

AFFORDABLE HOUSING LOAN COMMITTEE RETREAT

Special Meeting Minutes

Wednesday, November 9, 2011

Present:

- Alice Brewington
- Howard Conner
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- Karalee Coughlin
- Lovella Perkins
- Melissa Grimes

- R. J. Hemby
- Sterling Reid

Absent:

- Alice Brewington
- Howard Conner
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- Karalee Coughlin
- Lovella Perkins
- Melissa Grimes

- R. J. Hemby
- Sterling Reid

Staff:

- Merrill Flood
- Sandra Anderson
- Sylvia Brown
- Betty Moseley

- Kandie Smith (City Council Liaison)
- Dave Holec
- Mike Watson
- Karen Gilkey

- Virgil Smith
- Linda Mims
- Scott Eaton
- Gloria Kesler

A. Introductions

Ms. Sandra Anderson opened the meeting by welcoming the committee and staff. She stated that a new Affordable Housing Loan Committee member has not been appointed yet. Also, there have been changes recently in staff duties.

The Housing Division Staff introduced themselves and gave a brief overview of his or her duties.

Ms. Grimes asked what the process was for Contractors who wanted to be approved for the City's Rehabilitation List.

Mr. Virgil Smith replied that the City has an application process for Contractors who want to be included in the rehabilitation program.

Ms. Grimes asked if the information regarding the application process was on the City's website. She asked how the public would know where to find this information or who to contact.

Ms. Anderson replied that Contractors would go to the Purchasing Division first.

Ms. Perkins asked what the process was for Contractors without significant experienced.

Mr. Smith replied that staff would verify their application and give them a chance. During the first year they will be on probation and can be awarded just one rehab job at a time. After the probationary period, the Contractor is evaluated and either removed from probation or removed from the approved rehabilitation contractors list, depending on performance.

Mr. Mike Watson stated that grass cutting bids were open for anyone. Advertisements are placed in the local newspapers. Ability to perform the necessary functions is a huge consideration for grass cutting.

The Affordable Housing Loan Committee members introduced themselves and gave a brief overview of his or her duties.

B. Public Records and Open Meetings Statutes (*David Holec*)

Mr. Dave Holec, City Attorney, gave a brief overview of the City Attorney's Office.

Mr. Holec stated that all contracts must be reviewed and approved by the City Attorney and the Director of Financial Services (if compensation is involved) and the City Manager (if over \$10,000.00).

The City Council uses Boards and Commissions to help focus on specific issues. While the City Council is independent of any recommendations from Boards and Commissions, the opinions and services provided by members are greatly appreciated.

Mr. Holec discussed the handout "Open Meetings Law".

Other points made:

- The Affordable Housing Loan Committee is televised
- Any gathering of three or more committee members is considered an official meeting
- A social gathering is not an official meeting
- Members may meet one-on-one
- A conference call of three or more members is considered an official meeting
- E-mails between three or more members can be considered a meeting
- Social media (i.e. Facebook) is considered an official meeting
- Members lingering after a meeting to discuss meeting matters can constitute an official meeting

Mr. Holec discussed the handout attachment "Meeting Notice".

Mr. Holec stated that under North Carolina law, all records of the City of Greenville are public records and the public has access to them. Exceptions are personal information (example Social Security Numbers, payroll). If someone is applying for assistance, their information could become public record. Any member correspondence, letters, e-mails, social media, etc. is public record even if it is on the member's personal computers or devices. The subject or substance of the correspondence is what makes it public record and not the location or ownership of the communications device.

Mr. Conner asked if a dollar amount can be placed on the transfer of public records.

Mr. Holec replied that if the documents are hard copies, the City has a standard fee. By statute, the City may charge actual cost. The City cannot recover personnel time used to gather information or redact information. However, the Information Technology department can charge for work performed. Only business related information can be public record even if on the City computer.

Mr. Conner asked if a person could request the information in a specific form.

Mr. Holec replied that staff is required to honor request unless requested form is impossible. The Public Records Law does not required staff to develop records not currently available or disclose personal thoughts. Only documents and information on hand is subject to the Public Records Law.

C. Basic Roberts Rules of Order (*David Holec*)

Mr. Holec discussed the handout “Parliamentary Procedure”. City Council has established ordinance that all City public meetings will follow the Roberts Rules of Order.

Mr. Holec discussed the handout attachment “Parliamentary Motions Guide”.

Mr. Hemby requested a definition of two-thirds vote.

Mr. Holec replied that two-thirds vote is more than majority. Multiply out numbers of eligible voting members. A partial number equals one person.

Mr. Holec discussed the handout attachment “City of Greenville; Policy on Public Hearings”.

Mr. Conner asked if, by law, the Chair has to give three warnings to disruptive individuals.

Mr. Holec replied that one warning is sufficient. However, the Chair must direct the person to leave the meeting before charges can be issued.

Mr. Hemby stated that the committee was having issues with attendance. He asked what the changes were to the attendance policy.

Mr. Holec replied that the attendance policy is based on the Boards and Commissions Governing Policies set in place by City Council. Members are given an opportunity to correct issues if attendance is amiss. The Staff Liaison will contact the City Clerk’s Office when attendance is in violation of the policy. City Clerk’s Office contacts the member by mail and gives the member the opportunity to resign or recommit to the committee.

Ms. Grimes asked what the guideline was for determining seventy-five percent attendance.

Mr. Holec replied that the City Clerk’s Office monitors and applies rules for seventy-five percent.

Ms. Anderson stated that attendance for the Affordable Housing Loan Committee was January to December.

Ms. Grimes asked if the time starts over each year.

Ms. Anderson replied that the time does start over in January. Staff will consider the attendance quarterly. If attendance is an issue January through March, staff will notify the City Clerk’s Office.

Ms. Grimes asked if that means members can’t miss two meetings in a row.

Ms. Anderson replied that the meetings do not have to be consecutive.

Ms. Perkins asked if members were considered absent if they notified staff.

Ms. Anderson replied that members were still absent even if they notified staff.

Mr. Hemby stated that attendance policy changes by prior chairs have eliminated exemptions.

Mr. Holec responded that the changes were in conjunction to City Council Boards and Commissions policy. If members are unable to fulfill their commitment to the committee then they should step aside and come back later.

In regards to the AHLC agenda item “Develop procedure for cancelling meetings”, Mr. Hemby asked why the committee needed to develop a procedure for cancelling meetings.

Ms. Anderson replied that the agenda item was at chairs request.

Mr. Hemby gave an example of why he had made the request. He stated that he had received a call from staff and was told that there were no agenda items. Staff request permission to cancel the meeting. However, the meeting should not have been cancelled due to tabled items. Mr. Hemby asked if those items should have been discussed under old business.

Mr. Holec replied that items previously discussed is old business, however, the committee cannot resurrect all items from other meetings. Don’t open floor for old business items that are not on the agenda. If there are items to be reconsidered, a motion may be taken under other business.

Mr. Hemby stated that for cancelling meeting then the procedure is, first, staff contacts chair to request permission to cancel meeting. Chair, being mindful of tabled items will give approval to cancel meeting.

Mr. Conner asked what happens when a meeting is cancelled.

Ms. Anderson replied that staff will give a formal notice to public.

Mr. Hemby asked why the committee was given an amended agenda. He stated that the members did not have time to prepare for items requiring action.

Ms. Anderson replied that the items added to agenda were not known until Monday, November 7th. Due to the nature of staff’s work it was impossible to know prior to mailing packets. The committee does not have to vote on items if they are uncomfortable with information. In order to send agenda one week in advance, as requested by chair, staff cannot wait for the unknown. In some of the incidences, staff will need to move quickly or the City loses money.

Mr. Hemby stated that when committee members see “staff recommends approval” on the agenda, then the committee needs more time to consider those items.

Ms. Anderson replied that “staff recommends approval” on the agenda is at the committee’s request. It is not intended persuade a vote.

Mr. Conner asked if the agenda could include approving the agenda as an item.

Mr. Holec replied that approving the agenda was possible. At regular meetings, the agenda may include changes, but at a special meeting, the agenda cannot change.

D. Break

E. Committee Member Function (*Merrill Flood*)

Mr. Flood gave a brief overview of the AHLC origins and functions. A handout was distributed. The majority of the actions taken by the AHLC are recommendations for City Council. The AHLC was created to help first time homebuyers to become homeowners and to help implement homebuyer programs. Just compensation is determined by the HUD Handbook 1378, Chapter 5.

There are times when the homeowners waives his or her right to an appraisal because accepting tax value cuts down on the capital gains. Staff will offer the choice to homeowners.

Ms. Grimes asked for clarification on special programs in the downtown area that do not require action by the committee.

Mr. Flood replied that there are some programs appointed by City Council that they retain authority over. The University Area Downpayment Assistance program is one of those programs that do not require a committee vote. The University Area DPA program was created to help stimulate the economy in that area and is not an income based program.

Ms. Grimes asked if the committee could make a recommendation regarding a program to the City Council.

Mr. Flood replied that the committee would ask City Council to entertain a presentation during a regular presentation or have a conversation with the Council Liaison. City Council may or may not take action on it. Staff continues to attend training on program guidelines and implementation.

Mr. Flood continued his presentation with item F.1. Other duties afforded the AHLC is reviewing grant applications and making recommendations to City Council. The AHLC also reviews loans through the North Carolina Housing Finance Agency. Guidelines for the NCHFA have been revised and are stricter than in the past. These loans are brought to the committee out of respect. Staff is subject to the timing of clients submitting applications for assistance. Due to strict timelines, these items are usually added to the agenda prior to the meeting. Also, personal information pertinent to the application process must be maintained by the City, so information used at a meeting may be reclaimed at the close of the meeting.

F. Role of Staff versus Committee Member (*Merrill Flood*)

Mr. Flood stated that the Housing Division does have deadlines for applications and other items needing to go on the agenda; however, documents do arrive late. Sometimes, it isn't until the day before a meeting that staff will know what information and items are needed. Staff does not bring items before the committee that are incomplete or incorrect. Items regarding policy issues and annual actions items will be brought to the committee for review and recommendations. Some items staff will take a final role due to experience and responsibility. As pertaining to subrecipient funding, typically staff will review the applications and documentation first and then present to the committee only those that are eligible. Last year, the committee decided to hear all of the applicants. This year, the committee will need to decide if they want to hear only the eligible applicants or allow all applicants to present.

Ms. Grimes stated that people have come back with questions concerning the applications and the process. When they have questions that don't get answers, then they become suspicious. The committee needs to give the presenters some feedback. Communication is a big key.

Ms. Anderson stated that the nonprofits or committee members are welcome to call staff with questions or concerns. The committee is staff's liaison to the community.

Mr. Flood stated that due to HUD regulations getting approval for nonprofit funding is more difficult. The purpose of the annual subrecipient workshop is to give everyone the same information. If the rules are not followed then HUD will reclaim the funding. Despite the workshop, there are nonprofits that still turn in ineligible projects.

Ms. Anderson stated that the nonprofits often submit the same service run differently therefore the rules applying to each application are different.

Mr. Hemby stated that he spoke with applicants at the subrecipient workshop concerning the survey. A few stated that they did not want to note their name or organization on the form. Since they were requesting funds, they felt the information might be viewed negatively. Also, an applicant expressed concern because technical assistance would not be offered to applicants completing the applications.

Ms. Anderson responded that staff may answer general questions concerning the application but cannot answer specific questions to their program or their application. Staff is not allowed to assist nonprofits in completing their applications.

Mr. Hemby stated that the subrecipient workshop had 59 attendees but in the end only four nonprofits were approved for funding. He asked how many from this past workshop would actually be presented to the AHLC.

Mr. Flood replied that staff cannot answer specific questions after the application package is given because that would give some nonprofits an unfair advantage. Also, until all applications have been received, staff has no way of knowing how many will be received or how many will be approved projects.

Ms. Grimes asked if nonprofits could work one-on-one with staff prior to the workshop.

Mr. Flood replied that staff may cover generalities but not help them complete a proposal. There are HUD guidelines prohibiting staff from offering assistance beyond generalities.

Ms. Anderson stated that the point of the workshop is to ask questions and receive assistance. Staff will not retaliate for negative reviews on the workshop surveys. By law, the City can only set aside fifteen percent for funding nonprofits, which means there is a shortfall from the beginning. Then the City can only accept projects that are in accordance to the Consolidated Plan. Nonprofits can't rely on the City as sole support.

G. Subrecipient Application Process (*Sandra Anderson*)

Ms. Anderson stated that the applications are different this year. As a rule, the City will use the previous year's amount until the current year's award is known. Public Facility was not included in the Annual Plan. It was replaced with Economic Development Service. Nonprofits may submit applications for both categories.

Ms. Anderson gave a brief overview of the Community Development Block Grant and objectives. A handout was distributed. HUD does not tell communities what activities to do. Those objectives are derived in community meetings. The City must adhere to these three national objectives:

- Benefit low-moderate income persons either individually or area-wide, or activities that benefit special populations.
- Aid in the prevention or elimination of slums and blight.
- Meet urgent need.

CDBG Guidelines include:

- Income must be documented and verified for each client or household

- A maximum of 15% of the total annual grant can be used for public service activities
- A maximum of 20% of the total annual grant can be used for administrative activities
- Administrative, Public Service, and Public Facility project records must be maintained for 5 years from the completion of the project
- CDBG funds generally may not be used for religious activities or provided to primarily religious entities for activities
- Monthly / Quarterly / Annual reports with supporting documentation are required, as well as monitoring visit(s) to ensure compliance with appropriate rules and regulations

HUD Required Reports the City has to submit:

- Consolidated Plan (CP)
- Annual Action Plan (AAP)
- Consolidated Annual Performance & Evaluation Report (CAPER)

Primary Projects the City funds:

- Housing Counseling
- Services that benefit low-moderate income households
- Homeless or special needs populations
- Job Training
- Youth Development

Eligible Activities:

- Youth Services (mentoring, after school programs)
- Services for Senior citizens
- Employment services (job training)
- Financial-Homebuyer Education/Counseling
- Services for the homeless
- Substance abuse services (counseling/treatment)
- Crime prevention
- Recreational services

Ineligible Activities:

- Organizations Administrative Cost
 - Salaries and Benefits
 - Rent, utilities, Telephone
- Political Activities
- Income Payments to clients
- Activities outside the City of Greenville corporate limits
- Acquisition of real property for a religious facility or improvements to a religious facility or any other projects that are for a religious purpose
- Any organization or service not benefiting low-moderate income households

Ms. Grimes asked if each town or city is responsible for securing their own funding for community activities.

Ms. Anderson replied yes. The City of Greenville cannot fund activities outside the city limits.

Mr. Flood stated that funds had to be associated to a physical address in the city limits.

Ms. Anderson stated that all subrecipient applications are due Friday, January 6, 2012 at 12:00 noon to the Community Development Department Housing Division.

Required documentation for nonprofits Applications:

- Application from Housing Division
- Proof of:
 - 501c(3) Status
 - Articles of Incorporation
 - Current Audit Documentation
 - Board Member Lists
 - Program Information & Explanation
 - Valid lease

Mr. Hemby asked if board members for nonprofits are required to reside in the city.

Ms. Anderson replied that the majority of board members have to have some attachment to Greenville.

The remainder of the Subrecipient Application Process training was tabled until the next regular meeting.

H. Subrecipient Scoring Process (*Sandra Anderson*)

Tabled to regular meeting

I. Wrap up

Signature on file

R.J. Hemby, Chair

Signature on file

Sandra W. Anderson, Staff Liaison