



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

COMMUNITY DEVELOPMENT DIVISION

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MEMORANDUM

TO: Legal & Finance Committee
FROM: Barbara Garcia, Community Development Specialist
DATE: July 30, 2008
RE: Council Approval for Community Development to Utilize \$70,000 of FY 08 Allocation for Affordable Housing Projects for the Neighborhood Restoration Loan Program.

Staff requests Council approval for reallocation of \$70,000 of the affordable housing fund's remaining \$105,261 to the City's Neighborhood Restoration Loan program for rehab assistance for low-income homeowners within the corporate limits of Rapid City.

The City allocated \$116,352 of FY 2008 CDBG funds to the Community Development Division for affordable housing projects. Council approved use of \$11,091 in June 2008 for Habitat for Humanity leaving a balance of \$105,261.

Community Development did not request allocations for the City's Neighborhood Restoration Loan Program in 2007 or 2008, and only received \$192 in 2006 due to the large amount of revolving loan income that had built up over previous years that needed to be spent before any additional draws could be made to grant funds. The excess funds and all grant dollars have now been expended.

The Community Development office has been receiving requests for assistance with broken and blocked sewer lines, a leaking roof with mold and wall damage, and other housing repair needs but is unable to provide assistance due to lack of funds. An allocation of \$70,000 would allow us to assist 7 to 12 more families this year. Community Development currently has 3 people on a waiting list.

Staff Recommendation: Council approval for reallocation of \$70,000 of the affordable housing funds to the City's Neighborhood Restoration Loan program for rehab assistance for low-income homeowners within the corporate limits of Rapid City.



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