

THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

Minutes

**Wednesday, May 9, 2012
Greenville, North Carolina**

Present:

- Alice Brewington
- Howard Conner
- Jackie Parker

- Lovella Perkins
- Melissa Grimes
- R. J. Hemby

- Walt Kitchin
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Absent:

- Alice Brewington
- Howard Conner
- Jackie Parker

- Lovella Perkins
- Melissa Grimes
- R. J. Hemby

- Walt Kitchin
-

Staff:

- Thom Moton
- Merrill Flood
- Sandra Anderson

- Sylvia Brown
- Betty Moseley
- Kandie Smith (City Council Liaison)

- Scott Eaton

A. Roll Call

B. Approval of Agenda

Ms. Sylvia Brown stated that agenda item F2, "Request to amend the subrecipient contract for Building Hope Community Life Center" needed to be tabled until the June meeting.

Motion was made by Mr. Conner and seconded by Ms. Brewington to approve the agenda as amended. Motion carried unanimously.

C. Approval of meeting minutes from March 14, 2012

No action required

D. Approval of meeting minutes from March 29, 2012

Mr. Conner stated that a correction was needed on page 4. He is a board member for the Lucille W. Gorham Intergenerational Community Center, Inc. and not for PAL.

Motion was made by Mr. Kitchin and seconded by Mr. Conner to approve the meeting minutes from March 29, 2012 as amended. Motion carried unanimously.

E. Old Business

None

F. New Business

1. Request to convey two (2) single family units to Streets to Homes for use as affordable rental properties

Mr. Scott Eaton stated that staff is requesting to convey 600 Ford Street and 414 Cadillac Street to Streets to Homes for use as affordable rental properties. It is

imperative that these homes be occupied by June 1, 2012 or HUD will reclaim the properties. Streets to Homes will manage these properties in a lease/purchase program designed to assist low income residents. If the property is sold within 10 years, 50% of the proceeds will return to the City. Both homes have a 20-year affordability period. Streets to Homes have identified two low income families who are ready to occupy these homes.

Mr. Conner asked when these properties were constructed.

Mr. Eaton replied that the homes were built in 2008.

Ms. Amanda Hopkins, Executive Director for Streets to Homes stated that Streets to Homes was a certified Community Housing Development Organization (CHDO). Streets to Homes has a Certified Housing Counselor on staff that has worked with two low income families and has helped them prepare for homeownership. Streets to Homes has been working with the NC Housing Finance Agency and the Participating Jurisdiction (PJ) to make it more affordable for them. The families should be able to purchase the homes within six months.

Mr. Conner asked what the criterion was for the household size.

Mr. Eaton replied that the homes would have to meet all zoning requirements.

Ms. Hopkins replied that the homes must be appropriate for the family. Each home has three bedrooms.

Mr. Hemby asked for an explanation for the acronym CHDO.

Ms. Hopkins replied that CHDO was a Community Housing Development Organization. To apply for certification, one must go through the State. The mission is to work with the community to remove slums, blight and improve the neighborhoods. They also revitalize communities aligned with City of Greenville objectives. Their clients consist of lower income families seeking to get into affordable housing. CHDO's receive 15% of HOME Partnership Funds awarded to the City. Client rent is no more than 30% of their income.

Ms. Brewington asked if Streets to Homes has established rents on these two units.

Ms. Hopkins replied yes. The first family is paying \$450 per month and the second family is paying \$425 per month.

Mr. Hemby asked if the City's downpayment assistance program was participating in the effort.

Mr. Eaton replied yes.

Mr. Hemby asked if there were any other properties on Ford Street belonging to Housing.

Mr. Eaton replied no. The other properties built by the City have been sold.

Mr. Hemby asked if the City had set the medium income.

Mr. Eaton replied that it is set at 80% or below the AMI.

Ms. Brewington asked if this was the first unit done this way.

Mr. Eaton replied that the City has done other homes this way. The Greenville Housing Development Corporation through the Greenville Housing Authority has been successful with the homes on Contentnea Street. One home has been sold and they are working with four other potential buyers.

Ms. Grimes asked how it could be a lease option but not a lease option. Does a portion of the rent get set aside for the downpayment?

Ms. Hopkins replied yes, the money is set aside for the option to purchase.

Mr. Kitchin stated that the tenant is not obligated to purchase the home if they can't afford it once the six month period is up.

Ms. Hopkins stated that should the tenant be unable to purchase the home, then Streets to Homes will begin the process with another family who can qualify. Staff has picked two families who have seen the community and can afford to purchase the homes.

Ms. Perkins asked if the current clients were chosen because of the higher possibility to purchase.

Ms. Hopkins replied yes. Staff looked at factors such as income, stability, their comfort level in the community and their desire to live there.

Ms. Brewington asked if Streets to Homes would do maintenance on the homes during rental.

Ms. Hopkins replied yes.

Mr. Conner asked if Streets to Homes would maintain the property insurance during rental.

Ms. Hopkins replied yes.

Motion was made by Mr. Conner and seconded by Ms. Perkins to approve conveyance of 600 Ford Street and 414 Cadillac Street to Streets to Homes for use as rental units in a lease/purchase program. Motion carried unanimously.

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

Tabled until June 2012 meeting

F. Staff Report

Ms. Brown advised the committee that the City of Greenville had made application for the 2012 John A. Sasso Award concerning the activities during the CDBG/HOME Week. The City of Greenville won the John A. Sasso Award in 2010 for CDBG Week activities. Results for the application are expected in about two weeks.

G. Other

The members of the AHLC and Housing staff welcomed Mr. Walt Kitchin as the newest committee member.

Mr. Kitchin replied that he is looking forward to working with the committee.

Ms. Brewington asked what the issue was with the Building Hope Community Life Center.

Mr. Hemby replied that he feels the issue involved several non-profits who were not awarded funding in the 2012 Subrecipient funding cycle and were asking if there was any other way to come before the board.

Ms. Brown stated that the item removed from the agenda today was for funding an audit, which may not have to come before the board.

H. Adjournment

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

Signature on file

R. J. Hemby, Chair

Signature on file

Sylvia D. Brown, Staff Liaison