

 Council Communication	Date: March 24, 2014
	Agenda Item No. MHGB4
	Roll Call No. <u>14-0459</u>
	Communication No. <u>14-114</u>
	Submitted by: Douglas C. Romig, Housing Services Director

AGENDA HEADING:

Approval of conveyance of 2505 SW 12th Street, City-owned Municipal Housing Agency property, pursuant to Affordable Homeownership Program.

SYNOPSIS:

Recommend approval to sell a public housing single-family unit to Luke R. Powers and Bethany R. Powers, qualified buyers under the Des Moines Municipal Housing Agency’s (DMMHA) Affordable Homeownership Program.

FISCAL IMPACT:

Amount: \$78,000

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 (HUD). 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 median income (\$47,950 for a two (2) person household); completion of pre-purchase homeownership counseling, passing a criminal background check and ability to obtain lender financing. Luke R. Powers and Bethany R. Powers have met the program criteria and have made application with US Bank for a loan to purchase the real property locally known as 2505 SW 12th Street. The appraised price of the property is \$78,000. The projected loan amount is \$52,260 with a second mortgage in the amount of \$25,740 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 \$52,260 after seller costs are paid. The second mortgage in the amount of approximately \$25,740 is, by program guidelines, held in abeyance for seven (7) years. If the owner complies with program requirements 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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