

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 8, 2013
	Agenda Item No.	MHGB4
	Roll Call No.	<u>13-0525</u>
	Communication No.	<u>13-181</u>
	Submitted by:	Douglas C. Romig, Housing Services Director

AGENDA HEADING:

Approving conveyance by the City of Des Moines Municipal Housing Agency to Marlon Mormann for the Disposition Sale of 1525/1527 East 33rd Street, Des Moines, Iowa for \$28,007.

SYNOPSIS:

Recommend approval to sell Des Moines Municipal Housing Agency (DMMHA) disposition property locally known as 1525/1527 East 33rd Street to Marlon Mormann, the highest responsive bidder following public bid for sale of the property.

FISCAL IMPACT:

Amount: \$28,007 (revenue)

Funding Source: 2012-2013 Operating Budget: Housing Services Department – Disposed Homes SP350 HSG021500, Page 118.

The proceeds from the sale will be used as follows:

- \$19,900 used to reimburse DMMHA for demolition costs.
- \$8,107 used to supplement remaining Replacement Housing Factor funds.

ADDITIONAL INFORMATION:

On November 8, 2010, by Roll Call No. 10-1811, the City of Des Moines Municipal Housing Governing Board (MHGB), approved a Replacement Housing Factor Fund proposal and directed said proposal to be submitted to United States Department of Housing and Urban Development (HUD) for consideration, and further recommended that the DMMHA Agency Plan be amended to reflect the planned changes and charged the Housing Services Director to implement the plan. The Replacement Housing Factor Fund proposal included the recommendation that the real property locally known as 1525/1527 E. 33rd Street, Des Moines be demolished and redeveloped.

On March 7, 2012, the property was offered by DMMHA for sale by public bid, with minimum bid amount including the appraised value of the property (land value) as well as the demolition costs incurred by DMMHA upon the property, pursuant to the procedures authorized by the MHGB. Adjoining residential property owner Marlon Mormann submitted the highest responsive bid in the amount of \$28,007, which bid exceeded the minimum bid amount.

On February 20, 2013, the City of Des Moines, as the Municipal Housing Agency, received approval from HUD of the proposed sale of the property to the highest bidder for the bid amount of \$28,007. Of the sales proceeds, \$19,900 is to be used to reimburse the DMMHA for costs of prior structure demolition upon the property and the remaining proceeds are to be used towards renovation/acquisition of Public Housing units. This action approves the proposed conveyance and execution of the closing documents and authorizes the Housing Services Director and staff to close on the sale.

This property was offered for sale pursuant to the public bid procedures approved by the MHGB on October 6, 2003, by Roll Call No. 03-2267. The purchaser stated by affidavit that he has not been the title holder or owner of a real estate interest in the City of Des Moines that the Housing Advisory Board has recommended for prosecution as a “Habitual Violator” pursuant to Municipal Code Chapter 26 (rental code violations) or been declared a “Public Nuisance” by resolution of the City Council.

PREVIOUS COUNCIL ACTION(S):

Date: November 8, 2010

Roll Call Number: [10-1811](#)

Action: [Approving](#) Des Moines Municipal Housing Agency (DMMHA) Replacement Housing Factor Fund Proposal and Agency Plan Amendments. ([Board Communication No. 10-659](#)). Moved by Hensley to approve and adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Moore.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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