

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-526
DECEMBER 16, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
AUTHORIZATION TO SELL 3925 FIRST STREET TO PUBLIC HOUSING RESIDENT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	WILLIAM E. WILKINS HOUSING SERVICES DIRECTOR

SYNOPSIS —

Authorization to sell a public housing single-family unit to a public housing resident.

FISCAL IMPACT —

Revenue derived from the sale of the property goes into the Section 5(h) Operating Budget to cover program costs. The Housing Services Department will net approximately \$26,000 after seller costs are paid. The second mortgage in the amount of \$12,633 is, by program guidelines, held in abeyance for 30 years. If the owner goes the full 30-year term, the second mortgage is forgiven.

RECOMMENDATION —

Approval.

BACKGROUND —

The Department of Housing Services is a participant in the Section 5(h) Affordable Homeownership Program which was approved on September 1, 1992, 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 residents.

A resident has made application with Allied Group Mortgage Company to purchase 3925 First Street.

The appraised price of the property is \$39,000. The projected loan amount is \$26,130 with a second mortgage in the amount of \$12,633. The resident is providing a three percent down payment and is also applying for additional assistance from the Iowa Finance Authority for the remaining down payment and closing costs. The closing of the property is scheduled for the end of December 1996.

This application was presented to the Public Housing Board at their November 29, 1996, meeting. The Board recommended that Council approve the purchase of the property.