

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 24, 2014
	Agenda Item No.	MHGB4
	Roll Call No.	<u>14-0252</u>
	Communication No.	<u>14-074</u>
	Submitted by:	Douglas C. Romig, Housing Services Director

AGENDA HEADING:

Approval of Conveyance of 1721 Carpenter Avenue, City-owned Municipal Housing Agency Property, pursuant to Affordable Homeownership Program.

SYNOPSIS:

Recommend approval to sell a public housing single-family unit to Ton Thanh Nguyen and his wife, Giang Thi Kim Tran, qualified buyers under the Des Moines Municipal Housing Agency’s Affordable Homeownership Program. This action amends the previously approved sale of 1721 Carpenter Avenue to Ton Than Nguyen by adding his wife, Giang Thi Kim Tran, as a purchaser and Program participant.

FISCAL IMPACT:

Amount: \$25,460

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 minimum household income of \$20,000 and a maximum income that does not exceed 80% of Area Medium Income (\$46,650 for a two (2) person household); completion of pre-purchase homeownership counseling, passing a criminal background check and ability to obtain lender financing. Ton Thanh Nguyen and Giang Thi Kim Tran have met the program criteria and have made application with Bankers Trust for a loan to purchase the real property locally known as 1721 Carpenter Avenue. The appraised value of the property is \$38,000. The projected loan amount with Bankers Trust is \$25,460 with a second mortgage in the amount of \$12,540 held by the Des Moines Municipal Housing Agency.

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 \$25,460 after seller costs are paid. The second mortgage in the amount of approximately \$12,540 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.

On October 21, 2013, Council approved the conveyance to Ton Thanh Nguyen by Roll Call No. 13-1608. Upon working with Bankers Trust on the purchase agreement, staff learned that Ton Thanh Nguyen was married after his initial 5h Affordable Homeownership Program application was submitted. Staff have had both Ton Thanh Nguyen and Giang Thi Kim Tran, his spouse, sign an amended Restrictive Covenant and other related documents, and are recommending approval of conveyance to both Ton Thanh Nguyen and Giang Thi Kim Tran.

PREVIOUS COUNCIL ACTION(S):

Date: October 21, 2013

Roll Call Number: [13-1608](#)

Action: [Approving](#) conveyance of 1721 Carpenter Avenue, City-owned Municipal Housing Agency Property, pursuant to Affordable Home Ownership Program. ([Board Communication No. 13-510](#)) Moved by Griess to adopt. Motion Carried 7-0.

Date: February 21, 2000

Roll Call Number: 00-0508

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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