



MHGB
Communication
Office of the City Manager

Date

January 22, 2007

Agenda Item No.

MHGB3

Roll Call No.

07-

Communication No. 07-040

Submitted by: **Chris M. Johansen, Housing Services Director**

AGENDA HEADING:

Approval of submittal of the Des Moines Municipal Housing Agency's Replacement Housing Factor (RHF) Plan.

SYNOPSIS:

Recommend approval of submittal of the Des Moines Municipal Housing Agency's (DMMHA) Replacement Housing Factor (RHF) Plan to provide replacement housing.

FISCAL IMPACT:

Amount: \$95,158

Funding Source: FY2006-2007 Operating Budget, Miscellaneous, SP350 HSG310000, pg. 231.

ADDITIONAL INFORMATION:

An RHF Plan is a description of the steps that a Public Housing Authority (PHA) will carry out to provide replacement housing.

The Capital Fund formula rule at 24 CFR 905.10(i) provides that a Public Housing Authority (PHA) may receive RHF grants for public housing units demolished or sold for a period of up to five years. A PHA may only develop or acquire public housing rental units with RHF funds. The amount of RHF funding a PHA receives each year is based on a number of factors including the: number of units removed from inventory (when demolished or sold), project(s) associated with the removed units, and number of years the PHA has been receiving RHF funding. Removing units from multiple projects in the DMMHA housing inventory over time adds layers to the calculation.

As property is sold through the disposition of Public Housing units, Replacement Housing Factor grants are awarded to the DMMHA from the U.S. Department of Housing and Urban Development. Dependent upon future appropriations, the DMMHA may receive up to \$1.9 million. This funding will be used for the construction/acquisition of single-family homes to be sold for affordable homeownership. The DMMHA will receive no operating fund subsidy or capital fund program dollars for these units.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE