


## COUNCIL COMMUNICATION

	Number:	<b>21-073</b>	Meeting:	<b>February 22, 2021</b>
	Agenda Item:	<b>MHGB5</b>	Roll Call:	<b>21-241</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

### AGENDA HEADING:

Authorization for the City Manager to release mortgage and related security instruments for Luke R. and Bethany R. Powers, 2505 SW 12th Street, Des Moines, Iowa, 5h Affordable Homeownership Program.

### SYNOPSIS:

Recommend approval and authorization for the Des Moines Municipal Housing Agency (DMMHA) to release the second mortgage and security instruments for Luke R Powers and Bethany R Powers, 2505 SW 12th Street, Des Moines, Iowa.

### FISCAL IMPACT:

Amount: \$3,677.16

Funding Source: 2020-2021 Operating Budget: Housing Services Department – Public Housing SP350 HS120130, Page 118

### ADDITIONAL INFORMATION:

- Luke and Bethany Powers purchased the 5h Affordable Homeownership Program property located at 2505 SW 12th Street in Des Moines from the DMMHA on April 28, 2014. Pursuant to this DMMHA Program, the Powers and DMMHA entered into a forgivable second mortgage and restrictive covenant upon their property at the time of the sale. The DMMHA Program Plan provides for the second mortgage to be forgiven at a rate of 1/7th of the total mortgage amount each year for the 7-year mortgage term, and to be forgiven in its entirety upon conclusion of said term, as long as the homeowners follow program requirements.
- The Powers have been successful homeowners thus far, as part of the Municipal Housing Agency's 5h Affordable Homeownership Program and are now requesting to pay off their second mortgage in order to sell the property.
- Currently, the Powers have a 7-year forgivable mortgage in the total amount of \$25,740 with the DMMHA. However, since they have lived in the home for six (6) years, program requirements are such that the Powers must pay the remaining 1/7th of their second mortgage in the amount of \$3,677.16 in order to obtain a release of the 5(h) Program mortgage and restrictive covenant upon their home.

- The City Legal Department has prepared a release and satisfaction of the second mortgage and restrictive covenant, and staff is requesting authorization to execute and record said document.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S):**

Board: Municipal Housing Agency Governing Board

Date: March 24, 2014

Roll Call Number: [14-0459](#)

Action: [Approving](#) conveyance of 2505 SW 12th Street, City-owned Municipal Housing Agency Property, pursuant to the Affordable Home Ownership Program. ([Board Communication 14-114](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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