



We're more than a bank ...

RECEIVED

JAN 13 2006

MAYOR'S OFFICE
hand delivered

January 13, 2006

City Council
ATTN: Mayor Shaw and Councilman Kroeger
Rapid City, SD 57701

RE: Rapid City Community Development Corp. Block Grant Funds Application/Award

Dear Mayor Shaw and Councilman Kroeger:

It has been brought to our attention that other non-profit agencies may be requesting your consideration to reallocate Community Development Block Grant Funds to their projects that were not recommended for funding.

We realize that in order to do that you would have to take funding away from agencies that were initially recommended for funding. We, as Board Members, are asking that you do not take any money from the Rapid City Community Development Corporation housing program, as we had asked for \$250,000 and only were approved for \$80,000.00. This level of funding still allows us to help eight deserving families, however, we currently have a waiting list of qualified homebuyers needing down payment or closing cost assistance that we can't help until we receive more funding. With the continuing reductions in funding, eventually we won't be able to help anyone.

In FY 2005 we were able to help 19 families become homeowners using previously awarded CDBG funds. We have modified our program use of funds over the past two years so that we are able to help more people with the funds available. As costs of lots increased, we decided that by shifting our program to down payment and closing costs we could help three times the number of people needing housing.

As these families become homeowners they often times cease to need other sources of assistance, such as rent assistance, and they become real estate taxpayers as well, to both the city and county. All of our awardees are low-income households. Most of them are first time homeowners and many are single parent heads-of-households that otherwise would not be able to afford a home without our down payment and closing cost assistance.

The recent Housing Needs Assessment conducted by the Black Hills Region Homeless Coalition shows that the number one unmet need of the respondents is affordable housing in all type categories. Please consider not making any further reductions in our only source of homebuyer assistance funds.

1750 Eglin Street
P.O. Box 3133
Rapid City, SD 57709
605.718.2265
Fax 605.718.7348

632 Main Street
P.O. Box 2530
Rapid City, SD 57709
605.348.3322
Fax 605.348.0012

650 Flormann Street
P.O. Box 2530
Rapid City, SD 57709
605.348.4545
Fax 605.348.0341

MEMBER
FDIC





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Thank you for your time and consideration.

Sincerely,

Gail True, Real Estate Loan Officer

Rapid City Community Development Board Members

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Thank you for your time and consideration.

Sincerely,


Rapid City Community Development Board Members

Thomas Lessin
Great Western Bank