

Meeting Agendas/Info

CITY COUNCIL
COMMUNICATION:

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

01-023

SYNOPSIS -

AGENDA:

Approval of Request for Qualifications (RFQ) for Operation of Municipal Housing Agency's Affordable Homeownership Program.

JANUARY 22, 2001

FISCAL IMPACT -

SUBJECT:

Up to \$5,000 per house sold, or \$620,000-paid for from the sale of the homes.

REQUEST FOR
QUALIFICATIONS
FOR OPERATION OF
MUNICIPAL
HOUSING
AGENCY'S
AFFORDABLE
HOMEOWNERSHIP
PROGRAM

RECOMMENDATION -

Approval.

TYPE:

BACKGROUND -

The Des Moines Municipal Housing Agency (DMMHA) was approved by the U.S. Department of Housing and Urban Development (HUD) to sell 124 single-family homes in May 2000. Since that date (seven months), none of the 124 homes have been sold. In fact, none are past the pre-application stage. Therefore, to accomplish the goal of selling as many of the 124 homes as possible, it is recommended that this function be outsourced, as was originally conceived in the 5-H plan.

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

Highlights:

RUSSELL C.
UNDERWOOD
ACTING HOUSING
DIRECTOR

- All work related to homeownership education, determining eligibility, and selling the homes will be the responsibility of the successful respondent.
- DMMHA will rehabilitate houses that require maintenance, assist the successful respondent with the eligibility process, and pay for the relocation of tenants that do not wish to buy the house but would like to move into other public housing.

· As set out in the 5-H plan, the successful respondent will receive 10 percent of the sale price of the house, up to \$5,000 per unit. Therefore, and RFQ is being used rather than a more detailed RFP (Request for Proposals) as the compensation for services is already established. The successful respondent will be chosen based on their capacity to perform the work.

The 1999 Comprehensive Grant Program (Capital Grant) will be used to hire six temporary employees (for six months) who will be responsible for rehabilitating the 5-H units. Some units may be demolished as a public nuisance, rather than attempt rehabilitation, as the investment needed to bring them to code would be greater than the sale price.