

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 14, 2010
	<b>Agenda Item No.</b> 40 <b>Roll Call No.</b> [Roll Call] <b>Communication No.</b> <u>10-341</u> <b>Submitted by:</b> 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, and approval of memorandums of understanding with Neighborhood Finance Corporation and Home Opportunities Made Easy (HOME) Inc. for supportive services.

**SYNOPSIS:**

The grant application is for \$250,000 that will go directly into home repairs for low-income owner-occupants participating in the Minor Home Repair Program administered by the City of Des Moines Neighborhood Conservation Services Division. The grant application is matched by City of Des Moines Community Development Block Grant (CDBG) funds and Polk County Housing Trust Fund (PCHTF) monies. Money for staff and administration is provided by City CDBG dollars. If the grant application is successful over 100 low-income households will be assisted over twenty-four month period with minor home repairs.

**FISCAL IMPACT:**

Amount: \$250,000 in new funds from the FHLB if the application is approved.  
\$500,000 CDBG will match the grant funds (two program years)

Funding Source: SP020 CDD049900 CDBG2009014 NCS-Homeowner Rehab  
SP020 CDD049900 CDBG2010014 NCS-Homeowner Rehab  
SP020 CDD049900 CDBG2011014 NCS-Homeowner Rehab (to be created)

**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 annually and are very competitive.

The City of Des Moines has worked with West Bank to make application for and receive funds to supplement the City housing programs for low-income owner-occupied structures over the past several years. Only certain banks in the Des Moines area are Member Institutions of the Federal Home Loan Bank able to make application for the funds. West Bank is headquartered at 1601 22nd Street in West

Des Moines. Daniel McNace is the Executive Vice President of West Des Moines State Bank with signature privileges from the Federal Home Loan Bank of Des Moines.

This grant request will augment existing City CDBG funding and PCHTF funding for low income families within the Minor Home Repair Program.

The Neighborhood Conservation Division will assist over 100 low-income homeowners with emergency repairs on their homes throughout two program years. Minor home repairs include such system failures as a broken water line or collapsed roof. A minor home repair is currently limited to a total of \$9,998 (combination of PCHTF and City CDBG) per loan. This amount can typically repair an emergency system such as a sewer or water line failure but limits the ability to make additional needed repairs. The Federal Home Loan Bank funds would provide up to an additional \$2,500 in home repair per structure (deferred maintenance, limited exterior improvements, etc) if needed and/or will help to stretch the ever declining CDBG and PHTF funds so that more families can be assisted. 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.

This Council action also authorizes the Mayor to sign two Memorandums of Understanding (MOU). These MOU's will allow the City to partner with two local non-profit organizations to provide supportive services to participants in the Minor Home repair Program. The Neighborhood Finance Corporation will offer a series of classes to clients in the City's MHR Program. These include "Managing Your Money and "Understanding Credit." The NFC also provides individual financial counseling. Additionally, the NFC offers a Tool Lending Library to eligible individual home owners and groups with home repair and maintenance needs. For a modest annual fee, members can borrow tools and receive technical assistance for a variety of projects. Participants in the City's MHR program will also be given information on this service. These services will be made available to clients in the City's MHR Program at no charge.

Home Opportunities Made Easy (HOME), Inc. will offer homeownership counseling to clients in the City's MHR program. HOME, Inc. is HUD certified in pre-purchase, post-purchase and mortgage default counseling. These counseling services will be made available to clients in the City's MHR Program at no charge.

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

Date: June 22, 2009

Roll Call Number: 09-1085

Action: [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. ([Council Communication No. 09-427](#)) Moved by Vlassis to approve. Motion Carried 7-0.

Date: February 25, 2008

Roll Call Number: 08-312

Action: [Grant](#) request to 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. ([Council Communication No. 08-080](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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.

**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.

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