



# Council Communication

Office of the City Manager

Date

August 20, 2007

Agenda Item No. 38

Roll Call No. 07-

Communication No. 07-497

Submitted by: Larry Hulse, Community  
Development Director

## AGENDA HEADING:

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

## SYNOPSIS:

Recommend approval to apply for a \$250,000 grant that will go directly into home repairs and lead remediation for low-income owner-occupants who have children under six with lead blood levels above 10 micrograms/deciliter. The grant application is matched by \$250,000 of Community Development Block Grant (CDBG) funds and \$235,000 of Polk County Housing Trust Fund. Money for staff and administration is provided by CDBG dollars. If the grant application is successful, 25 low-income households will be assisted over a two-year period. The City of Des Moines received a grant of \$250,000 in 2006 from the Federal Home Loan Bank to help begin the Lead Remediation Program, and it has been operating successfully for approximately nine months.

## FISCAL IMPACT:

Amount: \$250,000 of CDBG will match the grant funds.

Funding Source: Fiscal Year 2007-08 Operating Budget, Community Development Department, Community Development Block Grants - SP020 CDD049900, CDBG200714 NCS-Homeowner Rehab, Page 105.

## 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 bi-annually and are very competitive.

Over the past few years, the City of Des Moines has worked with West Bank (1601 22nd Street, West Des Moines, Iowa, Joyce Chapman, Executive Vice President) to make application for and receive funds to supplement the City housing programs for low-income owner-occupied structures. Only certain banks in the Des Moines area are Member Institutions of the Federal Home Loan Bank and are able to make application for the funds. West Bank is headquartered at West Des Moines State Bank with signature privileges from the Federal Home Loan Bank of Des Moines.

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 ingesting paint chips or inhaling paint dust from floors, walls and window sills. Children younger than 6 years of age 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 Center for Disease Control and Prevention.

The City of Des Moines has shifted its emphasis in the past two years away from major rehabilitation of homes within specific geographic areas to focus on lead remediation in homes with children with elevated blood levels. The Community Development Department works closely with the Polk County Health Department on this program. Polk County Health Department works with the family on nutrition, cleaning techniques for preserving a lead free house and monitoring the child's blood lead level. The City works on the rehabilitation portion of the program, providing inspection services, identification of deficiencies, a roster of qualified contractors and funding.

Polk County Health Department is notified of children with elevated blood levels and may make an application for the City Lead Remediation Program. The Polk County Health Official brings the application to the City of Des Moines Community Development Department where the process begins with income verification and an initial inspection on the house by a city rehabilitation inspector to determine the extent of rehabilitation needs and lead hazards. The City orders an inspection with an X-Ray Fluorescent Machine - a machine that uses radioactive isotopes to determine the presence of lead in paint. This further helps in locating the lead hazards and in developing the rehabilitation plan.

The existing Lead Remediation Program is funded through the City's Community Development Block Grant Program, two grants from the Polk County Housing Trust Fund and a 2006 grant from the Federal Home Loan Bank. The program includes monies for lead remediation and general rehabilitation in a home. Kitchen cabinets painted with lead paint are replaced with new cabinets and windows with lead paint may be replaced or repaired so that lead dust does not constantly contaminate the house as windows are raised and lowered. There are instances however, when the particular item to be corrected does not involve lead hazards. For example, one family with lead poisoned children did not have a working bathroom sink; another family had a very old, inefficient furnace. These items are also fixed or replaced as a part of the Lead Remediation Program.

Polk County Health Department is currently distributing flyers and contacting agencies to advertise the program. Flyers are located in health clinics, agencies providing city and county services, and hardware stores. The City has helped rehabilitate and make lead safe 7 houses over the last several months and has nine new applications in process. There is no problem finding families that fit the requirement of homeowners, below 80% of median income, with children under six years of age who have elevated blood-lead levels. The hope is that through advertisement, education and a program to eliminate lead hazards in homes, lead poisoning problems will lessen over the next several years.

If this application is fully funded, the Neighborhood Conservation Division could assist 25 low-income homeowners with lead remediation and rehabilitation. The average rehabilitation/lead remediation costs are between \$30,000-\$40,000 depending on the extent of lead paint and condition of the house. Staffing funds are provided through CDBG for the Neighborhood Conservation Division, Community Development Department.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: November 6, 2006

Roll Call Number: 06-2181

Action: Form of Agreement with West Des Moines State Bank (West Bank) and the Federal Home Loan Bank of Des Moines for funds to be used in conjunction with the following: (A) [Lead](#) Remediation for low-income owner-occupants. ([Council Communication No. 06-686](#)) Moved by Vlassis to adopt. Motion Carried 6-0.

Date: April 24, 2006

Roll Call Number: 06-772

Action: [\\$250,000](#) Grant Request to Federal Home Loan Bank of Des Moines Affordable Housing Program by the City and West Des Moines State Bank to provide rehabilitation assistance in low-income owner-occupied housing that contains lead-based paint. ([Council Communication No. 06-237](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: November 6, 2006

Roll Call Number: 06-2184

Action: [Grant](#) Application to the Polk County Housing Trust Fund for City of Des Moines' Owner-Occupied Housing Rehabilitation Program for Lead-based Paint Control Program with Polk County Health Department. ([Council Communication No. 06-700](#)) Moved by Vlassis to adopt. Motion Carried 6-0.

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**

**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.