

## COUNCIL COMMUNICATION



Number:	26-028	Meeting:	January 26, 2026
Agenda Item:	MHGB3	Roll Call:	26-0084
Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

### AGENDA HEADING:

Approval of Conveyance of City Owned Municipal Housing Agency Property 1373 Idaho Street, Pursuant to Section 32 Homeownership Program.

### SYNOPSIS:

Recommend approval to sell 1373 Idaho Street, a public housing single-family unit, to qualified buyer Horace Cunningham, under the Des Moines Municipal Housing Agency's Section 32 Homeownership Program.

### FISCAL IMPACT:

Amount: \$77,050

Funding Source: 2025-2026 Operating Budget: Housing Service's Department – S32 Homeownership S350 HS1230130, Page 114

### 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.
- Previous approval for the sale of 1373 Idaho Street was given by the Municipal Housing Governing Board on October 7, 2024, but the buyer previously approved is no longer eligible as they moved out of the country. DMMHA staff now recommend the sale of 1373 Idaho Street to Horace Cunningham, an eligible buyer that has met the program criteria, and has a loan preapproval to purchase the real property with a forgivable second mortgage held by the DMMHA.
- 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: October 7, 2024

Roll Call Number: [24-1318](#)

Action: [Approval](#) of conveyance of City-owned Municipal Housing Agency property, pursuant to Section 32 Homeownership Program. ([Board Communication No. 24-384](#)) Moved by Gatto to adopt. Second by Westergaard. Motion Carried 7-0.

Date: February 20, 2023

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

Action: [Authorizing](#) the DMMHA 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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