
RAPID CITY COMMUNITY DEVELOPMENT CORPORATION

111 St. Joseph St.
Rapid City, SD 57701
(605) 348-3104 X-114

May 5, 2003

Trish Anderson
Community Development Dept.
Sixth St.
Rapid City, SD 57701

Dear Trish,

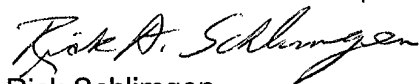
The Rapid City Community Development Corporation requests the reprogramming of the Community Development Block Grant Funds we have remaining, which totals \$194,600. Originally the funds were allotted for the purchase of lots for construction of low-to-moderate single-family housing. Due to the shortage of affordable vacant lots in Rapid City we are requesting that the purpose for the use of funds be amended to allow for **purchase rehabilitation** and/or purchase of vacant lots.

As identified by the Rapid City Five Year Consolidated Plan, we have many older homes in need of rehabilitation. The RCCDC would use its funds to purchase these homes and the CDBG funds to pay for the rehabilitation costs needed to upgrade the homes. The RCCDC would then sell the homes to a low-to-moderate income homebuyer. The CDBG rehabilitation funds would be a fully recoverable zero percent loan with no monthly payment (a soft second mortgage) rather than a forgivable grant. This would create a revolving fund as loans are paid off, allowing us to help more low-to-moderate income people.

A portion of the funds (15%) would be used to cover administrative costs for the delivery of the program, to include, but not limited to, salaries, inspection fees, accounting and program servicing.

Thank you for your consideration of this matter.

Sincerely,



Rick Schlimgen
RCCDC Chairman/President