

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: March 21, 2016
	Agenda Item No. MHGB2 Roll Call No. <u>16-438</u> Communication No. <u>16-136</u> Submitted by: Jackie J. Lloyd, Interim Housing Services Director

AGENDA HEADING:

Approval of conveyance of 1632 Searle Street, City owned Municipal Housing Agency property, pursuant to Affordable Homeownership Program.

SYNOPSIS:

Recommend approval to sell a public housing single-family unit to Joseph A. Huffman, a qualified buyer under the Des Moines Municipal Housing Agency’s Affordable Homeownership Program.

FISCAL IMPACT:

Amount: \$96,000

Funding Source: 2016-2017 Operating Budget: Housing Services Department – Public Housing S350 HS120130, Page 112

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 (\$48,000 for a 2-person household); completion of pre-purchase homeownership counseling, passing a criminal background check, and ability to obtain lender financing.

Joseph A. Huffman has met the program criteria and has made application to US Bank Home Mortgage for a loan to purchase the real property locally known as 1632 Searle Street. The appraised price of the property is \$96,000. The projected loan amount is \$64,320 with a second mortgage in the amount of \$31,680 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 \$64,320 after seller costs are paid. The second mortgage in the amount of approximately \$31,680 is, by program guidelines, held in abeyance for seven (7) years. If the owner complies with the 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

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.