

**CITY COUNCIL COMMUNICATION 98-012  
JANUARY 5, 1998 AGENDA**

**SUBJECT:**

**CAPITOLVIEW SOUTH AFFORDABLE  
HOUSING PROGRAM AMENDMENT**

**SUBMITTED BY:**

**JAMES GRANT  
COMMUNITY DEVELOPMENT DIRECTOR**

**SYNOPSIS –**

An amendment to the Capitolview South Affordable Housing Program has been prepared.

Under the current guidelines, the selling real estate agent who markets and sells homes built through the Capitolview South Affordable Housing Program does not receive a commission. This proposed change will allow the selling agent of a home constructed through this program to receive a commission for the sale of the property.

This revision is proposed for two reasons: 1) the Housing Conservation Division of the Community Development Department does not have a real estate agent on staff and does not have experience in marketing or selling properties, and 2) the real estate community has not expressed enthusiasm for marketing the property as there is little incentive to sell it.

**FISCAL IMPACT –**

A real estate commission will reduce the amount of funds received by the City for the sale of the home. This will result in fewer funds being available to construct additional homes. This reduction in funds is anticipated to be slight, however.

**RECOMMENDATION –**

**Approval of program revisions.**

**BACKGROUND –**

Four homes have been constructed through the Capitolview South Affordable Housing Program.

Marketing these properties has been very difficult. One impediment to the sale of these homes identified by City staff is the absence of a commission for the selling real estate agent. Realtors have no incentive to market the property and little incentive to sell the property. It is the goal of the Community Development Department that contracting with a real estate agent to market and sell remaining homes will result in an immediate increase in interest in the home.

The Urban Renewal Board approved the use of a real estate agent to market homes built through the Capitolview South Affordable Housing Program at their December 22, 1997 meeting.