



MHGB
Communication
Office of the City Manager

Date

November 6, 2006

Agenda Item No. MHGB3C
Roll Call No. 06-
Communication No. 06-706
Submitted by: Chris M. Johansen, Housing
Services Director

AGENDA HEADING:

Sale of Public Housing Single-Family Unit, 3710 Garfield, to Douglas K. Melton.

SYNOPSIS:

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

FISCAL IMPACT:

Amount: \$60,300 (proceeds from sale)

Funding Source: 2006-2007 Operating, Housing Services, Maintenance, pg. 225, SP350 HSG070000
Revenue derived from the sale of the property will go into the Section 5(h) Affordable Homeownership
Program Operating Budget to cover program costs.

The Housing Services Department will net approximately \$60,300 after seller costs are paid. The second mortgage in the amount of approximately \$29,700 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 participates 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 buyer has made application with Iowa State Bank for a loan to purchase the property.

The appraised price of the property is \$90,000. The projected loan amount is \$60,300 with a second mortgage in the amount of \$29,700.

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

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE