



# Council Communication

Office of the City Manager

Date February 25, 2008

Agenda Item No. 30  
Roll Call No. 08-  
Communication No. 08-080  
Submitted by: Larry Hulse, Community  
Development Director

## AGENDA HEADING:

Approval of \$460,000 grant request to the Federal Home Loan Bank of Des Moines Affordable Housing Program by the City of Des Moines and West Bank for rehabilitation assistance in low-income owner-occupied housing.

## SYNOPSIS:

Recommend approval of \$460,000 grant request to the Federal Home Loan Bank of Des Moines Affordable Housing Program. The grant funding would go directly into home repairs and lead remediation for low-income owner-occupants. The grant application is matched by \$650,000 in Community Development Block Grant (CDBG) funds and \$430,000 from the Polk County Housing Trust Fund (PCHTF). Funding for staff and administration would be provided by CDBG funds. If the grant application is successful, 140 low-income households will receive assistance with minor home repairs or lead remediation over an eighteen-month period.

## FISCAL IMPACT:

Amount: \$460,000 (grant proceeds)

The grant application is matched by \$650,000 of CDBG funds.

Funding Source: FY 2007-08 Operating Budget, SP020, CDD049900, CDBG200714 NCS-Homeowner Rehab, pg 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.

In recent years, the City of Des Moines has worked with West Bank (1601 22nd Street, West Des Moines, IA 50266, Daniel McNace, 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 able to make application for the funds.

This grant request will augment existing City CDBG funding and PCHTF funding for low-income families for two programs:

- 1) minor home repair for emergency conditions for homeowners
- 2) remediation of lead paint hazards for families with children with elevated blood lead levels.

### **Minor Home Repair for Emergency Conditions**

The Neighborhood Conservation Division will assist 120 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 forgivable loan. The Federal Home Loan Bank funds would provide up to \$3,000 in additional home repair per structure, the Polk County Housing Trust Fund dollars provide an additional \$3,000, and CDBG funds the final \$3,000. Staffing funds are provided through CDBG for the Neighborhood Conservation Division, Community Development Department.

The City of Des Moines has received grants from the Federal Home Loan Bank to supplement its minor home repair program in 2000, 2001, 2004, and 2006.

### **Lead Paint Remediation**

If this application is fully funded, the Neighborhood Conservation Division will assist 20 low-income homeowners with lead remediation and rehabilitation. The household must contain a child under the age of 6 with elevated blood lead levels to be eligible for the funding. The average rehabilitation/lead remediation costs are between \$30,000-\$40,000, depending on the extent of lead paint and condition of the house. Costs for the rehabilitation are split between CDBG, PCHTF, and the proposed Federal Home Loan Bank funding. Staffing funds are provided through CDBG for the Neighborhood Conservation Division, Community Development Department. The City of Des Moines received a grant from the Federal Home Loan Bank to begin a pilot program on lead remediation in 2006, but was not successful in a grant request in 2007.

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.

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 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.

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

Date: August 20, 2007

Roll Call Number: 07-1614

Action: [Grant](#) Application of \$250,000 to Federal Home Loan Bank of Des Moines from Affordable Housing Program by City of Des Moines/West Bank to provide rehabilitation assistance in low-income owner-occupied housing that contains lead based paint. ([Council Communication No. 07-497](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: November 6, 2006

Roll Call Number: 06-2181 and 06-2182

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. (B) [Affordable](#) Housing Program Grant for Minor Home Repairs. ([Council Communication No. 06-687](#)) 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: April 24, 2006

Roll Call Number: 06-771

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 for minor home repairs for low-income owner-occupants. ([Council Communication No. 06-238](#)) 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, future Council action will be needed to sign a grant agreement with the Federal Home Loan Bank and West Bank.