



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-200

SYNOPSIS -

AGENDA:

MAY 3, 1999

Approval of the expanded Neighborhood Finance Corporation (NFC) Purchase-Rehab and Home Improvement Loan Programs by parties of the 28E Agreement. Approval will facilitate purchase-rehab and home improvement loan programs in Housing and Urban Development (HUD) eligible low/moderate income census tracts of charter neighborhoods.

SUBJECT:

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 Phase VIII funding (\$10.5 million in NFC loan funds and \$2.7 million in NFC governmental funding) available for purchase-rehab and home improvement loans in charter neighborhoods.

RECOMMENDATION -

Approval.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

BACKGROUND -

At their meeting of June 23, 1997, by Roll Call No. 97-2246, the City Council approved a new five-year 28E Agreement that extended the cooperative effort among the NFC, Polk County, and the City for the period of July 1, 1997 to July 1, 2002.

SUBMITTED BY:

JAMES GRANT
COMMUNITY
DEVELOPMENT

Section 9a of the June 23, 1997, 28E Agreement authorizes the use of no less than 75 percent of the government source funds in 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 March 18, 1999, NFC Board meeting, the Board approved modifying its lending policy to include low- to moderate-income census tracts located

DIRECTOR

in charter neighborhoods as part of the 75 percent of the funding used in designated neighborhoods with the following exceptions:

Program Guidelines: Owner-occupied properties with one to four units. The property must be located within designated neighborhoods or the City of Des Moines' low- to moderate-income census tracts.

Property Guidelines: Properties must be owner-occupied one to four family units located within designated neighborhoods or the City of Des Moines' low- to moderate-income census tracts 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 April 7, 1999. The NRB voted (12 yes, 0 no) to approve the program change.