


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-083	Meeting:	February 20, 2023
	Agenda Item:	MHGB3	Roll Call:	23-0193
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Authorizing the Des Moines Municipal Housing Agency (DMMHA) submission of a Section 32 Homeownership Program plan to US Department of Housing and Urban Development (HUD) for approval and authorizing actions necessary to secure HUD approval and implementation of the program.

SYNOPSIS:

Recommend Municipal Housing Governing Board approval for submission of the Section 32 Homeownership Program plan to HUD and authorization for the Housing Executive Director to execute and implement the program upon approval from HUD.

FISCAL IMPACT:

Amount: \$1,139,000

Funding Source: Sale proceeds, Housing Services Department – S350 HSG120130 – Public Housing, Page 103.

ADDITIONAL INFORMATION:

- The DMMHA has created a Section 32 Homeownership Program plan to include the following Public Housing units:

2403 Payne Road	1373 Idaho Street
2004 E 27th Street	3101 Fleming Avenue
3029 Indianapolis Avenue	2600 E 39th Court
1432 62nd Street	1440 Fourth Street
4239 E Euclid Avenue	3308 Kinsey Avenue
106 Astor Street	1400 Tenth Street
1333 Mondamin	1158 Martin Luther King Parkway
- The Section 32 Homeownership Program Plan is to sell these units for less than fair market value to households earning no more than 80% of median income. The DMMHA will have a 5-year, interest free forgivable loan in the amount of 33% of fair market value with a rate of forgiveness of 20% a year. First priority homebuyers are the public housing residents currently living in the unit. DMMHA anticipates that eight (8) current public housing residents will purchase in the first year of program implementation.

- The DMMHA will submit a Section 32 Homeownership Program application to HUD for approval. Upon HUD approval, DMMHA will also apply for 14 Replacement Housing Choice Vouchers from HUD. Current public housing residents will receive a replacement voucher, those buying their unit can utilize the voucher under HUD's Section 8(y) homeownership program to maintain affordability of the home purchased.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Once the application is approved by HUD, approval of conveyance of these properties will be recommended to the Municipal Housing Governing Board.

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