

# THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

## Minutes

Wednesday, January 12 2011

Greenville, North Carolina

### Present:

Alice Brewington  
 R. J. Hemby  
 Karalee Coughlin

Lovella Perkins  
 Sterling Reid  
 Melissa Grimes

Howard Conner

### Absent:

Alice Brewington  
 R. J. Hemby  
 Karalee Coughlin

Lovella Perkins  
 Sterling Reid  
 Melissa Grimes

Howard Conner

### Staff:

Merrill Flood  
 Sandra Anderson  
 Gloria Kesler

Karen Gilkey  
 Sylvia Brown  
 Betty Moseley

Thom Moton  
 Kandie Smith (City Council Liaison)

#### **A. Roll Call**

Ms. Melissa Grimes has asked to be excused

#### **B. Approval of meeting minutes from December 8, 2010**

Motion was made by Ms. Lovella Perkins and seconded by Ms. Karalee Coughlin to approve the December 8, 2010 meeting minutes as presented. Motion carried unanimously.

#### **C. Approval of special meeting minutes from December 22, 2010**

Motion was made by Ms. Lovella Perkins and seconded by Mr. Sterling Reid to approve the December 22, 2010 meeting minutes as presented. Motion carried unanimously.

#### **D. Old Business**

##### **1. Subrecipient Update**

Ms. Sylvia Brown gave the quarterly subrecipient update. A copy of the update was distributed to the committee members.

Ms. Coughlin asked what happened to funding not used by subrecipients.

Ms. Brown replied that the funding will be recaptured and redistributed.

Ms. Brewington asked if some of the agencies had given any reasons as to why funds were not being used.

Ms. Brown replied that they were awaiting quotes and approval. Also, some grants have just started. Reimbursement request have been received for December 2010, however, the payment has not been processed yet.

## **E. New Business**

### **1. Down Payment Assistance Request**

Ms. Sandra Anderson stated that staff has received a request for the 20% Home Grant program. The home is located at 1508 C-2 Manning Forest Road, Greenville, NC. The sales price is \$85,900.00. Downpayment assistance in the amount of \$17,180.00 is being requested.

There are two people in the home. The household annual income is \$25,391.88 with an AMI of 59.33%

Applicant is a first-time homebuyer and has completed required Homeownership Education and counseling.

Ms. Coughlin asked if the applicant had been officially approved for a loan and what programs are being used.

Ms. Anderson replied that the applicant had been officially approved and that they are using traditional programs. The city would be the only subsidy.

Motion was made by Ms. Perkins and seconded by Ms. Coughlin to approve downpayment assistance in the amount of \$17,180.00 for 1508 C-2 Manning Forest Road, Greenville, NC. Motion carried unanimously.

### **2. Set Just Compensation**

#### **a. 609 Contentnea Street**

Ms. Anderson stated that the owners of 609 Contentnea Street have waived their rights to an appraisal. Tax value is \$9,273.00. The city owns the lots beside this one and would like to obtain this lot also.

Mr. Hemby asked if the property was owner occupied.

Ms. Anderson replied that the property was vacant.

Mr. Reid asked if the city was planning to make a lease/purchase program on the property.

Ms. Anderson replied that the lease/purchase program was used as a reference point.

Mr. Reid asked what the city planned to do with the property.

Ms. Anderson answered that the city plans to merge the two properties and build a home on it.

Mr. Reid asked how much it cost to demolish the home.

Ms. Anderson replied approximately \$2,500.00.

Mr. Hemby asked if the city owns the property on the right side of the lot.

Ms. Anderson replied that the property on the right is owned by the Greenville Housing Development Corporation and the property on the left is owner-occupied.

Ms. Brewington asked if purchasing this property would help the city make a standard sized lot.

Ms. Anderson replied that it would if recombined.

Mr. Reid asked if the purchase of the lot and to demolish the house was going to cost a total of \$12,000.00.

Ms. Anderson replied yes.

Mr. Reid asked if the lot beside was useless without being recombined with this property.

Ms. Anderson replied yes.

Mr. Reid asked if the owner would be willing to accept less than tax value for the property.

Ms. Anderson replied that the owner had waived his right to appraisal and all communications with him offered tax value. Setting just compensation allows staff 15% negotiation room.

Ms. Coughlin asked if recombining the properties would help achieve the goal of owner occupancy.

Ms. Anderson replied yes.

Motion was made by Mr. Hemby and seconded by Ms. Perkins to set just compensation at the tax value of \$9,273.00. Motion carried unanimously.

### **3. 2011 Annual Action Plan Schedule**

Ms. Anderson stated that as part of the requirement for receiving CDBG and HOME funds, staff will need to draft the 2010 – 2011 Annual Action Plan. The Consolidated Plan runs from 2008 – 2013.

A planning schedule was distributed to committee members.

Ms. Anderson informed the committee of the subrecipient applications received for CDBG Funding. Subrecipients will make presentations at the February 9, 2011 AHLC meeting. The scoring process used will be the same as last year's process.

Mr. Hemby stated that five minutes is not enough time for presentations. He suggested that presenters be allowed ten minutes.

Ms. Brown stated that ten applications were received for CDBG Funding. Four applicants were new to the program and six were repeats from the previous year. Applications have not been reviewed yet by staff. The committee will need to decide if it wants to hear from each applicant or from just applicants with eligible projects.

Ms. Coughlin asked why the committee would need to hear from applicants with ineligible projects.

Mr. Hemby stated that allowing all applicants to present gives the committee an opportunity to appear transparent and it gives a sense of openness. Applicants should feel that this is not a rubber stamp process.

Ms. Brown stated that the total amount of all requests was \$200,220.00.

Mr. Hemby asked how much funding was available.

Ms. Anderson replied that the final award amount will not be available until March 2011. HUD has instructed grantees to operate based on the current year's amount, which is \$115,000.00

Ms. Smith asked how many applicants were eligible.

Ms. Brown replied that staff was not sure how many are eligible yet.

Ms. Smith stated that allowing all applicants to present would be a good learning experience and help them to understand the process.

Motion was made by Mr. Hemby and seconded by Ms. Perkins to allow all applicants to present at the February 9, 2011 AHLC meeting and to allow 10 minutes presentation time. Motion carried unanimously.

#### **F. Housing Administrator's Report**

1. Ms. Anderson stated that the Multifamily Rental Housing Development recommendation will go before City Council January 13, 2011.
2. Staff is contemplating conducting a Lead Hazard Control worker training class.
3. A Contractor's Workshop has been scheduled for February 17, 2011 at 10:00am in conference room 337 in City Hall.
4. As of December 31, 2010 the Lead Hazard Control Program had cleared 69 units and tested 85. The goal is 110 units.
5. Streets to Home has acquired 408 Cadillac Street for the Transitional Housing Program. Contractors will attend a rehabilitation pre-bid meeting on January 25<sup>th</sup>.

Ms. Perkins asked if letters had been mailed to the eligible contractors for the rehabilitation of 408 Cadillac Street.

Ms. Anderson replied that the nonprofit will handle the letters and advertising.

6. Staff is seeking comments and suggestions for designing a lease/purchase program.

The committee requested clarification and information concerning the lease/purchase program.

- A lease/purchase program is renting with the option to purchase.
- Tenants will have no more than 30 months to lease the unit. During the first 24 months a Housing Counselors will work with the tenants to determine if they are going to purchase unit. After 30 months, if the tenants are still living in the unit, then it becomes lease only.
- The rent is divided into thirds. One third is for downpayment assistance, one third is for routine maintenance and one third is for the property manager.
- After 30 months, the unit becomes a rental for a period of 15 years.
- The property manager will inform the city of the occupant's payment history.

- Failure to make payments on in a timely manner could result in banks refusing to approve mortgage loans.
  - Property manager would set the standards for credit criteria
  - Monies set aside for downpayment assist will be forfeited if occupant moves prior to 30 months.
  - Rental payments will not go toward ownership of the property.
  - Occupants will not be required to move if the tenant does not purchase the unit.
  - If the unit becomes a rental the city will be monitoring it for 20 years to ensure affordability and compliance to HOME standards.
  - Houses are located in the West Greenville 45 Block Revitalization Area
7. In regard to the Greenville Housing Development Corporation lease/purchase program, they are responsible for the maintenance. If the occupants purchase the units, then the responsibility becomes the homeowners. During rental, one third of the money will be set aside for maintenance.

**G. Other**

No other business

**H. Adjournment**

Motion was made by Mr. Hemby and seconded by Ms. Perkins to adjourn meeting. Motion carried unanimously.

Signature on file

Alice F. Brewington, Chair

Signature on file

Sandra W. Anderson, Staff Liaison