

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

**Meeting Minutes**

**Wednesday, November 13, 2019**

**Greenville, North Carolina**

**Present:**

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Jack Brock     | <input checked="" type="checkbox"/> Anne Fisher  | <input checked="" type="checkbox"/> Walt Kitchin |
| <input checked="" type="checkbox"/> David Campbell | <input checked="" type="checkbox"/> Kevin Fuell  | <input type="checkbox"/> Deborah Spencer         |
| <input checked="" type="checkbox"/> Derick Cherry  | <input checked="" type="checkbox"/> Ronita Jones |  |

**Absent**

- |   |                                       |   |
|---|---------------------------------------|---|
| <input type="checkbox"/> Jack Brock     | <input type="checkbox"/> Anne Fisher  | <input type="checkbox"/> Walt Kitchin               |
| <input type="checkbox"/> David Campbell | <input type="checkbox"/> Kevin Fuell  | <input checked="" type="checkbox"/> Deborah Spencer |
| <input type="checkbox"/> Derick Cherry  | <input type="checkbox"/> Ronita Jones |   |

**Staff:**

- |  |  |
|--|--|
| <input type="checkbox"/> Thomas Barnett            | <input type="checkbox"/> Monica Daniels (City Council Liaison) |
| <input type="checkbox"/> Tiana Berryman            | <input checked="" type="checkbox"/> Christine Wallace          |
| <input checked="" type="checkbox"/> Sylvia Brown   | <input checked="" type="checkbox"/> Gayla Johnson              |
| <input checked="" type="checkbox"/> Phoenix Hinson |  |

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**A. Roll Call**

**B. Approval of Agenda**

Motion was made by Mr. Brock and seconded by Mr. Kitchin to approve the agenda. Motion carried unanimously.

**C. Approval of meeting minutes from October 9, 2019**

Motion was made by Mr. Campbell and seconded by Mr. Brock to approve the meeting minutes from October 9, 2019. Motion carried unanimously.

**D. Old Business**

None

**E. New Business**

**1. Down Payment Assistance**

**a. HOME 20% - 305 Academy Drive**

Ms. Hinson informed the committee that Ms. White who has two (2) children in the home is looking to purchase the home at 305 Academy Drive. Ms. White will be utilizing the 20% HOME downpayment assistance program which is twenty percent of the sales price of the house and is forgiven 1/15 of the year over the course of fifteen (15) years. The cap is \$20,000. The home is located within the City limits of Greenville and is outside the 100 year flood plain. The

location has seen some flooding in the past. However, this area is outside the 100 year flood plain so the homeowner is not required to have flood insurance. The sales price of the home is \$112,490 and the appraisal is pending. There is a conditional approval of the appraisal of \$112,490. The condition will be a part of approving the downpayment today. Ms. White meets the minimum income of under 80%. Her income is at 68.56% AMI (Annual Median Income) and she is a first time homebuyer. Ms. White has not completed the Homeownership Workshop because it had to be cancelled but she will attend the workshop on November 16, 2019. This would also be a condition of approving the downpayment today. Ms. White's mortgage is approved by Movement Mortgage Incorporated.

Ms. Hinson informed the committee that Ms. White is within the debt-to-income ratio. Her front end ratio is 20.71% and her back end is 29.92%. The program requires that you have a ratio of no more than 33% on the front end and 45% on the back end. Staff recommends approval of this loan in the amount of \$20,000, contingent upon successful completion of the Homeownership Workshop on November 16, 2019 and appraisal at value.

Mr. Brock asked if there were any wiggle room for the appraisal, like if it's a little higher or lower. Ms. Hinson responded that if it is lower, they would have to renegotiate the situation. If the appraisal is a little higher, they cannot change anything. There would be no changes to her rate or mortgage. Ms. Hinson also informed the committee that when HOME funds are being used, she likes to secure the extra between the appraisal and the sales price if it's more to secure the HOME funds which is required by HUD.

Ms. Fisher to explain the back end and front end ratio.

Ms. Hinson explained to the committee that the back end and front end ratios are similar to banks debt-to-income ratios.

Mr. Cherry asked if 305 Academy Drive in the Old River Road community.

Ms. Hinson replied that it is off Highway 33 near River Park North by Mumford Road. Between what use to be Pinecrest Mobile Home Park and Peadens Grill.

Ms. Jones asked if other homes were being built in that area.

Ms. Hinson replied yes. It's a neighborhood. The homes are running around 1000 to 1200 sq. foot and they are affordable. The homes in the neighborhood are being sold at \$112,000 to \$120,000.

Mr. Kitchin asked how close to the median income do a person have to be to qualify on this particular type of loan.

Ms. Hinson stated that they have to be at 80% or under the area median. She stated that for Ms. White's household size that is \$41,547.

Mr. Cherry asked where does Ms. White currently work and how long do they need to be employed.

Ms. Hinson stated that it's just like a mortgage. The program requires two (2) years of employment history. Ms. White has been employed for a couple of years and moved from a temporary position to a full time position. Due to the history of her employment everyone was able to continue her income.

Motion was made by Mr. Cherry and seconded by Mr. Fuell to approve staff recommendation of 20% HOME downpayment assistance loan in the amount of \$20,000, contingent upon successful completion of the Homeownership Workshop on November 16, 2019 and appraisal at value. Motion carried unanimously.

## **2. Request for Agreement Extension**

### **a. Boys and Girls Clubs of the Coastal Plain**

Ms. Johnson informed the committee that the Boys and Girls Clubs of the Coastal Plain is requesting a one week extension on their CDBG 2018 public service agreement that started November 2, 2018 and ended November 1, 2019. They are requesting an extension to November 8, 2019 to expend additional funds. They would like to purchase software license for their Club Academy Program. Mr. Jamar Sampson, Director of Academic Success was present to elaborate on the request and to answer any questions the committee might have.

Mr. Sampson informed the committee that staff has spent a couple of months researching different software that would align with their outcome areas of academic success. Mr. Sampson stated that they have found the right software. However, due to their internal process for approval, their Chief Development Officer had a loss in the family unexpectedly and had to give that stamp of approval before they could move forward with it. Mr. Sampson stated that everything was set up but by the time the Chief Development Officer returned they would have missed the deadline by a couple of days. Therefore, staff went ahead and spent against it. Mr. Sampson also stated that Ms. Johnson and Ms. Brown informed him that it would be covered under the next grant cycle but Mr. Sampson wanted to request an extension with hopes that they could cover the purchase under the current grant so they could use the funds for the next year and purchase additional items with the grant.

Staff recommends approval of the request from the Boys and Girls Clubs of the Coastal Plain to extend their 2018 CDBG Public Service Grant by one week to November 8, 2019.

Mr. Campbell asked what was the amount.

Mr. Sampson stated that it was \$4,250.

Ms. Johnson informed the committee that they are not adding funds they are just providing a time frame of when they can purchase the software.

Mr. Cherry asked that the current funds they are requesting to spend are already in their budget.

Ms. Johnson replied yes.

Mr. Cherry asked what specifically would the software be used for.

Mr. Sampson stated that with the Club Academy program they have an in-school tutoring and an afterschool tutoring. This software allows staff to project out on any of the lessons that the children are being taught in school and then receive live feed-back as well as incorporating the technology aspect of education. Mr. Sampson informed the committee that the software license covers one year and hope to purchase the software when entering the new school year.

Motion was made by Ms. Fisher and seconded by Mr. Cherry to extend the Boys and Girls Clubs of the Coastal Plain deadline for one week. Motion carried unanimously.

Mr. Sampson thanked the committee and updated on the success of the program and stated how they were able to expand to five (5) other counties including: Martin County, Lenoir County, and Greene County.

### **3. 2020-2021 Annual Action Plan Public Meeting**

Ms. Brown informed the committee that this would be the first of three (3) public meetings concerning the 2020-2021 Annual Action Plan Public Meeting. Ms. Brown informed the committee that the Annual Action Plan is one of three reports that are required to be submitted to HUD. The Consolidated Plan is a 5-year plan. The Annual Action Plan breaks down the 5-year plan into 1-year. The CAPER (Consolidated Annual Performance and Evaluation Report) comes at the end of the annual action plan to tell how funds were expended, if goals were met and achievements.

Ms. Brown stated that the reports are a requirement of Federal HUD funding and this year is year three (3) of the 5-year Consolidated Plan that provides a detailed budget and description of activities as well as sets the goals and visions for the program year that run July 1 to June 30. It also serves as our application for funding. The City of Greenville at this point has not received its anticipated budget. The City is a recipient of two (2) sources of funding: Community Development Block Grant (CDBG) and HOME Investment Partnerships.

#### **Schedule:**

##### **Community Meetings:**

- November 13, 2019 – Affordable Housing Loan Committee Meeting, City Hall Council Chambers
- November 18, 2019 – Eppes Recreation Center, 400 Nash Street from 6:00 p.m. – 7:30 p.m.
- November 25, 2019 – Sheppard Memorial Library, Meeting Room B, from 6:00 p.m. – 7:30 p.m.

The public is encouraged to attend to express how they would like to see the funds be used within the City of Greenville. Information during the meetings will be considered for the draft Annual Action Plan and the public process begins in the Spring.

**First Public Hearing:**

- December 12, 2019

**Non-profit funding process:**

- December – February

All applications for non-profits public service grants are due December 31, 2019 by 3:00 p.m. and the non-profits presentations are planned for the February Affordable Housing Loan Committee meeting. This year we will have one meeting instead of breaking the meetings down into two separate meetings. The meeting will begin early and the committee will be informed in advance of the scheduled meeting time to make adjustments to attend the meeting.

**Public Comment Period on Draft Plan:**

- April – May

**Final Public Hearing:**

- May - City Council Meeting, City Hall Council Chambers, 200 West 5<sup>th</sup> Street

This meeting will include comments from the Fall

**Submission to HUD:**

- May 30, 2020

**Action Plan Top Priorities:**

- Lincoln Park Neighborhood Revitalization
  - Infrastructure improvements to include street repaving, green space, lighting extension. Currently the City has been working on lighting towards 5<sup>th</sup> Street almost to the 10<sup>th</sup> Street Connector.
  - City sponsored and incentivized new construction. Currently the City is in the process of choosing a contractor to build four new units in that area. The City did host a bid opening today. The City currently has three (3) completed units. One is under construction by a non-profit partner and rehabs are also being done. One rehab closed in late October.
- Home Rehabilitation
  - Reconstruction Policy that allows for repairs of more severely damaged homes in priority areas.
  - Allows for wider participation.
- Acquisition and Demolition of Substandard Structures
  - Acquisition of substandard property eliminates environmental hazards and eyesores
  - Allows for creation of buildable lots for future development

A photograph of a lot on the corner Fleming and Bancroft was shown to the committee of where the new construction is taking place.

- Homeownership
  - Reduced affordability period from 20 years to 15 years. HUD only requires 15 years so it is the opinion of staff and HUD that 15 years is adequate time to monitor the properties and make sure they are kept at an affordable rate.
  - Continued 20% HOME down payment assistance program.
- Education & Non-Profit Support
  - Financial literacy classes to prepare prospective buyers and reduce obstacles to homeownership
  - Support of holistic community development

Mr. Cherry asked if Lincoln Park was at Bancroft and Fleming, the West side of 5<sup>th</sup> Street.

Ms. Brown replied yes.

Mr. Fuell asked if other organizations outside of the City that partner with us, are they allowed to be part of the revitalization. Can investors come in?

Ms. Brown stated that one of the homes being built at the corner of Bancroft and Fleming is a non-profit partner of the City.

Mr. Fuell asked can outside investors get involved with the revitalization in West Greenville.

Ms. Brown stated that if they are interested she encourages them to contact Ms. Berryman to discuss the possibility. Ms. Brown elaborated that they would make sure that the property the investor builds is affordable.

Mr. Fuell stated that you have homes that need to be torn down or homes that are occupied that need work done.

Ms. Brown provided the contact number for Ms. Berryman which is 252-329-4518.

Ms. Jones stated that there are several houses in the area that appear to be abandoned. To be rehabbed, does someone have to be living in the home?

Ms. Brown replied yes. However, there is the possibility of demo and new construction. There are different ways to look at a situation. Ms. Brown encouraged the committee to bring to the attention of staff any properties of concern. Staff is working with code enforcement and the administrative division of Planning and Development Services Department.

Ms. Jones stated that one of homes on the slide presentation had been burned. She asked if the City was going to purchase the property or consider purchasing it.

Ms. Brown encouraged Ms. Jones to contact Ms. Berryman. Ms. Brown informed Ms. Jones that staff has been looking into how to help the homeowner of the property but recommends contacting Ms. Berryman for more up to date information.

**F. Staff Report**

**Homeownership Workshop**

Saturday, November 16<sup>th</sup> at 9:00 a.m.

Greenville Housing Authority Training Room

1103 Broad Street

Greenville, NC 27835

Call 252-329-4056 to register

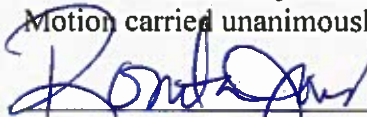
**G. Other**

Ms. Brown thanked the Veterans for their service and wished everyone a Happy Thanksgiving.

**H. Adjournment**

Motion was made by Mr. Kitchin and seconded by Mr. Cherry to adjourn the AHLC meeting.

Motion carried unanimously.

  
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Ronita Jones, Chairman

  
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Sylvia D. Brown, Staff Liaison