

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 27, 2011
	Agenda Item No. 31 Roll Call No. <u>11-1115</u> Communication No. <u>11-407</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approving the second amendment to the Iowans Helping Iowans Housing Assistance Program Grant Agreement (IHI#:10-02).

SYNOPSIS:

The Iowans Helping Iowans Housing Assistance Program, administered through the Iowa Finance Authority (IFA), has been established to help homeowners who were affected by the rain events and flooding of 2010. Eligible homeowners who received assistance from the Federal Emergency Management Agency (FEMA) but are still in need of assistance repairing their home, may receive assistance to make reasonable repairs to restore their home to pre-flood condition. Additionally, homeowners whose homes were destroyed may be eligible for down payment assistance toward the purchase of a replacement home. This action approves an amendment that reduces the contract by \$150,000 for these programs making the total amount available \$1,900,000. The remaining funds will continue to be allocated to eligible applicants. The remaining funds will be sufficient to serve all eligible applicants that have applied for the programs.

FISCAL IMPACT:

Amount: \$150,000

Funding Source: The Iowa Finance Authority is providing the funding for Iowans Helping Iowans Housing Assistance Program.

ADDITIONAL INFORMATION:

The Iowans Helping Iowans program provides financial assistance to homeowners whose primary homes are located in Polk County and have been damaged or destroyed by the natural disasters of 2010. The City of Des Moines administers the program for residents throughout Polk County. Homeowners must have registered with FEMA and been awarded some form of FEMA housing assistance to be eligible for this program. The home to be assisted must be an owner-occupied primary residence. Assistance provided under the program must be in compliance with all applicable local and state rules and ordinances, including but not limited to, those relating to building codes, zoning, flood plain ordinances, lead-safe renovators and work practices, and asbestos inspection and removal. The financial assistance under this program includes:

1. Housing Repair / Rehabilitation Assistance

Individuals whose homes were damaged by the 2010 natural disasters and are not proposed for buyouts may receive financial assistance not to exceed \$25,000 for the necessary and reasonable cost of eligible repair expenses for a disaster-affected home determined feasible for rehabilitation. Individuals eligible for this assistance are not eligible for assistance under the Down Payment Assistance provision.

2. Down Payment Assistance

Individuals whose homes were destroyed or damaged beyond reasonable repair by the 2010 natural disasters may be provided down payment assistance for the purchase of replacement housing and, if necessary, for the cost of making reasonable repairs to the home being purchased to make it safe, decent, and habitable not to exceed the lesser of 25 percent of the purchase price of the home being purchased or \$25,000. Individuals eligible for this assistance are not eligible for assistance under the Housing Repair/Rehabilitation Assistance provision.

Assistance under this program will be provided as a forgivable loan, forgiven over a 5-year period at a rate of 20 percent a year so long as the person remains in the home. If the homeowner sells the home before the end of the five year retention period, the homeowner shall repay the remaining loan balance upon the sale of their home.

The City of Des Moines initially anticipated there being a need for Down Payment Assistance funds provided under this contract for residents participating in the buyout of residential property that was damaged beyond repair in 2010. However, changes to the funding regulations allow buyout participants to access Down Payment Assistance funds in the form of relocation assistance. Due to this increase in benefit under the buyout program, the buyout participants will no longer be eligible for IHI Down Payment Assistance under this grant agreement. IFA is aware of this change and is beginning to reallocate funds within this grant agreement to other areas across Iowa that need additional funds. The remaining funds will be sufficient to serve all eligible applicants that have applied for the programs.

PREVIOUS COUNCIL ACTION(S):

Date: January 24, 2011

Roll Call Number: 11-0107

Action: [First](#) amendment to Iowans Helping Iowans Housing Assistance Program Grant Agreement for an additional grant of \$1,550,000. ([Council Communication No. 11-050](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

Date: September 13, 2010

Roll Call Number: 10-1510

Action: Agreements to assist homeowners affected by the 2010 flooding in Polk County: ([Council Communication No. 10-559](#))

(A) [Grant](#) Agreement with Iowa Finance Authority for the administration of Iowa Helping Iowans Housing Assistance Program for residents of Polk County. **Moved by Moore to adopt. Motion Carried 7-0.**

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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