

**MUNICIPAL HOUSING
GOVERNING BOARD
COMMUNICATION:**

03-421

AGENDA:

AUGUST 25, 2003

SUBJECT:

SALE OF PUBLIC
HOUSING SINGLE-
FAMILY UNIT -
2902 1ST STREET.

TYPE:

RESOLUTION
RECEIVE/FILE

SUBMITTED BY:

MICHAEL MATTHES
HOUSING SERVICES
ACTING DIRECTOR

ITEM – MHGB _____

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

SYNOPSIS —

Authorization to sell a public housing single-family unit to a housing program participant.

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 \$61,640 after seller costs are paid. The second mortgage in the amount of approximately \$30,360 is, by program guidelines, held in abeyance for seven (7) years. If the owner goes the full seven (7) 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 May 30, 2000, 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 housing program participants.

A housing program participant has made application with Bank of America for a loan to purchase 2902 1st St., Des Moines.

The appraised price of the property is \$92,000. The projected loan amount is \$61,640 with a second mortgage in the amount of \$30,360.

