

Neighborhood Finance Corporation

1912 6th Ave Des Moines, IA 50314
515.246.0010
Neighborhoodfinance.org

Stephanie Preusch, Executive Director
515.273.1372
spreusch@neighborhoodfinance.org

Presentation to City Council Workshop December 2, 2019



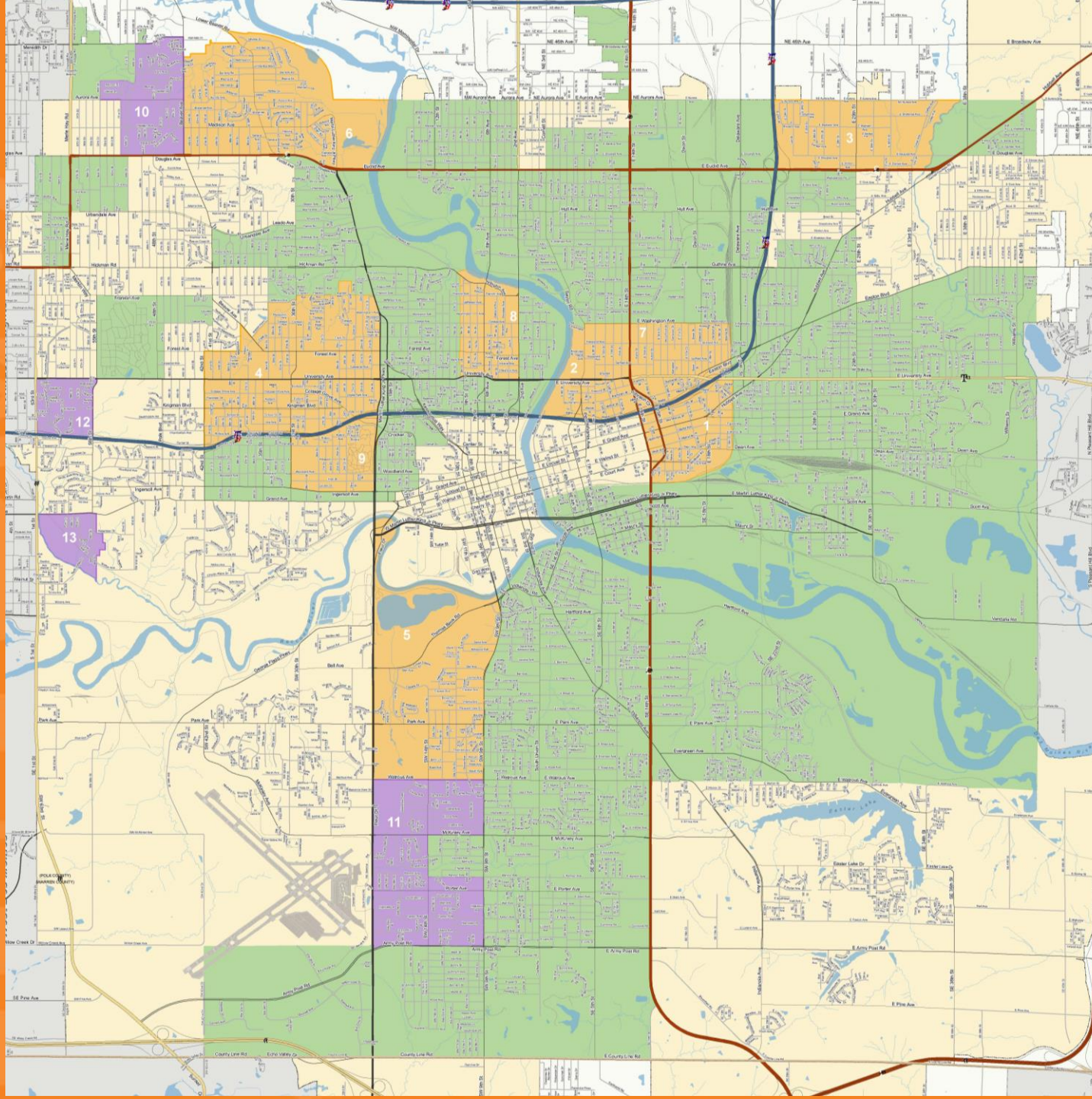
Our Mission

NFC provides unique lending programs and related services to facilitate targeted **neighborhood revitalization** in Polk County and Cedar Rapids, Iowa through partnerships with residents, governments, community-based organizations, financial institutions and the business community.

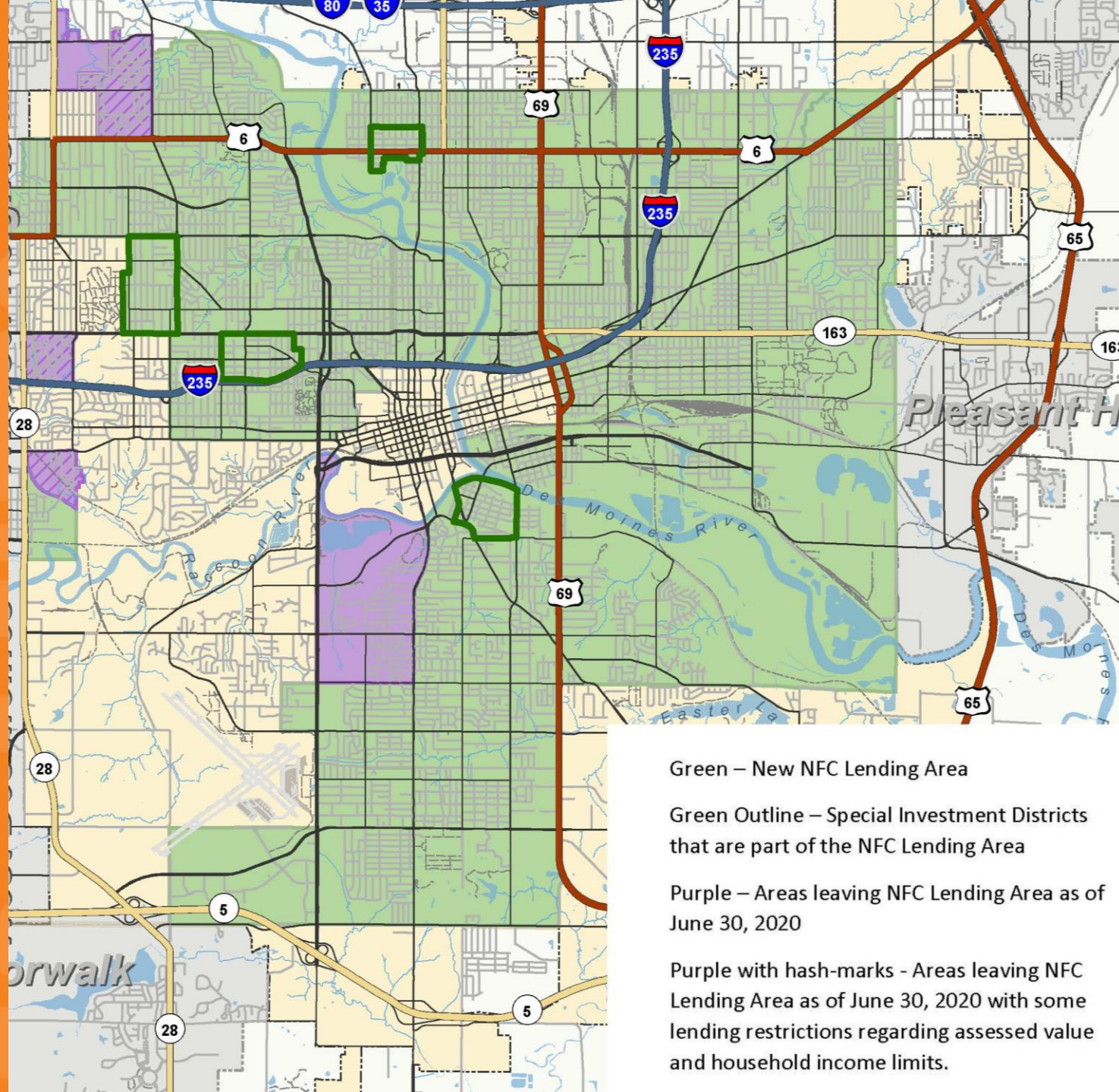
Why Neighborhood Finance Corp?

- ❑ NFC was formed as a part of a larger initiative in 1990 to improve Des Moines neighborhoods
- ❑ Five neighborhoods were chosen and each neighborhood had a smaller “target area” where resources were to be focused
- ❑ The original neighborhoods in 1991 were Beaverdale, Capitol East, Columbus Park, River Bend/North Park and Woodland Heights
- ❑ Each neighborhood developed a neighborhood plan
- ❑ For 29 years NFC has worked with the City to develop a lending map using this process

Current NFC Lending Area Map



2020 Proposed NFC Lending Area Map



NFC Advantage



Types of loans available:

- ❑ Purchase
- ❑ Refinance
- ❑ Home Improvement
- ❑ Front Porch Exterior

New in 2019:

Neighborhood Reinvest Down Payment Program

- ❑ \$10,500 0% interest deferred loan (APR 0%)
- ❑ Used for down payment for NFC borrowers

- ❑ NFC has provided loans to over 6,000 households
- ❑ Loans have totaled over \$350 million
- ❑ In 2019, NFC lending generated over \$88 million in investments
- ❑ Financial Institutions participate in offerings and equity investments over \$140 million to date.

2018 Lending Totals

195 NFC Loans

144 Borrowers

\$10.16 million in lending

\$1.2 million forgivable loans

\$2.9 million in renovations

434 down payment loans - over \$3.77 million

NFC Lending and Impact

NFC Lending in 2019 (through Nov. 21)

- ❑ \$15 Million in Lending to 463 borrowers
- ❑ \$3.5 million of total renovations
- ❑ 259 Down Payment loans – over \$3.79 million

Lending by Loan Type

of Loans

Purchase	48
Home Improvement	36
Refinance	29
Front Porch Exterior Repair	46
Total	123
<i># of Borrowers in Des Moines</i>	111
<i># of Borrowers in West Des Moines & Windsor Heights</i>	12
<i># of Borrowers in Cedar Rapids</i>	42

Government Source Funds



NFC receives \$1 million a year from the City of Des Moines, Polk County & the City of Cedar Rapids, and \$200,000 from West Des Moines. As an organization we pride ourselves on being good stewards of the government source (28E funds). Since 1991, NFC has recycled over 50% of the funds received.

Funds are used for:

- ✓ Up to \$10,000 for renovations as a 5-year forgivable loan
- ✓ Up to \$20,000 for renovations if down-sizing to a single-family property as a 10 year forgivable loan
- ✓ Up to \$2,500 in closing costs for low and moderate income home buyers
- ✓ As a loss reserves on our lending pools
- ✓ 28E funds are not used to support NFC operations

NFC Lending by Neighborhood



of Loans
in Des Moines
Jan. 1, 2019
Through
Nov. 21, 2019

Accent	4
Beaverdale	6
Capitol East	1
Capitol Park	4
Chautauqua Park	1
Columbus Park	4
Cheatom Park	5
Fairmont Park	2
Indianola Hills	7
Mondamin Presidential	1
Ward 1 (no neighborhood)	1
Oak Park	8
River Woods	1
Ward 3 (no neighborhood)	3
Valley High Manor	1
Watrous South	9
Waveland Woods	1
Westwood	1

Douglas Acres	6
Drake	8
Drake Park	2
Gray's Lake	4
Gray's Woods	1
Highland Park	7
Lower Beaver	4
Merle Hay	1
North of Grand	1
Prospect Park	3
River Bend	2
Shared Beaverdale/Waveland	2
Sheridan Gardens	1
Sherman Hill	1
South Park	1
Union Park	6
Woodland Heights	1
Total	111



NFC Lending by
Neighborhood
1/1/1991 to
10/31/2019

Neighborhood	# of Loans	Loan Amount	Forgivable Amt.	Total Amount
Des Moines:				
ACCENT	330	\$ 13,243,670	\$ 2,170,786	\$ 15,414,456
Beaverdale	492	22,417,168	2,844,398	25,261,566
Capitol East	157	6,303,053	998,214	7,301,267
Capitol Park	147	5,895,603	1,164,578	7,060,181
Carpenter/Drake Park	46	1,884,913	240,295	2,125,208
Chautauqua Park	71	2,706,837	458,430	3,165,267
Citywide	1190	58,967,475	9,380,673	68,348,148
Columbus Park	109	3,919,409	692,575	4,611,984
Douglas Acres	78	3,887,433	541,505	4,428,938
Drake	386	23,781,132	2,621,058	26,402,190
Ewing Woods / Evergreen	1	10,537	2,923	13,460
Fairground	150	6,577,272	1,169,194	7,746,466
Fairmont Park	61	3,280,684	482,308	3,762,992
Gray's Lake	79	4,276,177	576,557	4,852,734
Gray's Woods	129	5,864,053	903,531	6,767,584
Highland Park	513	23,004,564	3,925,703	26,930,267
King Irving	84	5,131,114	541,727	5,672,841
Lower Beaver	147	9,175,229	1,014,381	10,189,610
Martin Luther King Jr. Parkway	10	515,762	80,673	596,435
Merle Hay	347	14,968,397	1,954,021	16,922,418
Midland Program	29	943,450	-	943,450
North of Grand	289	18,665,917	2,196,271	20,862,188
River Bend/North Park	260	15,521,086	1,826,750	17,347,836
Sheridan Gardens	54	2,598,908	368,192	2,967,100
Sherman Hill	77	5,625,013	555,095	6,180,108
South Park	68	3,857,675	494,060	4,351,735
Union Park	567	23,072,316	3,882,744	26,955,060
Waterbury	1	25,000	10,000	35,000
Waveland Park	166	11,219,187	1,322,551	12,541,738
Westwood	6	198,038	31,688	229,726
Woodland Heights	275	13,262,405	1,872,816	15,135,221
Subtotal	6,319	\$ 310,799,477	\$ 44,323,698	\$ 355,123,175

NFC Affiliations



NFC is a **NeighborWorks America** Organization

- ✓ Received \$339,500 of organizational and capital funding in 2019
- ✓ Used NeighborWorks funding to start Neighborhood Reinvest Down Payment program
- ✓ Take neighborhood groups to the Community Leadership Institute once a year (Friends of SW 9th, Highland/Oak Park, 6th Avenue Corridor)
- ✓ Received a grant to cover the origination & servicing costs of the 6 Flood loans with the City of Des Moines

NFC may be the largest **non-profit renovation lender** in the country with the ability to sell loans to Fannie Mae – contract to sell \$20 million a year

NFC is a **Community Development Financial Institution** (CDFI)

- ✓ Access funding from the US Treasury - source of funds for our 2% interest 2nd mortgages & Front Porch Exterior Loan Program.
- ✓ Since 2015 have received \$5 million

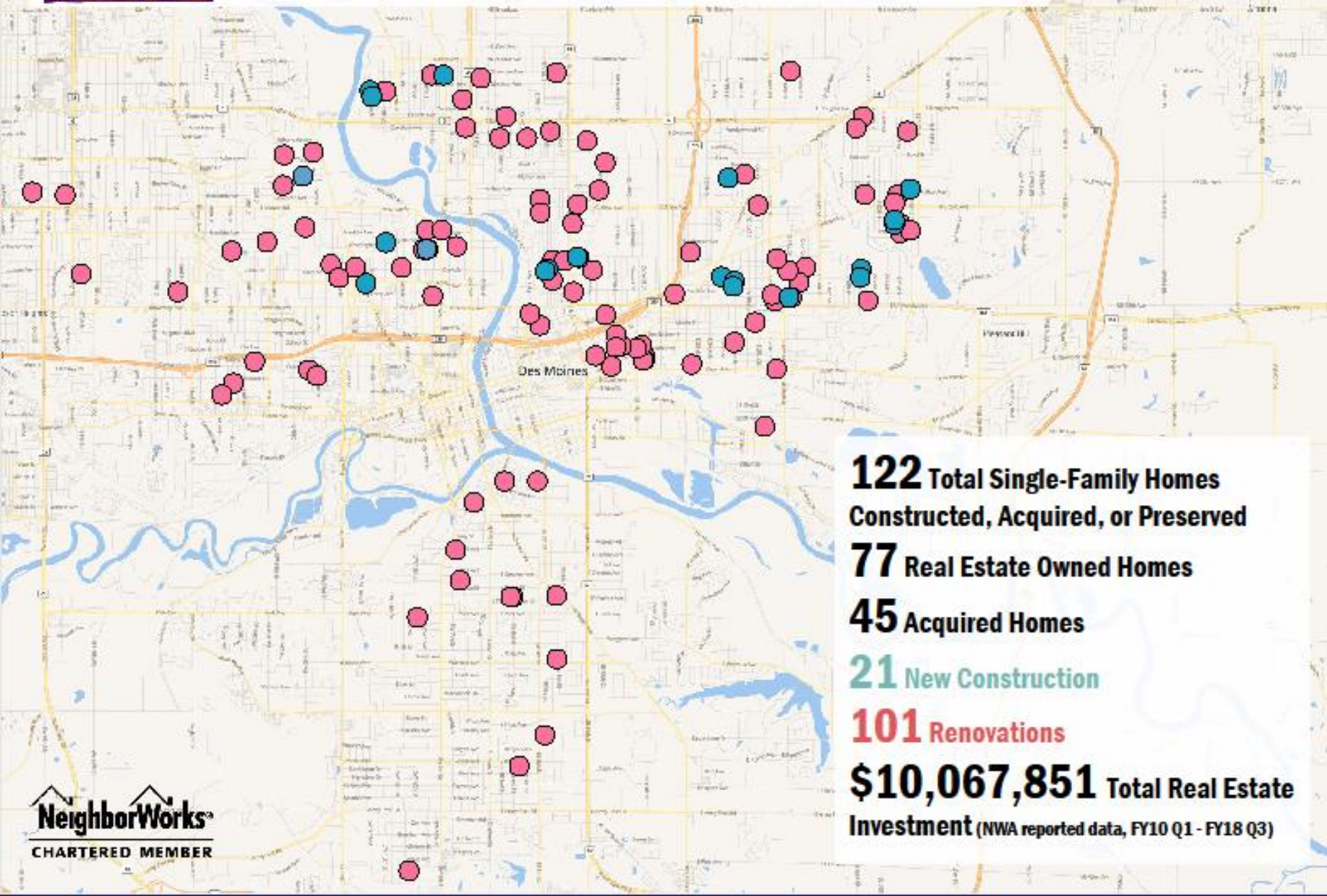
NFC Properties renovates or builds 10-15 homes a year in our lending areas

Expanded to **Cedar Rapids** in 2018



NFC Properties LLC

Single-Family Homes Constructed, Acquired, or Preserved (2005-2018)



This map shows
where NFC
Properties
constructed
homes and
renovated homes
from 2005-2018

Questions?

Thank you!

Stephanie Preusch

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