This will be matched by \$250,000 of 2007 Community Development Block Grant funds (anticipated to be authorized at the November 20, 2006 Council meeting) and a two-year \$250,000 a Federal Home Loan Bank grant received in April 2006. The combination of these grant funds will enable the City's Minor Repair Loan Program to correct emergency conditions for low-income homeowners.

Funding Source: Fiscal Year 2006-07 Operating Budget, NCS-Owner Occupied Program, SP020 CDD049900 CDBG200514, Page 354.

ADDITIONAL INFORMATION:

The Minor Repair Loan Program targets low-income households most at risk of losing their homes. An \$8,500 per house subsidy allows the household to mitigate the immediate problem and to remain in the house. 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 Minor 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 2005 to operate the Minor Repair Loan in calendar year 2006. The current grant application will enable the program to operate in calendar year 2007.
- The City received a two-year \$250,000 grant from the Federal Home Loan Bank in April 2006 to operate the program in Calendar Years 2006 through 2008.
- The City will use \$250,000 of 2007 CDBG funds to operate the Minor Repair Loan Program. A public hearing is planned for the November 20, 2006 agenda to authorize more CDBG funds for the Minor Repair Loan in 2007.

The City of Des Moines has operated this program for several years. Over that time, the assistance levels have been adjusted to keep pace with inflation. The assistance level of \$8,500 is generally adequate to address one emergency issue. If the Polk County Housing Trust Fund dollars are received, approximately 88 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.

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): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: