CITY COUNCIL COMMUNICATION:

98-321

AGENDA:
AUGUST 3, 1998

SUBJECT:
SALE OF PUBLIC HOUSING SINGLE FAMILY UNIT TO PUBLIC HOUSING RESIDENT - 1316 BURNHAM STREET

TYPE:
RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:
WILLIAM WILKINS
HOUSING SERVICES
DIRECTOR

ITEM ____

OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA

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 Service Department will net approximately $29,000 after seller costs are paid. The second mortgage in the amount of approximately $14,685 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 1316 Burnham.

The appraised price of the property is $44,500. The projected loan amount is $29,815 with a second mortgage in the amount of $14,685. The resident is providing 3 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 August 1998.

This application was presented to the Public Housing Board at their meeting of July 15, 1998. The Board recommended that Council approve the sale of the property.