



**Council
Communication**
Office of the City Manager

Date	March 6, 2006
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Agenda Item No. 21
Roll Call No. 06-
Communication No. 06-115

Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

Approval of a Certificate of Consistency with the City's 2005-2009 Consolidated Plan for the Neighborhood Finance Corporation (NFC).

SYNOPSIS:

Authorize and direct the City Manager or his designee to approve and execute the Certificate of Consistency with the City's 2005-2009 Consolidated Plan for the Neighborhood Finance Corporation (NFC). The Neighborhood Reinvestment Corporation (NRC) annually makes application to the U.S. Department of Housing and Urban Development (HUD) for funding as a National Housing Counseling Organization. The Certificate of Consistency form is a required part of the HUD grant application process. The Certificate of Consistency with the Des Moines Consolidated Plan enables the NFC to receive federal funds obtained by the NRC from HUD.

FISCAL IMPACT: NONE

Amount:

Funding Source:

ADDITIONAL INFORMATION:

The NFC provides unique lending programs and related services to help revitalize targeted neighborhoods in Polk County through partnerships with residents, government bodies, community-based organizations and the business community. The NFC serves neighborhoods that are selected by the City Council and County Board of Supervisors with input from the City's Community Development Department and the Neighborhood Revitalization Board (NRB).

Since 1991, NFC has originated over \$135,000,000 in loans and grants that have assisted more than 3,327 housing units in designated neighborhoods in both Des Moines and West Des Moines, as well as in low to moderate income areas of the cities.

NFC receives at least \$1 million from the City and County annually through a 28E agreement. These payments are funded through general obligation bonds. NFC uses these grants to fund forgivable loans that are used for home improvements, closing-cost assistance, loan guarantees and construction loans. The city and county directly benefit from NFC's use of these funds as the property values of homes that NFC finances increase dramatically. To effectively leverage loan funds, NFC has entered into master loan participation agreements with 13 area financial institutions, Fannie Mae and the Iowa Finance Authority to sell loan participations made under NFC's various programs.

On June 20, 2003, NFC became a charter member of Neighborhood Reinvestment Corporations' Neighbor Works® network. Neighborhood Reinvestment Corporation is a non-profit, public corporation chartered by the United States Congress that is charged with promoting reinvestment in older neighborhoods by working with local financial institutions, the community, residents and local governments. NRC membership will continue to strengthen NFC through training programs, and administrative and program support.

PREVIOUS COUNCIL ACTION(S):

Date: May 17, 2004

Roll Call Number: 04-1025

Action: Goals for 2005-2009 Housing and Urban Development (HUD) Consolidated Plan Affordable Housing Strategy. (Council Communication No. 04-243) **Moved by Hensley to adopt, and include Public Transit Assistance in the list of goals. City Manager to report on the issue of housing in the City. Motion Carried 7-0.**

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE