

**DRAFT OF MINUTES PROPOSED FOR ADOPTION
THE AFFORDABLE HOUSING LOAN COMMITTEE
Virtual Meeting Minutes
Wednesday, September 9, 2020
Greenville, North Carolina**

Present:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Jack Brock | <input checked="" type="checkbox"/> Anne Fisher | <input checked="" type="checkbox"/> Walt Kitchin |
| <input type="checkbox"/> Vacant | <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"/> Vacant | <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 checked="" type="checkbox"/> Phoenix Hinson | <input type="checkbox"/> Monica Daniels
(City Council Liaison) |
| <input checked="" type="checkbox"/> Tiana Berryman | <input checked="" type="checkbox"/> Gayla Johnson | |
| <input checked="" type="checkbox"/> Sylvia Brown | <input type="checkbox"/> Christine Wallace | |

A. Roll Call

B. Approval of Agenda

Motion was made by Mr. Derick Cherry and seconded by Mr. Jack Brock to approve the agenda. Motion carried unanimously.

C. Approval of meeting minutes from July 8, 2020

Motion was made by Ms. Anne Fisher and seconded by Mr. Derick Cherry to approve the meeting minutes. Motion carried unanimously.

D. Old Business

None

E. New Business

1. Down Payment Assistance (DPA)

a. 1495 Fleming Street - Daniels

Ms. Hinson introduced the properties as units in Lincoln Park that we developed with Bill Clark Homes. A realtor helped us to find buyers. With DPA approvals today, all five homes will be sold, including the unit on the end built by the Housing Authority. All buyers will benefit from the HOME Grant, 20% sales price of home with a cap of \$20,000. Some will also receive funding from North Carolina Housing Finance Agency (NCHFA). HOME Grant funding will be forgiven and the NCHFA funding will be repaid at the sale or it will be recouped through a ten (10) year deed of trust.

The first home has been contracted by the Daniels family for \$128,000. The appraisal came in at \$128,800, just a little more than the sales price. That home equity has to be secured and will be included in their note for DPA. The request is under the 20% grant & their asking for \$20,000

which will be forgiven at 1/15 per year. This household of three (3) meets the annual median income program guidelines (61.49%) and debt to income ratios (22/44). They have completed homeownership education and they're using the CHIP program (Community Homeownership Incentive Program) with Truist Bank for their mortgage. Only family not using the New Homes Loan Pool from NCHF.

Ms. Hinson asked if there were any questions.

Ms. Jones asked what is the CHIP program.

Ms. Hinson responded that it is their low income program. It has a better interest rate and is easier to qualify for. Half of Countryside Estates was done through the CHIP program twenty (20) years ago. It is a community partnership that brings the cost down.

Staff recommends approval of the HOME Grant in the amount of \$20,000.

Ms. Jones called for a motion and roll call. Mr. Brock made the motion to approve. Mr. Cherry seconded. Ms. Brown did the roll call. The motion carried unanimously.

b. 1501 Fleming Street – Burton

Ms. Hinson mentioned that this home was one of the one story homes. Ms. Burton is contracted on the house for \$123,000. The appraised value is \$132,200. We will secure the \$9,200 in home equity through the note as mentioned before. She is requesting \$20,000 and as part of her financing package, she will receive \$4,600 from NCHFA. This is a one (1) person household, under annual median income guidelines, meets debt to income ratios, is a first time homebuyer and has completed the homeownership workshop. Her mortgage will be through TowneBank. Her interest rate through NCHFA is 2.75% and the other NCHFA are 2.50%.

Ms. Hinson asked for questions.

Ms. Jones mentioned that this home appraised more than the other one but it appears to be smaller.

Ms. Hinson answered that she had a conversation with the bank. The banks have a pool of appraisers. We had an appraiser that was from outside this area. She posed that question but we will secure the equity in the note.

Mr. Cherry asked if the \$4,600 was going towards the down payment.

Ms. Hinson answered yes.

Staff recommends approval of the HOME Grant in the amount of \$20,000.

Ms. Jones called for a motion and roll call. Mr. Kitchin made a motion to approve the staff recommendation. Mr. Cherry seconded. Ms. Brown did the roll call. The motion carried unanimously.

c. 1503 Fleming Street – Harris

Ms. Kesler advised the committee that Ms. Harris is contracted on the home located at 1503 Fleming for a sales price of \$128,000 and it appraised for \$133,000. She is requesting \$20,000

through the HOME Grant and from the NCHFA loan pool she qualifies for \$18,400. The HOME Grant is forgiven 1/15th per year. This is a one (1) person household, income is under 80% AMI, she meets the debt to income ratios, participated in & completed the homebuyer workshop & her mortgage is with TowneBank Mortgage.

There were no questions.

Staff recommends approval of the HOME Grant in the amount of \$20,000.

Ms. Jones called for a motion and roll call. Ms. Fisher made a motion to accept the staff recommendation. Mr. Cherry seconded. Ms. Brown did the roll call. The motion carried unanimously.

d. 1507 Fleming Street – Johnson

Ms. Kesler advised the committee that this homeowner is Ms. Johnson. The sales price of the home is \$123,000 and the appraisal came in at \$123,300. She is requesting \$20,000 down payment assistance from the HOME Grant and from the NCHFA's loan pool she will receive \$5,170. This is a one (1) person household, under 80% AMI, she meets the debt to income ratios, is a first time homebuyer, completed the homeownership workshop and the mortgage is with TowneBank Mortgage as well.

There were no questions.

Staff recommends approval of the HOME Grant in the amount of \$20,000.

Ms. Jones called for a motion and roll call. Mr. Cherry made a motion to accept the staff recommendation. Mr. Kitchin seconded. Ms. Brown conducted the roll call. The motion carried unanimously.

e. 1509 Fleming Street – Peele

Ms. Kesler advised the committee that this a property that Greenville Housing Development Corporation built. We provided them the lot to create affordable housing. Mr. Peele is contracted on the property for \$150,000, the home is larger with a carport on the side. The appraisal came in at \$150,000. He is requesting \$20,000 from the HOME Grant and will received from NCHFA \$30,000 to make it affordable. This is a two (2) person, income is under 80% AMI, meets debt to income ratios, is a first time homebuyer, completed the homeownership education and his mortgage is through TowneBank Mortgage.

Mr. Cherry asked why the approval from NCHFA was \$30,000 and everyone else was significantly lower.

Ms. Kesler responded that it is based on need. NCHFA is like us allowing up to 20% of the sales price with a cap of \$30,000. Based on his income and his ability to borrow that amount was what they determined to be his need.

Staff recommends approval of the HOME Grant in the amount of \$20,000.

Ms. Jones called for a motion and roll call. Ms. Fisher made a motion to accept the staff recommendation. Mr. Cherry seconded. Ms. Brown conducted the roll call. The motion carried unanimously.

Ms. Jones commented that the construction has really changed the landscape in the neighborhood. She expressed gratitude to the City for moving forward with providing the affordable housing for the people and changing the neighborhood overall.

Ms. Kesler commented that lower interest rates have helped us to be able to bring more affordability. Most of the mortgages for the families will be between \$555 to \$650/\$700.

2. Annual Action Plan (AAP) CDBG – CV Amendments

Ms. Berryman explained why the committee is having to see another presentation on the 2020-2021 Annual Action Plan. This is an amended draft. The draft plan came before the committee in the spring but during the public comment period, the CARES ACT went into effect and made available additional CDBG dollars. Because staff was already in the process of receiving comments and presenting our plan to the community, we had not had an opportunity to include a recommendation for those additional funds. The presentation today will be a combination of information that the committee had already heard and a little bit of new information based on CDBG-CV. CDBG-CV is the CARES ACT coronavirus related dollars and the presentation will focus on information about funding and projects related to community development and the amendments for the CDBG-CV which are activities to prevent and respond to issues related to coronavirus.

The annual action plan basically details our activities, taking a bite out of the consolidated plan for the upcoming year, July 1 to June 30 even though we are already into our 2020 program year. Activities will address affordable housing, support grants, economic empowerment and neighborhood revitalization. Action plan priorities are the same with the addition of economic development.

2020-2021 Allocations:

- Community Development Block Grant \$977,960
- CDBG-CV \$575,301
- HOME Investment Partnership \$545,511
- Local Match Funding \$328,695
- TOTAL = \$2,427,467

Programs and funding for CDBG-CV will include \$100,000 for Public Services, \$225,301 for emergency Rental Assistance and \$250,000 for Small Business Assistance. Each of these areas will have to address or respond to some sort of COVID-19 related issue. Public Services typically has a cap of 15% so we still have the \$150,000 that the non-profits have already gone through the process for. The additional \$100,000 will be for Public Services to specifically respond to COVID-19. The emergency rental assistance will be temporary rental assistance to address a need by low/mod income renters who are behind up to 3 months for no more than \$1,500. Have to have been in the unit since January 1st of this year and must have been employed. The need must be related to COVID-19. Looking to create policy for the small business assistance to help small businesses and microenterprises with potential loss of income as a result of COVID-19.

All of the Public Service funding is the same and the activities that you approved in the spring do not change. The \$100,000 for COVID-19 response or recovery. Staff is considering putting out a request for proposals for additional funding and also looking at a partnership with Recreation and Parks to see if there is an opportunity to assist students who are navigating this new non-traditional school on the AB schedule, homeschooling or virtual learning. Investigating opportunities to use some of the \$100,000 to assist with youth activities.

We are in the public comment period now and the public hearing will be held tomorrow virtually during City Council. We expect to submit the amended plan to HUD by the end of the month. HUD is expediting approval so we're looking to hit the ground running with these new activities and this new funding soon.

Ms. Berryman asked if there were any questions.

Mr. Cherry asked if the rental assistance funding was for anyone that lives within the city limits or are there any other guidelines.

Ms. Berryman explained that we don't have concrete policies and procedures for these new proposed activities but staff anticipates them being an income based citywide project. Individuals or families would have to be low to moderate income, renters living within the city who were both renting and employed on January 1, 2020. Must have lost some or all of employment or filed for unemployment after March 2020. This would ensure that individuals benefiting from the program were impacted by COVID-19.

Mr. Cherry asked so they can't be working currently.

Ms. Berryman explained that they could have reestablished employment but we must document a partial or total loss of employment after March 2020 and as a result there was an issue with paying rent for up to three (3) months not to exceed \$1,500. Staff will work through the details and anticipates bringing forth a proposed policy to the committee within the next month or so.

Ms. Jones commented that this proposal is for rental assistance and asked if there was anything for homeowners.

Ms. Berryman responded not currently. What we heard from the community was that there were no renter specific programs because most of our programs were for homeowners. Traditionally rental assistance is not an eligible activity for CDBG so this is unique under the CARES ACT so we're trying to take advantage of a population that we don't reach as much. However, we could investigate if there is an opportunity to assist homeowners because we have six (6) years to expend the CDBG-CV dollars.

3. 2019 Consolidated Annual Performance & Evaluation Report (CAPER)

Ms. Berryman explained that we kick off with our Annual Action Plan (AAP) in the spring which details the activities that we are proposing and the CAPER follows showing how we met those intended goals. The CAPER is the city's report to both the community and to HUD detailing how successful we were at meeting our goals and outcomes identified in the Annual Action Plan. From July 1, 2019 to June 30, 2020, \$1.3M was expended from CDBG and just under \$300K was expended in HOME funds. We expended more than the annual CDBG

allocation because we tapped into prior year resources which indicates how busy staff has been working to get the funds out into the community.

Some of the goals and outcomes from last year related to creating decent affordable housing include rehabilitation of ten (10) owner occupied units and construction of four (4) new units for which the down payment assistance was recently approved. The HOME funds expended went towards those four homes and will be counted as an outcome in this 2020 CAPER. One hundred forty eight (148) homeless individuals benefited from our public service activities and four hundred sixty one (461) households were assisted through our public service programs.

Some other notes are that the coronavirus pandemic occurred during the third quarter of the last program year, so we did see a significant decline in productivity of expenditures through our non-profits and some of our other activities slowed down a bit. In spite of that, we were still able to expend the funds that were allocated to the city with achieving these outcomes. In addition, minority businesses received 100% of rehab contracts for just under \$800K and eight (8) non-profit service providers were funded.

The plan was made available to the community for review online and in public libraries for twenty three (23) days. The HUD deadline submission has been waived because of all that has been going on with coronavirus.

The committee did not have any questions for Ms. Berryman.

F. Staff Report

a. Lead Hazard Control/Healthy Homes Program

Ms. Brown reminded the committee and the public about this program and the criteria necessary to qualify. It is intended for owner occupied as well as rental housing units built before 1978, must be occupied or visited frequently by a child under the age of six (6) or a pregnant woman. Some effects of lead poisoning include developmental delays, learning difficulties, premature births and low birth rates as well as slowed growth. There are health issues for adults as well but this program targets homes of young children. What we would do is work with a third party to test the housing unit for lead, abate lead in the home and replace contaminated topsoil as well as address healthy housing hazards such as mold growth, lighting and falls. Ms. Brown asked the committee to help staff get the word out about this program and also gave her contact information for anyone in the community who might be watching the meeting.

b. Annual Non-Profit Workshop – 9/30/2020 (virtual)

Ms. Brown advised the committee and the community that the workshop will cover the 2021 funding year. The purpose is to advise and assist non-profit organizations with meeting HUD and City of Greenville guidelines. It will occur Wednesday, September 30, 2020 and will be virtual. Each organization will be required to have a representative present at one of the two sessions in order to submit an application. Zoom information will be emailed to everyone once their rsvp is confirmed. The contact is Gayla Johnson at 252-329-4295. Ms. Johnson advised the committed that the deadline for applications is

Thursday, December 31, 2020 by 4pm at the City of Greenville Municipal Building, 201 W. 5th St.

G. Other

Ms. Brown reminded the committee and public about the continued restriction on public access to city office buildings, Monday, Wednesday and Friday 9am-12noon and Tuesday and Thursday, 1pm-5pm. Everyone is encouraged to wear a mask and maintain social distance of 6ft when inside city buildings. Anyone having questions about the Homeownership Workshop should call 252-329-4056. The next Affordable Housing Loan Committee meeting is October 14, 2020.

Ms. Brown mentioned that the Governor has us all in the Safer At Home Phase 2.5 and that some of the previous restrictions have been relaxed. We encourage everyone to be safe, protect yourself and protect others.

The committee did not have any questions for Ms. Brown.

H. Adjournment

Ms. Jones called for a motion and roll call. Mr. Brock made a motion to adjourn and Mr. Fuell seconded. Ms. Brown did the roll call. The motion carried unanimously.

Ronita Jones, Chairman

Sylvia D. Brown, Staff Liaison