

**DRAFT OF MINUTES PROPOSED FOR ADOPTION
THE AFFORDABLE HOUSING LOAN COMMITTEE**

**Meeting Minutes
Wednesday, June 21, 2017
Greenville, North Carolina**

Present:

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> David Campbell | <input type="checkbox"/> Melinda Dixon | <input type="checkbox"/> Vacant |
| <input checked="" type="checkbox"/> Kevin Fuell | <input type="checkbox"/> Ronita Jones | <input checked="" type="checkbox"/> Walt Kitchin |
| <input type="checkbox"/> Matt Smith | <input checked="" type="checkbox"/> Anne Fisher | |

Absent

- | | | |
|--|---|--|
| <input type="checkbox"/> David Campbell | <input checked="" type="checkbox"/> Melinda Dixon | <input checked="" type="checkbox"/> Vacant |
| <input type="checkbox"/> Kevin Fuell | <input checked="" type="checkbox"/> Ronita Jones | <input type="checkbox"/> Walt Kitchin |
| <input checked="" type="checkbox"/> Matt Smith | <input type="checkbox"/> Anne Fisher | |

Staff:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Amy Lowe | <input type="checkbox"/> Karen Gilkey |
| <input checked="" type="checkbox"/> Gloria Kesler | <input type="checkbox"/> Calvin Mercer (City Council Liaison) |
| <input type="checkbox"/> Sylvia Brown | <input checked="" type="checkbox"/> Renee Skeen |
| <input checked="" type="checkbox"/> Ben Griffith | |

A. Roll Call

B. Approval of Agenda

Motion was made by Ms. Fisher and seconded by Mr. Campbell to approve the agenda as presented. Motion carried unanimously.

C. Approval of meeting minutes from May 24, 2017

Motion was made by Mr. Campbell and seconded by Ms. Fisher to approve the meeting minutes from May 24, 2017 as presented. Motion carried unanimously.

D. Old Business

None

E. New Business

1. Down Payment Assistance

a. 20% HOME Grant (905 Bancroft Avenue)

Ms. Kesler informed the committee that the house they are about to see was presented to them in a previous meeting. At that time, issues occurred that placed the house back on the market. Ms. Kesler informs the committee that the house has been contracted for \$130,000 and that's the appraised value of it. Ms. Platt is asking for down payment assistance in the 20% HOME Grant program. Ms. Kesler informed the committee on how the program works. There is zero (0)

percent interest and has a maximum loan amount of \$20,000. That money is used for down payment assistance and to bring down the purchase of the house. The 20% HOME Grant program will allow Ms. Platt to receive a loan amount of \$20,000. She will be forgiven 1/15 a year over 15-year recapture period. The recapture period allows them participant to owe zero dollars after 15 years. If the homeowner decides to sell the house after 10 years, they would have 10 years forgiven.

Ms. Kesler informed the committee that there will be four (4) people living in the home. The Annual Median Income (AMI) is 62.67%. Ms. Platt is a first time homebuyer and has completed the homeownership workshop. Ms. Platt has a mortgage approved by American Neighborhood Mortgage Acceptance Company. Ms. Platt will also be receiving a 25% deferred loan from North Carolina Housing Finance Agency in the amount of 38, 500. Her mortgage payment will be \$643.35.

Mr. Kitchin asked if there is any interest on that loan.

Ms. Kesler replied that there is no interest.

Ms. Kesler explained that the \$38,500 sits there for the life of the loan. Ms. Platt would only have to pay it when she either sells the house or finish paying off the mortgage.

Ms. Kesler informed the committee that they're on a tight schedule to be able to close. The house has to be committed by the end of the month in order to have access to the North Carolina Housing Finance funds.

Motion was made by Mr. Fuell and seconded by Mr. Campbell to approve the 20% HOME Grant in the amount of \$20,000. Motion carried unanimously.

b. 10% No Interest Loan (2238 Sweet Bay Drive A)

Ms. Kesler informed the committee that the City offers a loan program that can go anywhere within the City limits of Greenville. The program offers 10% of the sales price of the house. Whatever a participant borrows, the City divides it into 120 payments (10 years) and that's the payment paid back to the City. There is no interest associated with this loan during that time period. Ms. Kesler stated that the bulk of participants use this loan to pay for closing costs and to help with any extras that are out of pocket. The funds can be used for closing cost or down payment assistance.

Ms. Kesler stated that Ms. Barrett will be purchasing a townhome duplex located at 2238 Sweet Bay Drive A. This home is a new construction and should be available by the end of the week. This home is also on a tight constraint. The homeowner has already been pushed back a week due to the change of the meeting.

The sales price is \$135,000 and the appraisal has been completed but is pending due to not having the final CO. However, the appraisal is \$135,000. Ms. Barrett is only requesting \$13,000 which is not the entire 10% of the purchase price to pay for down payment assistance and closing cost. Ms. Kesler informed the committee that all of the down payment assistance programs

require that the homeowner have at least a \$1,000 of their own money. The loan amount would be \$13,000 and will be repaid over 120 months for the next 10 years. Ms. Barrett's monthly payment will be \$108.33. Ms. Kesler stated that if Ms. Barrett leaves the home she will be required to pay back the balance of the home.

Ms. Kesler informed the committee that Ms. Barrett will have one person in her household and that this programs requirements are different. This program is funded through bond funds with the City of Greenville. This program does not use Federal dollars. One of the requirements is that her income has to be under 120% of the Annual Median Income (AMI). Ms. Barrett is at 89.44% and is a first time homebuyer and has completed the homeownership workshop. Her mortgage has been approved by Home Point Financial Corporation.

Mr. Kitchin asked if Ms. Kesler is asking the committee to approve this request without the final appraisal or is she asking the committee to just approve it.

Ms. Kesler replied that she just needs them to approve it because the CO won't be issued until tomorrow or Friday. They had one little thing that had to be done but it will not be funded if things are not ready. Ms. Kesler stated that the paperwork does not leave her desk or even start the approval process until the appraisal is complete.

Motion was made by Mr. Campbell and seconded by Ms. Fisher to approve the 10% No Interest Loan in the amount of \$13,000. Motion carried unanimously.

F. Staff Report

Ms. Kesler updated the committee on the following events:

2017 Financial Literacy Series
Sheppard Memorial Library (Room B)
Monday, July 17, 2017 – Keep It Safe
5:30 -7:30 PM
Sylvia Brown, 252-329-4509

Homeownership Education Workshop
Saturday, August 12, 2017
Gloria Kesler, 252-329-4226

Ms. Kesler informed the committee that she had 17 attendees at her last homeownership workshop.

Ms. Lowe informed the committee that the City Council did approve the Annual Action Plan and thanked the committee for it. She also informED the committee about the Assessment of Fair Housing (AFH) is due to HUD on October 2nd. In conjunction with the AFH is the 2018 Consolidated Plan which is a five year plan. Staff are in the process of hiring a consultant and has completed the RFP process for these plans. Ms. Lowe informed the committee that she has completed negotiations with the consultants the day before and is currently in the process of drafting the contract. Therefore the consultants will be on board very soon in order to develop

the AFH first and also the consolidated plan. The hired consultant chosen is CIVITAS who has experience working with the City as well as other communities in North Carolina, including Wilmington.

Ms. Lowe informed the committee that Karen Gilkey and herself attended the NCDA Annual Conference in Miami, FL and at the conference they were presented with the John A. Sasso CD Week Award. The award is in recognition of excellence in planning and implementing for the 2017 National Community Development Week Program. Ms. Lowe presented a postcard that was distributed throughout the City of activities held during CD Week. Ms. Lowe explained to the committee that one key purpose of CD week is to bring attention and educate the public about the need for new development activities and funding sources from HUD, specifically, from HOME and CDBG. Ms. Lowe stated that Ms. Brown submitted the proposal to the NCDA committee for this award. This is the third year the Housing staff has submitted a proposal for the award and has won. Ms. Lowe thanked staff and the Affordable Housing Loan Committee.

Mr. Kitchin thanked everyone for their accomplishment and information about the award.

Non-Profit Workshop in September

Next meeting for AHLC
Wednesday, July 12, 2017
4:00 p.m. – 5:00 p.m.
City Council Chambers
Sylvia Brown, 252-329-4509

G. Other

H. Adjournment

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

Walt Kitchin, Chairman

Sylvia D. Brown, Staff Liaison