

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	June 30, 2009
	Agenda Item No. 6 Roll Call No. <u>09-</u> Communication No. <u>09-440</u> Submitted by: Larry Hulse, Community Development Director	

AGENDA HEADING:

Authorizing submittal of Disaster Damage Housing Assistance Grant Fund (Jumpstart State 3) Application to the Iowa Finance Authority (IFA).

SYNOPSIS:

Recommend authorization of City Staff to submit an application, attached as Exhibit A, to the Iowa Finance Authority for additional state funding to assist with the recovery efforts from the heavy rains and flooding of 2008. These new funds were made available for localities to apply for under Senate File 376. Funds will be used to assist homeowners through the Jumpstart Housing Assistance Program.

FISCAL IMPACT:

Amount: \$500,000

Funding Sources: The Iowa Finance Authority is providing the funding for the Jumpstart Housing Assistance Program through the Disaster Damage Housing Assistance Grant Program.

ADDITIONAL INFORMATION:

On September 30, 2008, by Roll Call 08-1711, Council approved the Jumpstart Housing Assistance Program Grant Agreement with the Iowa Finance Authority which provided funding for three housing programs to assist residents impacted by the flooding events of early last summer. The programs which were created will allow Des Moines residents impacted by last summer's events to access assistance for down payment assistance, housing repair/rehabilitation, and interim mortgage assistance. This program is for owner-occupied households that have been approved by FEMA for housing assistance.

The City of Des Moines was allocated \$658,711.43 for the State Jumpstart Housing Assistance Program through a grant agreement with IFA. An additional \$790,453.71 was provided for this program through the First Amendment to the Grant Agreement (approved by Council February 9, 2009 by Roll Call 09-236).

The primary focus of these funds will be to assist Jumpstart applicants that were unable to get assistance due to their income or the assessed value of their homes. We currently have one applicant who is over income and six applicants who are in the situation where the low assessed value of their structure prevents needed repairs. In many of these cases, expensive foundation work is needed on houses that are

only assessed between \$20,000 and \$30,000. This new funding will allow needed repairs to be made, to stabilize the structures and to keep families in their homes.

The City of Des Moines continues to have State 2 and Federal CDBG Jumpstart funds available. These new funds would be used in conjunction with the existing funds to complete needed repairs. For example, if an applicant is eligible, the first \$24,999 of the project will be funded by Federal CDBG funds. Additional funding would be provided by State 2 (up to 60% of assessed value) and the remaining funds needed would be awarded through State 3. While these cases are few and far between, there are several cases where the only option for the family (due to inability to finance a replacement home) is to repair the home, even though the cost of repairs may meet or exceed the assessed value of the home.

No other funding source exists for applicants who are over 150% Area Median Income. There is one applicant who is over income, but may otherwise be eligible for assistance. If this funding is awarded, other applicants who thought they previously didn't qualify may come forward for assistance.

PREVIOUS COUNCIL ACTION(S):

Date: February 9, 2009

Roll Call Number: 09-236

Action: Approving First Amendment to Jumpstart Housing Assistance Program Grant Agreement with the Iowa Finance Authority (IFA) for financial assistance to eligible residents for home repairs due to heavy rains and flooding during 2008. Sponsor: Mayor Cownie. (Council Communication No. 09-073) Moved by Kiernan to approve. Motion Carried 6-1. Absent: Cownie.

Date: September 30, 2008

Roll Call Number: 08-1711

Action: Approving Jumpstart Housing Assistance Program Grant Agreement and Application for Jumpstart Small Business Assistance and CDBG Supplemental Funds to assist with recovery efforts due to flooding. Sponsor: Mahaffey. (Council Communication No. 08-589) Moved by Mahaffey to refer to the City Manager to review energy efficiency and elevation of the homes and businesses. Motion Carried 6-1.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

If application is approved, an amendment to the current contract with IFA (JHAP 09-09) will need to be approved by Council.

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