

**CITY COUNCIL COMMUNICATION 98-039
FEBRUARY 9, 1998 AGENDA**

SUBJECT:

**APPROVAL OF CCI PURCHASE-REHAB PROGRAM
IN CONJUNCTION WITH 28E AGREEMENT WITH
POLK COUNTY AND NEIGHBORHOOD FINANCE
CORPORATION**

SUBMITTED BY:

**JAMES GRANT
COMMUNITY DEVELOPMENT DIRECTOR**

SYNOPSIS –

Approval of CCI Purchase-Rehab Program by parties of the aforementioned 28E Agreement. Approval will facilitate a purchase-rehab program for non-designated neighborhoods.

FISCAL IMPACT –

Approval will facilitate a \$3 million purchase-rehab loan program for non-designated neighborhoods. This requires no additional unbudgeted contribution from the City.

RECOMMENDATION –

Approval.

BACKGROUND –

At their meeting of June 23, 1997, by Roll Call No. 97-2246, the City Council approved a new five-year 28E Agreement which extended the cooperative effort among the Neighborhood Finance Corporation (NFC), Polk County, and the City of Des Moines for the period of July 1, 1997 through July 1, 2002.

The CCI Purchase-Rehab Program was created by representatives of CCI, Des Moines mortgage lenders, and the NFC to meet a need for purchase rehabilitation loans for low- and moderate-income households in Des Moines. Under the program, 75 purchase rehabilitation or contract refinance rehabilitation loans will be originated by the NFC for low-income households. Each

loan will include up to a \$5,000 forgivable loan from the Federal Home Loan Bank. Marketing of the program and homeownership education for each borrower will be provided by CCI.

CCI has received \$1.7 million in loan commitments from Des Moines lenders and Fannie Mae has agreed to purchase \$1.3 million in loans bringing the total loan commitment to \$3 million.