



MHGB

COMMUNICATION

Agenda

City Manager's Office

Item No. _

mhgb2

GENERAL INFORMATION—

Agenda Date: February 23, 2004
090

Communication No.: 04-

Agenda Item Type: Receive and File

Roll Call No:

Submitted by: Chris Johansen, Housing Services Director

-

SUBJECT—

Policy for the Use of Proceeds from Disposition of Public Housing Program Units

SYNOPSIS—

Approval of the "Policy for the Use of Proceeds from Disposition of Public Housing Program Units" and Authorize the Development of a Section 32 Plan for submittal to U.S. Department of Housing and Urban Development (HUD).

FISCAL IMPACT—

N/A

RECOMMENDATION—

Approval

BACKGROUND—

On November 4, 2002, the Municipal Housing Governing Board approved submission of a Disposition Application to the U. S. Department of Housing and Urban Development (HUD). On August 19, 2003, the Des Moines Municipal Housing Agency (DMMHA) received approval for their Disposition Application. The approved Disposition Application gives the DMMHA the authority to sell 394 scattered site units from the Public Housing program.

At the May 21, 2003 Public Housing Board meeting, a subcommittee was designated to work with the Director regarding the use of proceeds from disposition. During the January 21, 2004 Public Housing Board meeting, the Board recommended approval of this policy to the Municipal Housing Governing Board.

The attached policy recommends utilizing a maximum of 25% of the proceeds from the disposition of the 394 Public Housing units to use for physical improvements to our existing units (5 manors). A minimum of 75% of the proceeds will be used to create an Affordable Housing Endowment Fund. In order to utilize the earnings from the Affordable Housing Endowment Fund, a Section 32 Plan is required by HUD to outline the potential uses of the earnings.

The Section 32 Plan will be developed with assistance from the Polk County Housing Trust Fund and other stakeholders. In conjunction with the development of this plan, the process for allocating the earnings from the Affordable Housing Endowment Fund will be developed. Staff will research the possibility of combining this funding process with other funding processes that currently exist in the community.

The Section 32 Plan and the process for allocating the earnings will be recommended to the Municipal Housing Governing Board for their approval, prior to submitting to HUD.

Attachment - "Policy for the Use of Proceeds from Disposition of Public Housing Program Units"

(Exhibit A)