

# THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

## Minutes

Wednesday, June 8, 2011  
Greenville, North Carolina

### Present:

Alice Brewington  
 Howard Conner  
 John Martin

Karalee Coughlin  
 Lovella Perkins  
 Melissa Grimes

R. J. Hemby  
 Sterling Reid

### Absent:

Alice Brewington  
 Howard Conner  
 John Martin

Karalee Coughlin  
 Lovella Perkins  
 Melissa Grimes

R. J. Hemby  
 Sterling Reid

### Staff:

Merrill Flood  
 Sandra Anderson  
 Gloria Kesler  
 Jennifer Perez (Intern)

Sylvia Brown  
 Betty Moseley  
 Thom Moton  
 Kandie Smith (City Council Liaison)

Scott Eaton  
 Michael Watson

### A. Roll Call

Ms. Melissa Grimes has asked to be excused.

### B. Approval of meeting minutes from May 11, 2011

Motion was made by Mr. Howard Conner and seconded by Ms. Lovella Perkins to approve the meeting minutes from May 11, 2011 as presented. Motion carried unanimously.

### C. Old Business

#### • Discussion on Policy for Establishing Just Compensation

Ms. Sandra Anderson stated that the discussion on policy for establishing just compensation was being continued from the May 11<sup>th</sup> meeting. Proposed changes will be presented by Mr. Scott Eaton, Planner I.

Mr. Eaton gave an overview of the procedure for acquiring property and the proposed changes establishing just compensation.

Procedures including proposed changes:

- Send notice of interest to homeowner
- If homeowner gives a positive response to the notice of interest, staff proceeds according to the tax value.
  - ✓ Below \$25,000.00: The homeowner is given a choice of tax value or an appraisal
  - ✓ Over \$25,000.00: An appraisal is required
- Appraisal and review appraisal are ordered, if requested or required
  - ✓ Appraisal and review appraisal must be within 15% of each other
- Send voluntary acquisition notice to homeowner
- Affordable Housing Loan Committee is asked to set just compensation

- Order Title Opinion
- Send Formal offer notice to homeowner
  - ✓ Offer cannot go below tax value, as established by the AHLC
- Closing
- Record Deed
- Title insurance
- Notify Pitt County Tax office
- Contact Financial Services to input new property
- Contact Human Resources for liability

Ms. Anderson requested the committee take action on proposed changes.

Mr. Hemby asked if there was a pressing need to take action today.

Ms. Anderson replied that staff has several pending acquisitions requiring action for the next meeting. Should the committee table this item, then it will need to be addressed prior to presenting the acquisitions. Ms. Anderson stated that the proposed changes were in keeping with the Uniform Relocation Act requirements. All properties with a tax value less than \$25,000.00 have the option for tax value or appraisal. For all properties with a tax value of \$25,000.00 or over, an appraisal will be required. In 2003, permission was given to staff to negotiate 15% of just compensation.

Ms. Perkins asked if it was necessary to table the discussion just because the other members were not present and had not been excused.

Mr. Hemby replied that it was fitting to give the other members an opportunity to hear the presentation. By giving consideration for them, then they in turn, will give consideration by attending the meeting. Also, this item needs to be added to the agenda for July.

Motion was made by Mr. Conner to table the discussion until the July meeting.

Mr. Hemby stated that the motion was out since there was no second.

Mr. Hemby stated that according to Roberts, he was going to override the motion.

Ms. Brewington stated that Roberts did not allow the chair the authority to override a motion.

Mr. Flood stated that without a second then the procedure would be for a member to offer a substitute motion and see if it will pass.

Motion was made by Mr. Conner to table the discussion until the end of the meeting and have someone contact Mr. Reid to encourage his attendance in the meantime.

Mr. Hemby stated that the motion was out since there was no second.

Mr. Hemby stated that Mr. Reid was missing an opportunity to understand the process.

Ms. Brewington stated that the committee knew of the discussion and its importance prior to the meeting. The committee should make a decision and move on.

Mr. Hemby stated that it was more than fair for the committee to allow the absent members an opportunity to hear the discussion since they had the most questions.

Motion was made by Mr. Conner and seconded by Ms. Brewington to accept staff's recommendation to appraise any property with the tax value of \$25,000.00 and over and to offer homeowner a choice of tax value or appraisal for property less than \$25,000.00. Motion carried unanimously.

**D. New Business**

**1. Proposed Community Housing Development Organization Activities**

Ms. Anderson stated that staff plans to make a recommendation to construct six new homes in the West Greenville area as Community Housing Development Organization (CHDO) Activities. The homes will be rental with option to purchase, as permitted by NC General Statute 160A-279.

Ms. Anderson gave a brief overview of the CHDO background and HOME Investment Partnership requirements. The parcels designated for the new homes are:

- 1502 West 5<sup>th</sup> Street
- 1504 West 5<sup>th</sup> Street
- 1508 West 5<sup>th</sup> Street
- 1514 West 5<sup>th</sup> Street
- 1108 Douglas Avenue
- 805 Douglas Avenue
- 807 Douglas Avenue
- 915 Douglas Avenue

The Rent with Option to Purchase Program is for low to moderate income families, offer fair market rent and will have support services provided.

The CHDO projects will consist of acquisition of property at tax value from the City, identify homeowner, construction of homes, occupancy, housing counseling and downpayment assistance.

Mr. Hemby asked for a description of SHPO and E300.

Ms. Anderson replied that SHPO stood for State Historic Preservation Organization. Any construction in the West Greenville Area had to be approved by SHPO first.

Mr. Mike Watson stated that E300 was Greenville Utilities Commission's Energy Efficiency Program. It determines the type of heating system and duct work to be used in buildings. The program requires certification on the builder's part.

**a. Streets to Homes, Inc.**

Ms. Amanda Hopkins, Executive Director, stated that Streets to Homes, Inc. is a Community Housing Development Organization. Their first contract with the City was for a transitional home for the Center for Family Violence Prevention. A second home for lease/purchase will be completed by July 1<sup>st</sup>. Both homes have tenants.

Ms. Brewington asked what the location was of the first home.

Ms. Hopkins replied that it was 408 Cadillac Street.

Ms. Perkins asked if Streets to Homes has a landlord listing for finding tenants who could be potential homebuyers.

Ms. Hopkins replied that they have three landlords identified; however there are no contracts with them. The landlords refer tenants who are potential homeowners and Streets to Homes offers counseling to the tenants to help build credit and resources. Currently, there are forty people on the waiting list.

Ms. Anderson stated that it is a requirement to go through the North Carolina Rural Fund for Development to qualify for City homes for housing counseling.

**b. Metropolitan Housing & CDC, Inc.**

Mr. Jonathan Moore, President/CEO of Metropolitan Housing & CDC, has worked with the City of Greenville on five homes in West Greenville. Metropolitan has been doing first time homeownership for fifteen years.

Mr. Conner asked how many of the five homes are occupied.

Ms. Anderson replied that all five were occupied.

Ms. Perkins asked if Metropolitan had any homes under contract now.

Ms. Anderson replied no.

Mr. Conner asked where Metropolitan was based.

Mr. Moore replied Washington, North Carolina.

Mr. Hemby asked for a program start date.

Ms. Anderson replied that the CHDO's were required to identify a homeowner first. In addition, City Council must approve the activities at the June 14<sup>th</sup> meeting.

Ms. Perkins asked if the contract had a deadline.

Ms. Anderson replied that the contract starts on July 1<sup>st</sup>, however, both CHDO's have been asked to identify homeowners now. The City is ready to start July 1<sup>st</sup>, if a homeowner is identified.

Ms. Perkins asked what would happen if a homeowner is not identified on time.

Ms. Anderson replied that each CHDO has three months to identify a homeowner. All homes must be built by April 2012.

Mr. Conner asked if the homeowners can move in before purchasing the home.

Ms. Anderson replied that they can rent before purchasing the home. 1101 Douglas Avenue has already been approved as the first rent with option to purchase project. HOME Investment Partnership requires rental as well as homeownership. Currently, the City does not have any rental properties. Staff asks for the

committee's recommendation to City Council for approval of conveyance of City owned properties to Streets to Homes, Inc. and Metropolitan Housing & CDC for the development of affordable housing for low to moderate income families rental with the option to purchase.

Ms. Brewington asked if the rental period is during construction or after construction.

Ms. Anderson replied that it was after construction.

Ms. Brewington asked if the homeowner would still receive counseling after moving in.

Ms. Anderson replied yes, the owners will receive counseling while renting and after purchasing the homes. The nonprofits may have some potential owners who are ready to purchase without having to rent first.

Ms. Perkins asked how long the owners would be allowed to rent the homes before purchasing them.

Ms. Anderson replied that there was not a time limit for renting.

Motion was made by Ms. Perkins and seconded by Mr. Conner to make a recommendation to City Council for approval of conveyance of City owned properties to Streets to Homes, Inc. and Metropolitan Housing & CDC for the development of affordable housing for low to moderate income families rental with the option to purchase. Motion carried unanimously.

## **2. Building Hope Funding Amendment Request**

Ms. Anderson stated that staff has received a funding amendment request from Building Hope. They request permission to use \$1,147.04 of their funding to help cover the added expense of installing a Fire Safety System.

Mr. Watson stated that the warehouse on 9<sup>th</sup> Street was remodeled to make enclosed classrooms and a heat and air conditioning unit was added. In order to get a Certificate of Occupancy, the building had to meet Code requirements.

Mr. Robert Lee stated that the original budget covered certain items such as shelving, flooring and equipment. The Fire Safety System was not in the original budget. Building Hope is requesting to move money from another line item to help cover the cost of the Fire Safety system.

Mr. Conner asked if Building Hope was requesting an additional \$500.00 to cover the expenses.

Mr. Lee replied that he is requesting to move the money from another line item. Building Hope will pay the additional \$634.21.

Ms. Anderson stated that Building Hope is requesting that the committee allow them to use the remaining \$1,147.04 in their budget to cover part of the additional expenses. They will pay the balance of \$634.21.

Motion was made by Mr. Conner and seconded by Ms. Brewington to approve the funding amendment request for Building Hope. Motion carried unanimously.

**E. Housing Administrator's Report**

Ms. Anderson stated that the Federal Government did approve the 2011 budget. CDBG sustained a 16% cut and HOME sustained a 12% cut. The amounts awarded are approximately \$743,000.00 for CDBG and \$500,000.00 for HOME.

Mr. Hemby asked what percentage was used for public service.

Ms. Anderson replied that 15% of the allocation will be used for public service. Of that amount, \$30,000.00 will be used for the 10-Year plan to End Chronic Homelessness.

Ms. Anderson introduced the Housing Division summer intern, Ms. Jennifer Perez.

Mr. Conner asked Ms. Perez what classes she was taking.

Ms. Perez replied that she was taking Accounting.

**F. Other**

No other business

**G. Adjournment**

Motion was made by Mr. Conner to adjourn the meeting.

Signature on file

R. J. Hemby, Chair

Signature on file

Sandra Anderson, Housing Administrator