

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-004

SYNOPSIS -

AGENDA:

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

JANUARY 4, 1999

FISCAL IMPACT -

SUBJECT:

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 \$44,220 after seller costs are paid. The second mortgage in the amount of approximately \$21,780 is, by program guidelines, held in abeyance for 30 years. If the owner goes the full 30-year term, the second mortgage is forgiven.

CONVEYANCE OF CITY-
OWNED MUNICIPAL
HOUSING AGENCY
PROPERTY PURSUANT
TO AFFORDABLE HOME
OWNERSHIP PROGRAM

TYPE:

RECOMMENDATION -

RESOLUTION
ORDINANCE
RECEIVE/FILE

Approval.

BACKGROUND -

SUBMITTED BY:

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.

WILLIAM WILKINS
HOUSING SERVICES
DIRECTOR

A resident has made application with Allied Group Mortgage Company to purchase 208 East Lally, Des Moines, Iowa.

The appraised price of the property is \$66,000. The

projected loan amount is \$44,220 with a second mortgage in the amount of \$21,780. The resident is providing three percent down payment. The closing of the property is scheduled for January 1999.

This application was presented to the Public Housing Board at their meeting of December 16, 1998. The Board recommended that Council approve the sale of the property.