



Council Communication

Office of the City Manager

Date

November 23, 2009

Agenda Item No. 33
Roll Call No. 09-
Communication No. 09-833
Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

Resolution authorizing a \$200,000 grant request to the Polk County Housing Trust Fund (PCHTF) for the City of Des Moines' Minor Repair Loan Program.

SYNOPSIS:

Recommend approval of the resolution authorizing a \$200,000 Grant Request to the PCHTF for the City of Des Moines' Minor Repair Loan Program.

FISCAL IMPACT: The grant application is for \$200,000 for 2009 and 2010 program years. This will be matched by Community Development Block Grant (CDBG) funds. The combination of these grant funds will enable the City's Minor Repair Loan Program to correct emergency conditions for low-income homeowners.

Amount: \$200,000

Funding Source: Polk County Housing Trust Fund

ADDITIONAL INFORMATION:

The Minor Repair Loan Program targets low-income households most at risk of losing their homes. A maximum of \$9,000 per house subsidy allows the household to mitigate the immediate problem and to remain in the house. The average subsidy per house in 2008 has been around \$7,800. The majority of low-income households are unable to afford the cost of emergency repairs such as a roof, waterline or furnace. To date in 2009, 52 projects have been contracted, 33 projects are in the inspection process and 15 additional applications are on file waiting for income to be verified.

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 \$175,000 grant from the PCHTF in January 2009 to operate the Minor Repair Loan Program in calendar year 2009. Approximately, \$89,000 of these funds remain and the current contract will enable the program to operate in calendar year 2010.
- The City will use \$300,000 of CDBG funds to operate the Minor Repair Loan Program. The City Council meeting on November 19, 2007, authorized CDBG funds for the Minor Repair Loan Program for the 2008-2009 program years. Approximately \$225,000 of these funds remain to be used through the 2009 program year.

- The City will use \$400,000 of CDBG funds to operate the Minor Repair Loan Program for 2010 program year, as approved by the Council on November 9, 2009.

The City of Des Moines has operated the Minor Repair Loan Program for several years. Over that time, the assistance levels have been adjusted to keep pace with inflation. As illustrated by the 2009 average of \$7,800 per house, the maximum assistance level of \$9,000 is generally adequate to address emergency issues.

This resolution gives authorization for the submission of the grant application, which is required by the PCHTF. If the grant is received, the City Manager or his designee is authorized to execute the terms of the agreement through the City's Owner-Occupied Housing Rehabilitation Loan Program.

PREVIOUS COUNCIL ACTION(S):

Date: November 09, 2009

Roll Call Number: 09-2055

Action: On proposed First (2010) Year Action Plan of the 2010-2014 U.S. Department of Housing and Urban Development (HUD) Consolidated Plan. (Council Communication No. 09-771)

) Moved by Hensley to adopt the following: 1. Approve the City Manager's recommendations for 2010, with an amendment to allocate an additional \$10,000 to the Drake Neighborhood Historic Survey and reduce the funding in the NIRP Program. 2. Allow discussion with NRB, United Way and others regarding the process for future years, and come back at the December 21st Council meeting with a recommendation. 3. City Manager to provide recommendations for implementation of necessary policy changes and procedures. 4. Share Council's intent to reduce future funding for agencies, and ask the agencies to provide their plans for the reductions. Motion Carried 6-1.

Date: November 10, 2008

Roll Call Number: 08-2008

Action: Submission of \$175,000 Grant Applications to the Polk County Housing Trust Fund for the following:

(A) Lead-Based Paint Control Program offered jointly with the Polk County Health Department.

Moved by Kiernan to adopt. Motion Carried 5-2.

(B) City of Des Moines Minor Repair Loan Program. (Council Communication No. 08-682)

Moved by Kiernan to adopt. Motion Carried 5-2.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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