

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-368

SYNOPSIS –

AGENDA:
AUGUST 24, 1998

Approval of the expanded Neighborhood Finance corporation (NFC) Purchase-Rehab & Home Improvement Loan Programs by parties of the aforementioned 28E Agreement. Approval will facilitate purchase-rehab & home improvement loan programs for non-designated neighborhoods located in Housing and Urban Development (HUD) eligible low/moderate income census tracts, but not in a Charter or Designated Neighborhood.

SUBJECT:
APPROVAL OF THE
EXPANSION OF THE
NEIGHBORHOOD
FINANCE
CORPORATION
PURCHASE-REHAB
AND HOME
IMPROVEMENT
LOAN PROGRAMS
IN CONJUNCTION
WITH 28E
AGREEMENT WITH
POLK COUNTY,
IOWA AND THE
CITY OF DES
MOINES.

FISCAL IMPACT –

Approval will facilitate making 2.3 million in NFC loan funds and \$500,000 in NFC governmental funding available for purchase-rehab & home improvement loans in non-designated neighborhoods.

TYPE:
RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION –

Approval

SUBMITTED BY:
JAMES GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

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 NFC, Polk County, and the City of Des Moines for the period of July 1, 1997 to July 1, 2002.

Section 9b of the June 23, 1997, 28E Agreement authorizes the use of up to 25% of the government source funds outside Designated Neighborhoods in conjunction with housing programs approved by the NFC Board of Directors and reviewed and approved by the Des Moines City Council and the Polk County Board of Supervisors. At the July 16, 1998,

NFC Board Meeting, the Board approved NFC using up to 25% of its current Phase VII Purchase-Rehab and Home Improvement Loan Program and underwriting in the City of Des Moines' HUD-eligible low/moderate income census tracts in the Non-Designated Neighborhoods with the following exceptions:

Program Guidelines: Owner-occupied properties with 1-4 units, The property must be located within the City of Des Moines' low to moderate income census tracts, but not in a Charter or Designated Neighborhood.

Property Guidelines: Properties must be owner-occupied one to four family properties located within the City of Des Moines' low to moderate income census tracts, but not in a Charter or Designated Neighborhood with two or more major repairs required. Major repairs include: roof, foundation, furnace and air conditioning, plumbing, wiring, windows, and siding.

The Neighborhood Revitalization Board (NRB) reviewed the proposed NFC program expansion at their meeting on August 5, 1998. The NRB voted (13 yes, 1 no) to approve the program change.