

**THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING**

**Minutes**

**Wednesday, June 13, 2012**

**Greenville, North Carolina**

**Present:**

Alice Brewington  
 Howard Conner  
 Jackie Parker

Lovella Perkins  
 Melissa Grimes  
 R. J. Hemby

Walt Kitchin

**Absent:**

Alice Brewington  
 Howard Conner  
 Jackie Parker

Lovella Perkins  
 Melissa Grimes  
 R. J. Hemby

Walt Kitchin

**Staff:**

Thom Moton  
 Merrill Flood  
 Sandra Anderson

Karen Gilkey  
 Betty Moseley  
 Kandie Smith (City Council Liaison)

**A. Roll Call**

**B. Approval of Agenda**

Motion was made by Ms. Brewington and seconded by Ms. Grimes to approve the agenda as presented. Voting for approval was Alice Brewington, Lovella Perkins, Melissa Grimes, R.J. Hemby and Walt Kitchin. Voting against was Howard Conner.

**C. Approval of meeting minutes from May 9, 2012**

Motion was made by Mr. Conner and seconded by Ms. Perkins to approve the meeting minutes from May 9, 2012 as presented. Motion carried unanimously.

**D. Old Business**

**1. Request to amend the subrecipient contract for Building Hope Community Life Center**

Mr. Flood stated that the Building Hope Community Life Center was requesting an amendment to their youth activities grant. Three items were addressed in this request:

- Flexibility to pay youth apprentices and supervisors for their actual hours worked and not a set number of hours per week – not to exceed budgeted amount
- Allow contract to cover repairs and maintenance for program vehicles
- Allow a portion of the audit to be paid by grant funds

Staff recommends approval for the flexibility to pay for hours worked and for the vehicle maintenance, however the audit request is not negotiable.

Mr. Conner asked if the request included the cost of the audit.

Mr. Flood replied yes. The request was for a portion of CDBG funds to help pay for the audit. Because their subrecipient grant is approximately 13 percent of their total overall budget, 13 percent of their grant would be eligible, which in this case would be about \$1,000.00.

Mr. Conner asked if an organization was allowed to ask for audit funding in their proposal.

Mr. Flood replied that nonprofits are allowed to commit a portion of their funding to cover a percentage of their audit costs.

Ms. Brewington asked if the organization would be able to afford the remaining cost of the audit.

Mr. Flood replied that BHCLC has indicated that they will find a way to pay for the audit, but would like some assistance.

Mr. Conner stated that the audit requirement was a huge hurdle for many smaller nonprofits to handle.

Mr. Flood stated that the committee could include as part of the motion that after a request from the subrecipient, staff would be authorized to look at the amount received as a portion of their total operations and the audit would be an eligible expense at the same percentage as CDBG funds received.

Ms. Grimes requested clarification of BHCLC request and staff's reply. Staff is following HUD guidelines and state the BHCLC needs a full audit, however, BHCLC feel that because they received under a certain amount, they do not need a full audit.

Mr. Flood replied that BHCLC interpreted the rule as not needing an audit; however, staffs and HUDS interpretation is that they do.

Ms. Grimes asked if this was a legal question that needs some clarification before the committee says anything else.

Mr. Flood replied that HUD has responded to the questions and states that all subrecipients are required to have an audit.

Mr. Hemby stated that this is the third time this request has come before this committee. If the audit is expected to cost \$8,000.00 and we only allow them to use \$1,000.00, where is the remaining \$7,000.00 coming from. If the cost of the audit is an issue then it needs to be requested in the proposal.

Mr. Flood stated that legally, only a percentage of the subrecipients' award can be allocated for the audit.

Mr. Conner asked if staff was prepared to determine what 13percent is for the audit.

Mr. Flood replied that in this request \$1,000.00 was the percentage; however each request will be different, due to funding awarded.

Ms. Brewington asked if staff had verified the additional money for the audit.

Mr. Flood replied that based on prior conversations with the Director of Building Hope, other sources of funding were being considered.

Motion was made by Mr. Conner and seconded by Ms. Grimes to approve the budget amendment request for Building Hope Community Life Center for flexibility to pay youth apprentices and supervisors for their actual hours worked and not a set number of hours per week – not to exceed budgeted amount and allow their contract to cover repairs and maintenance for program vehicles. Motion carried unanimously.

Motion was made by Mr. Hemby and seconded by Mr. Parker to approve the budget amendment request for Building Hope Community Life Center allowing a portion of the audit to be paid by grant funds. Motion was unanimously opposed.

Mr. Conner asked about the additional request in the letter that was not discussed.

Mr. Flood replied that BHCLC was also requesting \$500.00 to cover promotional costs for a BMX event. Staff does not have enough information about this request to make a report on it; therefore, staff will meet with the Executive Director to clarify the request.

## **F. New Business**

### **1. Budget amendment request from Literacy Volunteers – Pitt County**

Ms. Gilkey stated that a budget amendment request had been received from Literacy Volunteers.

Ms. Teresa Barefield stated that Literacy Volunteers is requesting to reallocate funds from soft cost line item to labor cost line item. The amount needed is \$1,340.00. In 2011, LV provided services for 170 learners. In 2012, in just the first quarter, LV has provided services for 105 learners. The additional labor cost is for the program coordinators time to maximize the allowed 20 percent for administration costs.

Ms. Grimes asked for staff's position on this request.

Mr. Flood replied that the request is eligible and is recommended.

Motion was made by Ms. Grimes and seconded by Mr. Conner to approve the budget amendment request from Literacy Volunteers – Pitt County. Motion carried unanimously.

## **F. Staff Report**

Ms. Gilkey stated that the City of Greenville, Housing Division is one of eleven cities to win the National John A. Sasso Community Development Week award. The City won the award for the CDBG/HOME Week activities in April 2012.

The committee congratulated staff on that accomplishment.

## **G. Other**

Mr. Hemby welcomed Mr. Parker to the board of the AHLC.

Mr. Parker stated that he is a Real Estate Appraiser and General Contractor. He feels he can be a help and support to the committee.

## **H. Adjournment**

Motion was made by Mr. Conner and seconded by Ms. Perkins to adjourn the AHLC meeting. Motion carried unanimously.

Signature on file

R. J. Hemby, Chair

Signature on file

Sylvia D. Brown, Staff Liaison