

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 26, 2011	
	Agenda Item No.	Extra Item 1 A, B & C	
	Roll Call No.	<u>11-1682,11-1683, 11-1684,11-1685</u>	
	Communication No.	<u>11-614</u>	
	Submitted by:	Phillip Delafield, Community Development Director	

AGENDA HEADING:

Resolution authorizing three separate grant applications to the Polk County Housing Trust Fund:

- A. \$175,000 grant request to the Polk County Housing Trust Fund for the City of Des Moines Minor Repair Loan Program;
- B. \$50,000 grant request to the Polk County Housing Trust Fund for the City of Des Moines Minor Repair Loan Program for use specifically in the Drake Neighborhood;
- C. \$175,000 grant request for three consecutive years for a total of \$525,000 to the Polk County Housing Trust Fund for the Lead Hazard Control Program administered cooperatively by the City of Des Moines and the Polk County Health Department.

SYNOPSIS:

Resolution authorizing three separate grant applications for different types of owner-occupied repair programs within the City of Des Moines. The City, through the Neighborhood Conservation Services Division, has operated the current Minor Home Repair Loan Program for almost 30 years and has a strong commitment to help low-income families make needed home repairs, allowing them to stay in their homes safely. The first application is a continuation of the program, the second application aims to target resources in the Drake Neighborhood to help implement the newly adopted neighborhood plan and the third application supports the City’s commitment to partner with the Polk County Health Department to administer a Lead Paint Hazard Control Program, authorized by Council on May 23, 2011, by Roll Call No. 11-0895).

FISCAL IMPACT:

Amount: \$750,000—total grant requests from Polk County Housing Trust Fund and \$750,000 match from the City of Des Moines

Funding Source: Grant applications A and B are for the 2011 and 2012 program years. Grant funds require a 1:1 match and will be a combination of Federal Home Loan Bank grant funds and Community Development Block Grant funds. Application C also requires a 1:1 match, which will be met with HOME and Community Development Block Grant funds. FY2011-12 Operating Budget, Community Development Block Grants, SP020, CDD049900, CDBG 2012 014, page 70; FY2011-12 Operating Budget, FHLB and Transition Grants, SP031, CDD049900, FHLB 2011 001, page 73; FY2011-12 Operating Budget, HOME Grants, SP036, CDD049900, HOME 2012 000, page 74.

ADDITIONAL INFORMATION:Minor Home Repair Loan Program (Applications A and B):

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 so far in 2011 has been around \$8,000. The majority of low-income households are unable to afford the cost of emergency repairs such as a roof, waterline or furnace failure. To date in 2011, 59 projects have been contracted, and 36 projects are in the application and inspection process.

The City of Des Moines has operated the Minor Home Repair Program for over thirty years. Over that time, the assistance levels have been adjusted to keep pace with inflation. As illustrated by the 2010 average of \$8,000 per house, the maximum assistance level of \$9,000 is generally adequate to address emergency issues.

Several funding sources will be combined, with the funds being requested, to fund the Minor Repair Loan Program administered by the Neighborhood Conservation Program of the Community Development Department. Applications and work programs for matching funds, both private and public, will be completed as available and brought before Council

Lead Paint Hazard Control Program

The City of Des Moines, Neighborhood Conservation Services Division has operated a Lead Paint Hazard Control Program in collaboration with the Polk County Health Department since 2004. The goal of the program is to help families who have children that have elevated blood levels due to lead paint by remediating or abating lead paint hazards in the home.

Through the initial 2004-2008 program, 34 households were assisted with project costs ranging from \$24,000 to \$60,000. Of those households, 32% had a household income below 30% of Area Median Income (AMI); 44% were between 31-50% AMI; and 23% were between 51-80% AMI.

In 2009, the Polk County Health Department was awarded \$3 million dollars from the U. S. Department of Housing and Urban Development's Healthy Homes and Lead Hazard Program Grant. The City of Des Moines entered into a sub-recipient contract with Polk County to help implement the Polk County Lead Hazard Control Grant Program on August 24, 2009, by Roll Call No. 09-1552. The funding from this grant will be expended by the end of 2011.

Since entering into the agreement for the 2009-2011 programs, the City has partnered with the County to assist 35 households with an average project cost of \$50,000. Of those households, 12% were below 30% AMI, 57% were between 31%-50% AMI, and 31% were between 51-80% AMI.

In May of 2011, the City of Des Moines authorized a resolution in support of the Polk County Health Department's submittal of a second Housing and Urban Development Healthy Homes Grant, by Roll Call No. 11-0895. Polk County Health Department has since been notified that they have been awarded the grant, which is scheduled to be implemented over the next three years. The funding being sought in this application to the Polk County Housing Trust Fund will help fulfill the City of Des Moines' preliminary commitment to rehabilitate 15 homes per year over the next three years, in partnership with the Polk County Health Department. The Neighborhood Conservation Services Division will also make

application to the City Council for \$900,000 over the next three years in Community Development Block Grant funds and will also be applying for funds from the Federal Home Loan Bank of Des Moines to help fulfill this commitment. Without the matching funds of the Polk County Housing Trust Fund, the City would not be able to move forward at the current commitment level.

Staff recommends submission of the three grant applications, which is required by the Polk County Housing Trust Fund. 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: May 23, 2011

Roll Call Number: 11-0895

Action: [Polk](#) County Application for a Housing and Urban Development 2011 Lead-Based Paint Hazard Control Program Grant. ([Council Communication No. 11-318](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

Date: November 22, 2010

Roll Call Number: 10-1958

Action: [On](#) Proposed Second (2011) Year Action Plan of the 2010—2014 US Department of Housing and Urban Development (HUD) Consolidated Plan. ([Council Communication No. 10-708](#)) **Moved by Coleman to adopt. Motion Carried 6-1. Pass: Moore.**

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

As funding becomes available through the Community Development Block Grant funds and the Federal Home Loan Bank of Des Moines, applications for additional matching funds will be brought before City Council.

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