

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

99-372

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

AGENDA:

SYNOPSIS -

AUGUST 23, 1999

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

SUBJECT:

FISCAL IMPACT -

SALE OF PUBLIC
HOUSING SINGLE
FAMILY UNIT AT
2523 MAPLE STREET

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 \$22,400 after seller costs are paid. The City holds in abeyance, by program guidelines, the second mortgage in the amount of approximately \$11,055. The second mortgage is forgiven if the owner goes the full 30-year term.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

SUBMITTED BY:
RUSS UNDERWOOD,
INTERIM HOUSING
SERVICE DIRECTOR

Approval.

BACKGROUND -

The Department of Housing Services is a participant in the Section 5(h) Affordable Homeownership Program, which the City 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 Section 8 housing program participant has made application with Allied Group Mortgage Company to purchase 2523 Maple Street.

The appraised price of the property is \$33,500. The projected loan amount is \$22,445 with a second mortgage in the amount of \$11,055. The buyer will provide three percent down payment and will apply 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 September 1999.

This application was presented to the Public Housing Board at their meeting of July 21, 1999. The Board recommended that Council approve the sale of the property.