

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 13, 2012
	Agenda Item No. MHGB3 Roll Call No. <u>12-1220</u> Communication No. <u>12-407</u> Submitted by: Douglas C. Romig, Housing Services Director

AGENDA HEADING:

Authorizing Des Moines Municipal Housing Agency Director to execute Housing Choice Voucher Home Ownership Program Subsidy Agreements.

SYNOPSIS:

Recommend that the Municipal Housing Governing Board approve authorization of the Des Moines Municipal Housing Agency Director or his/her designee to sign and execute Housing Choice Voucher Homeownership Program subsidy agreements with lenders/mortgage companies.

FISCAL IMPACT:

Amount: \$7,920 Housing Assistance Payments savings.

Funding Source: 2012-2013 Operating Budget: Housing Services Department-Section 8, SP350 HSG190000, Page 121.

ADDITIONAL INFORMATION:

The City of Des Moines Municipal Housing Agency (DMMHA) implemented a Housing Choice Voucher Homeownership Program option in July 2011. The Housing Choice Voucher (HCV) Homeownership option allows Family Self-Sufficiency (FSS) participants or graduates with a housing choice voucher the opportunity to use housing assistance to purchase and build equity in a home of their own rather than paying rent to a landlord. In addition to the family’s basic eligibility for housing voucher assistance, families admitted to the homeownership voucher program must meet certain requirements established by HUD and DMMHA such as being a “first-time homebuyer”; income and employment criteria; and completion of a homeownership counseling program. DMMHA has approval to allow ten housing choice vouchers to be utilized for the homeownership option.

The HCV Homeownership Program typically results in a lower housing assistance payment (HAP) made on behalf of the HCV Homeownership participant by the DMMHA. For example, an HCV participant currently receives \$347 HAP which is being paid to her property landlord. Under the HCV Homeownership Program, the participant’s homeownership estimated HAP will be \$271 which will be paid to the lender, resulting in a reduction of \$76.00 per month in assistance payments.

The DMMHA Administrative Plan for the HCV Homeownership Program states “homeownership assistance payments will be made directly to the lender/mortgage company unless the lender has

different requirement.” US Bank has requested that a “Section 8 Homeownership Subsidy Program Agreement” be completed with each HCV Homeownership participant closing. DMMHA would anticipate that other future lenders will have similar requirements.

The DMMHA is recommending Municipal Housing Governing Board approval for the Director of Housing Services Department or his/her designee to sign the US Bank “Section 8 Homeownership Subsidy Program Agreement” and to authorize the Housing Services Director or his/her designee authority to sign similar HCV Homeownership Program housing assistance subsidy agreements.

PREVIOUS COUNCIL ACTION(S):

Date: April 9, 2012

Roll Call Number: [12-0502](#)

Action: [Approving](#) City of Des Moines Municipal Housing Agency One-Year Agency Plan. ([Board Communication No. 12-165](#)). Moved by Griess to approve. Motion Carried 5-2.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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