



# Council Communication

Office of the City Manager

<b>Date</b>	December 3, 2007
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<b>Agenda Item No.</b>	23A
<b>Roll Call No.</b>	<u>07-</u>
<b>Communication No.</b>	<u>07-724</u>
<b>Submitted by:</b>	Larry Hulse, Community Development Director

## AGENDA HEADING:

Authorizing a \$175,000 grant request to the Polk County Housing Trust Fund for the City of Des Moines Minor Repair Loan Program.

## SYNOPSIS:

Resolution authorizing a \$175,000 Grant Request to the Polk County Housing Trust Fund for the City of Des Moines' Minor Repair Loan Program for low-income owner-occupants. 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.

## FISCAL IMPACT:

Amount: \$300,000 matching city funds for \$175,000 grant request to the Polk County Housing Trust Fund.

Funding Source: The grant application will be matched by \$300,000 of 2008 Community Development Block Grant funds (approved by City Council on November 19, 2007, by Roll Call No. 07-2231) and \$99,000 from a 2006 Federal Home Loan Bank grant. The combination of these grant funds will enable the City's Minor Repair Loan Program to correct emergency conditions for low-income homeowners.

## ADDITIONAL INFORMATION:

The Minor Repair Loan Program (ERL) targets low-income households most at risk of losing their homes. A \$12,200 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 \$235,000 grant from the Polk County Housing Trust Fund in December 2006 to operate the Minor Repair Loan in calendar year 2007. The current grant application will enable the program to operate in calendar year 2008.

- 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 2008 and 2009.
- The City will use \$400,000 of CDBG funds to operate the Minor Repair Loan Program.

This year, the Polk County Housing Trust Fund (PCHTF) reduced the maximum funding available for program applications from \$250,000 to \$175,000. They have asked applicants to include an additional statement with their applications that indicates if additional funding, up to \$250,000 per program, were available, for how much additional funding would they apply and how many additional housing units would be added. The NCS Minor Repair Program has the capacity to request an additional \$75,000 of PCHTF funding to meet the full grant amount of \$250,000 and this would increase the number of housing units repaired from 45 to 64.

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 \$12,200 is generally adequate to address emergency issues and have the property meet the Housing Quality Standards (HQS).

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

Date: November 6, 2006

Roll Call Number: 06-2183

Action: [Grant](#) Application to the Polk County Housing Trust Fund for City of Des Moines' Minor Repair Loan Program, \$250,000. ([Council Communication No. 06-701](#)) Moved by Vlassis to adopt. Motion Carried 6-0.

#### **BOARD/COMMISSION ACTION(S): NONE**

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**