

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> October 7, 2013
	<b>Agenda Item No.</b> MHGB3 <b>Roll Call No.</b> <u>13-1526</u> <b>Communication No.</b> <u>13-500</u> <b>Submitted by:</b> Douglas C. Romig, Housing Services Director

**AGENDA HEADING:**

Approval of Conveyance of 2523 SE 7th Street, City-owned Municipal Housing Agency Property, pursuant to Affordable Homeownership Program.

**SYNOPSIS:**

Recommend approval to sell a public housing single-family unit located at 2523 SE 7<sup>th</sup> Street to Joshua R. Schwitters, a qualified buyer under the Des Moines Municipal Housing Agency’s Affordable Homeownership Program.

**FISCAL IMPACT:**

Amount: \$54,940

Funding Source: 2013-2014 Operating Budget: Housing Services Department – 5h Homeownership SP350 HSG021600, Page 122

**ADDITIONAL INFORMATION:**

The Department of Housing Services is a participant in the Section 5(h) Affordable Homeownership Program as 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. Eligibility criteria for this program includes a minimal household income of \$20,000 and a maximum income that does not exceed 80% of Area Medium Income (\$46,650 for a two person household); completion of pre-purchase homeownership counseling; passing a criminal background check and ability to obtain lender financing. Joshua R. Schwitters has made application with US Bank for a loan to purchase the real property locally known as 2523 SE 7<sup>th</sup> Street. The appraised price of the property is \$82,000. The projected loan amount is \$54,940 with a second mortgage in the amount of \$27,060.

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 \$54,940 after seller costs are paid. The second mortgage in the amount of approximately \$27,060 is, by program guidelines, held in abeyance for seven (7) years. If the owner complies with program requirements (remain current on first mortgage, remain in unit as primary residence and no occurrences of criminal activity) during the full seven (7) year mortgage term, the second mortgage is forgiven.

**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**

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