

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 27, 2011
	<b>Agenda Item No.</b> 26 <b>Roll Call No.</b> <u>11-1111</u> <b>Communication No.</b> <u>11-427</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Approval of a \$300,000 grant request for owner-occupied housing Repair:

- A. Approval of grant application 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;
- B. Approval of memorandums of understanding with Neighborhood Finance Corporation and Home Opportunities Made Easy (HOME) Inc. for supportive services;
- C. Approval of sub agreement with West Bank as the partner FHLB Member Bank.

**SYNOPSIS:**

This action authorizes the submission of a 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. The action also approves Memorandums of Understand between the City of Des Moines and HOME, Inc and Neighborhood Finance Corporation for the provision of supportive services to homeowners participating in the Major Rehabilitation Program. Lastly, this action approves a sub agreement with West Bank who will serve as the FHLB Member Bank which is a requirement of the application. The Major Rehabilitation Program will assist low and very-low income homeowner in the City of Des Moines with rehabilitation and lead hazard remediation of the their homes.

**FISCAL IMPACT:**

Amount: \$300,000

Funding Source: The Federal Home Loan Bank of Des Moines

**ADDITIONAL INFORMATION:**

The Neighborhood Conservation Division will assist at least 30 low-income homeowners with rehabilitation and lead hazard reduction on their homes throughout two program years. More units may be assisted if all funding sources are received. The Major Rehab Program will target housing owned by low or very-low income households that in poor condition, especially homes within the Drake neighborhood as part of the City's neighborhood revitalization efforts and homes containing large

amounts of lead based paint. All units will be rehabilitated to Housing Quality Standards and meet the City's Municipal Building Codes. Additionally, all homes will be inspected for lead based paint hazards. Any hazards found will be remediated through interim controls or abated.

Lead was used in house paint until 1978 when its perilous health effects became widely known. More than half of the houses in Des Moines were built before the restrictions took effect and a majority of these houses contain some lead. In Des Moines' oldest neighborhoods (particularly the north central sections of the city), Polk County Health Officials believe an estimated 13 percent of children have dangerously high blood lead levels. Poor maintenance of housing within low income households often leads to lead poisoning. Iowa's incidence of lead poisoning is at least 3-4 times the national average and it is believed the neurological effects of lead poisoning in children are long lasting.

The houses assisted will contain households that meet the low or very low-income guidelines and preference will be given to households that have at least one child under the age of six years or pregnant woman living in the household. Preference will also be given to the geographic area that represents the Drake Neighborhood in Des Moines. The City of Des Moines is currently making a concentrated effort to revitalize this neighborhood and AHP funds would assist in this effort.

The total cost for these projects typically ranges from \$45,000 to \$65,000, depending on the size and condition of the house. The Federal Home Loan Bank funds will be combined with City of Des Moines Community Development Block Grant Funds and Polk County Housing Trust fund dollars. The AHP funds will be used to augment the other funding sources and provide up to an additional \$10,000 per home for rehabilitation/lead remediation.

Summary of anticipated funding for two program years:

\$600,000 CDBG—Not committed but is reserved in the City of Des Moines Entitlement Funds budget

\$600,000 PCHTF—Not Committed

\$300,000 FHLB—Not Committed

\$300,000 HUD Grant—Not Committed. This is a Federal competitive grant that if received would be used for lead remediation cost only.

The City of Des Moines Community Development Department Neighborhood Conservation Division will administer the Lead Grant Program utilizing CDBG funds for staff and administrative costs. The City has an adequate number of rehabilitation inspectors and has a financial person dedicated to managing its rehabilitation programs so that all costs are adequately documented and each funding source receives all necessary reports. The City's three rehabilitation inspectors are Certified Housing Quality Standards Inspectors and Lead Inspectors/Risk Assessors. CDBG funds in the amount of approximately \$250,000 will be used to administer the program over a two year period. Due to the extent of rehab work involved and the federal documentation requirements for procurement, lead based paint and historic preservation this program is the most staff/administratively intense to operate.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

If funding is received the Contract/Grant Agreement with the Federal Home Loan Bank of Des Moines will be brought to Council for approval toward the end of Fiscal Year 2011.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).