



MHGB
Communication
Office of the City Manager

Date

July 23, 2007

Agenda Item No. MHGB10
Roll Call No. 07-
Communication No. 07-426
Submitted by: Chris M. Johansen, Housing
Services Director

AGENDA HEADING:

Sale of Public Housing Single-Family Unit, 3540 East Court, to Joyce J. Brown.

SYNOPSIS:

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

FISCAL IMPACT:

Amount: \$77,050

Funding Source: FY 2007-08 Operating Budget, Des Moines Public Housing Agency Trust Fund, Maintenance, pg. 175, SP350 HSG070000

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 \$77,050 after seller costs are paid. By program guidelines, the second mortgage in the amount of approximately \$37,950 is held in abeyance for seven (7) years. If the owner goes the full seven (7) year term, the second mortgage will be 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 US Bank for a loan to purchase the property.

The appraised price of the property is \$115,000. The projected loan amount is \$77,050, with a second mortgage in the amount of \$37,950.

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