

Council Communication

Office of the City Manager

Date: January 14, 2013

Agenda Item No. MHGB2
Roll Call No. 13-0002
Communication No. 13-001

Submitted by: Douglas C. Romig,

Housing Services

Director

AGENDA HEADING:

Approving the Des Moines Municipal Housing Agency's (DMMHA) request to the U.S. Department of Housing and Urban Development (HUD) to rescind three (3) single family homes from the approved 5h Homeownership Plan and to put the rescinded units into a new disposition application. The three (3) addresses are as follows: 2234 East 34th Street, 5316 S Union Street, and 3208 East 9th Street.

SYNOPSIS:

Recommend approval for the DMMHA to rescind three (3) single family homes from the approved 5h Homeownership Plan and to put the rescinded units into a new disposition application.

FISCAL IMPACT:

Amount: Total appraised value for all three (3) units in their current condition is \$105,000.

<u>Funding Source</u>: 2012-2013 Operating Budget: Housing Services Department – Disposed Homes SP350 HSG021500. Page 118.

ADDITIONAL INFORMATION:

The DMMHA received approval for its 5h Homeownership Plan in 1992. Single family homes that were identified to be a part of the 5h Plan and marketed for sale to income eligible persons or families remain vacant after the last Public Housing tenant moves out. The three (3) homes listed above have been vacant for a number of years starting in 2001. The DMMHA has been unable to attract qualified buyers for these three (3) properties through the 5h Homeownership Plan. The homes have experienced significant deterioration as a result of the vacancy and vandalism. Additionally these three (3) homes have severe termite and mold infestation.

Staff is recommending removal of these three (3) homes from the 5h Plan and requesting approval to place the three (3) homes in a new disposition application. The disposition application will allow staff to sell the property "as is" through our approved disposition plan; first offers to Non-profits at 75% of Fair Market Value or on the open market through a sealed bid process. If there are no offers, staff will submit a future request to HUD to sell the units for Fair Market Land value only.

PREVIOUS COUNCIL ACTION(S):

Date: February 21, 2000

Roll Call Number: 00-508

<u>Action</u>: 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.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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