



**MHGB**  
**Communication**  
Office of the City Manager

**Date**

June 19, 2006

**Agenda Item No.** MHGB4  
**Roll Call No.** 06-  
**Communication No.** 06-390  
**Submitted by:** Chris M. Johansen, Housing  
Services Director

**AGENDA HEADING:**

Approval of Conveyance of 432 E. Leach Avenue, City-owned Municipal Housing Agency Property, pursuant to Affordable Homeownership Program.

**SYNOPSIS:**

Recommend approval to sell a public housing single-family unit to an eligible buyer.

**FISCAL IMPACT:**

Amount: \$69,010

Funding Source: Maintenance, pg. 225, SP350 HSG070000

Revenue derived from the sale of the property will go into the Section 5(h) Operating Budget to cover program costs. The Housing Services Department will net approximately \$69,010 after seller costs are paid. The second mortgage in the amount of approximately \$33,990 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.

**ADDITIONAL INFORMATION:**

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.

An eligible buyer has made application with Bankers Trust for a loan to purchase the property.

The appraised price of the property is \$103,000. The projected loan amount is \$69,010, with a second mortgage in the amount of \$33,990.

**PREVIOUS COUNCIL ACTION(S):**

Date: February 21, 2000

Roll Call Number: 00-508

Action: Revised Municipal Housing Agency Affordable Homeownership Plan for submission to HUD. (Council Communication No. 00-062). Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

Date:

Roll Call Number:

Action:

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**