MUNICIPAL HOUSING GOVERNING BOARD COMMUNICATION:

03-431

AGENDA:

SEPTEMBER 8, 2003

SUBJECT:

SALE OF PUBLIC HOUSING SINGLE-FAMILY UNIT – 109 EAST 35TH STREET

TYPE:

RESOLUTION
RECEIVE/FILE

SUBMITTED BY:

MICHAEL MATTHES
ACTING HOUSING SERVICES DIRECTOR

ITEM – MHGB _____

OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA

SYNOPSIS —

Authorization to sell a public housing single-family unit to an eligible 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 $56,280 after seller costs are paid. The second mortgage in the amount of approximately $27,720 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 (HUD). Under this program, single-family homes in the public housing inventory are sold to eligible housing program participants.

An eligible participant has made application with Iowa State Bank for a loan to purchase 109 East 35th Street, Des Moines.

The appraised price of the property is $84,000. The projected loan amount is $56,280 with a second mortgage in the amount of $27,720.