

COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	24-384	Meeting:	October 7, 2024
	Agenda Item:	MHGB3	Roll Call:	24-1318
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of Conveyance of City Owned Municipal Housing Agency Property, Pursuant to Section 32 Homeownership Program.

SYNOPSIS:

Recommend approval to sell eight (8) public housing single-family units to current public housing residents that are qualified buyers under the Des Moines Municipal Housing Agency's Section 32 Homeownership Program.

FISCAL IMPACT:

Amount: \$656,265

Funding Source: Fiscal Year (FY) 2024-2025 Operating Budget: Housing Services Department – S32 Homeownership S350 HS1230130, Page 113

ADDITIONAL INFORMATION:

- The Department of Housing Services is a participant in the Section 32 Affordable Homeownership Program as approved on August 16, 2023, by the United States Department of Housing and Urban Development. Under this program, single-family homes in the public housing inventory are sold to eligible housing program participants. Eligibility criteria for this program includes a maximum income that does not exceed 80% of Area Medium Income; completion of pre-purchase homeownership counseling, passing a criminal background check and ability to obtain lender financing. Eight (8) eligible buyers have met the program criteria, have made application with various community lenders for a loan to purchase the real properties with a forgivable 2nd mortgage held by the Des Moines Municipal Housing Agency, locally known as:
 - Julie Hansen, 1432 62nd Street sale price \$117,000; forgivable 2nd mortgage \$38,610
 - Michelle Garcia, 2600 E 39th Court, sale price \$116,500; forgivable 2nd mortgage \$38,445
 - Jacqueline Glover, 4239 E Euclid Avenue, sale price \$141,000; forgivable 2nd mortgage \$46,530
 - Abdullahi M Aden and Nimo Alin, 1158 MLK Parkway, sale price \$126,000, forgivable 2nd mortgage \$41,580
 - Larry and Marilyn Shepherd, 2403 Payne Road sale price \$106,000, forgivable 2nd mortgage \$34,980

- Abdulkhaleq Bakkal and Atiyah Alkinani, 1373 Idaho Street, sale price \$115,000, forgivable 2nd mortgage \$37,950
 - Susan and Devan Chappell, 3029 Indianapolis Avenue, sale price \$93,000, forgivable 2nd mortgage \$30,690
 - Tut Ruei and Nyandeng Kang, 106 Astor Street, sale price \$165,000, forgivable 2nd mortgage \$54,450
- Revenue derived from the sale of the property goes into the Section 32 Homeownership Operating Budget to cover program costs. The Housing Services Department will net approximately \$656,265 after seller costs are paid. The second mortgage is, by program guidelines, held in abeyance for five (5) years. If the owner complies with program requirements (remain current on first mortgage, remain in unit as primary residence and no occurrences of criminal activity) during the full five (5) year mortgage term, the second mortgage is forgiven.

PREVIOUS COUNCIL ACTION(S):

Date: February 20, 2023

Roll Call Number: [23-0193](#)

Action: [Authorizing](#) the Des Moines Municipal Housing Agency submission of a Section 32 Homeownership Program Plan to the U.S. Department of Housing and Urban Development (HUD) for approval and authorizing actions necessary to secure HUD approval and implementation of the program. ([Board Communication No. 23-083](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Nays: Sheumaker.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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