



**MHGB**  
**Communication**  
Office of the City Manager

Date

October 8, 2007

Agenda Item No. MHGB2  
Roll Call No. 07-  
Communication No. 07-616  
Submitted by: Chris M. Johansen, Housing  
Services Director

**AGENDA HEADING:**

Approval of Asset Management Project (AMP) and Central Office Cost Center (COCC) budgets.

**SYNOPSIS:**

Recommend approval of Asset Management Project (AMP) and Central Office Cost Center (COCC) budgets for submittal to the U.S. Department of Housing and Urban Development (HUD).

**FISCAL IMPACT:**

Amount: \$4,273,005 (budgets)

Funding Source: FY2007-08 Operating Budget, Public Housing, pg. 173, SP350 HSG02000

**ADDITIONAL INFORMATION:**

In 2003, Congress requested that the Harvard Cost Study review federal funding of the Public Housing Program and compare the program with private and not-for-profit property serving the nation's low-income population. As a result of this study, it was recommended that public housing agencies be required to convert to asset management and project-based accounting. In addition, a change in the calculation of the operating fund subsidy was recommended. This calculation change is projected to reduce the Des Moines Municipal Housing Agency (DMMHA)'s operating fund subsidy by \$102,776, as based on the 2004 operating fund subsidy amount of \$1,312,229. In order to lower this reduction by 5% (\$5,138.80), DMMHA is required to demonstrate its conversion to asset management by October 15, 2007.

The asset management projects for DMMHA are arranged in following manner:

- Royal View Manor – 200 units
- South View Manor – 50 units
- East View Manor – 50 units
- Highland Park and Oak Park Plazas – 90 units
- 5h Affordable Homeownership Program – 64 units
- Disposition – 136 units

Each of these projects has staff assigned; expenses and revenue are charged directly to the projects.

The central office cost center (COCC) pertains to DMMHA's collection of indirect costs associated with agency programs. These costs include administration, accounting, and property management. The COCC charges the AMPs a management fee.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S):**

Date: February 26, 2007

Roll Call Number: 07-308

Action: [On](#) Proposed Municipal Housing Agency Annual Budget fiscal year ending June 30, 2008.  
([Council Communication No. 07-117](#)) Moved by Vlassis to approve. Motion Carried 7-1.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**