

# THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

Wednesday, May 13, 2009

Greenville, North Carolina

## Present:

Alice Brewington  
 R. J. Hemby  
 Brian Becker

Lovella Perkins  
 Latisha Harris

Melissa Grimes  
 Howard Conner  
 Rose Glover (City Council Liaison)

## Absent:

Alice Brewington  
 R. J. Hemby  
 Brian Becker

Lovella Perkins  
 Latisha Harris

Melissa Grimes  
 Howard Conner  
 Rose Glover (City Council Liaison)

## Staff:

Merrill Flood  
 Sandra Anderson

Gloria Kesler  
 Karen Gilkey

Sylvia Brown  
 Betty Moseley

Thom Moton  
 Scott Eaton

### A. Roll Call

### B. Old Business

- **Review of meeting minutes from April 8, 2009**

Motion was made by Mr. Howard Conner and seconded by Ms. Lovella Perkins to approve the minutes from the February 11, 2009 meeting as presented. Motion carried unanimously.

- **Subrecipient Funding Update (Sylvia Brown)**

Ms. Sylvia Brown gave the Subrecipient Funding Update. The first organization covered was the Family Violence Center. She indicated an update to the report under May 2009, Requests for Reimbursements, number 4 is supposed to be \$6,592.61. Ms. Brown explained the layout of the chart. The Award amount column is subtracted from the Reimbursed Amount column. Fund Spend column is added to Reimbursements to get the amount of what has been paid out each month. This should always add up to \$25,000 at the end. The new request of \$6,592.61 is for use of the Family Center, Case Management Supervisory Visitation and Supervision of Visitation of Exchanges. This will leave the FVC a balance of \$4,362.39 to be paid out. Funds spent are \$20,637.61.

Mr. Conner asked if the document they've been given is for 6 months or for 12 months.

Ms. Brown answered that it was for 12 months.

Mr. Conner asked if that meant they (FVC) will have spent all of their money by the end of May.

Ms. Brown replied yes. The project duration was from January 13, 2009 until May 31, 2009.

Ms. Sandra Anderson reminded the committee that at the time of the request for funding, the FVC were having an emergency and were facing the possibility of having to close their building. They received enough money to sustain their project for six months.

Ms. Melissa Grimes asked if the chart showed the number of contacts served.

Ms. Brown replied that it did in the last column. February there were 66 clients, in March 63 clients, in April 80 clients and May's total has not been added yet. This will be reported at the next meeting.

Mr. Conner asked if \$4,362.39 was all the money they have left to request.

Ms. Brown replied yes. She continued with the report for Greenville Housing Development Corporation, which has two funds at this time. Out of \$17,000.00, they have \$12,400.00 available. No new requests forms have been submitted as of May 13<sup>th</sup>.

Ms. Anderson stated that typically, staff will not receive the reports until the 15<sup>th</sup> of each month; however, the report for FVC had already been submitted so we went ahead and noted it on the chart. For all the other organizations, it is the first four months that are being reporting on.

Mr. R.J. Hemby asked if the report is not received until the 15<sup>th</sup> of each month, then we won't see it until the next meeting, the following month.

Ms. Anderson answered no; the committee won't see it until next quarter.

Mr. Hemby asked for verification of quarterly reporting.

Ms. Anderson replied yes, staff will give a quarterly report not monthly.

Ms. Brown continued with the GHDC update. For the \$17,000.00 amount, the number of clients served in January is 6, in February is 4, in March is 1, and in April is 14. April had two reimbursements, one under number 4 and one under number 5.

Mr. Hemby asked if the chart was saying that they only served one client in March.

Ms. Brown replied that in March yes just one client for financial literacy.

Ms. Anderson stated that it was one person who graduated in the financial literacy program. Each client served is the number of person's that actually graduated from the program. Not the total number of clients that came in to be served.

Mr. Conner asked if theoretically, they could have served 900.

Ms. Anderson answered that was correct. Only one client was eligible for reimbursement from our program.

Mr. Hemby stated that he would like to see that changed, because the clients served column was misleading. If GHDC were serving 900 clients and only one graduated then that's not clients served.

Ms. Anderson replied that the number served are the only ones eligible for reimbursement from this particular grant, however if the board wants a name change to that column staff can entertain that.

Ms. Brown continued with the GHDC report. For the second funding amount for \$24,500.00 they currently have \$22,400.00 available and have spent or been reimbursed \$2,100.00. The number of clients served in January is 3, in February is 4, and in March is 7; all for pre-ownership counseling.

Mr. Hemby stated a couple of months ago, city council members awarded the GHDC 5 houses to sell. Were these persons eligible for this participation in that program?

Ms. Anderson answered that if the clients meet the requirement, then yes they qualified for the homeownership preparation program

Mr. Hemby asked how many clients out of seven would qualify for homeownership.

Mr. Conner asked why one chart shows how many clients were served and the other chart showed how many graduated.

Ms. Anderson replied that the first grant is for the homeownership program which is an eight week program in financial literacy. Those numbers were based on the graduations. The second grant is for pre and post foreclosure counseling. These are those clients that were counseled.

Ms. Brown continued the subrecipient report with the Greenville Community Shelter grant in the amount of \$11,689.75. In December 2008 107 clients were served, in January 101, in February 82 and in March 83.

They have not expended any funds as of this current time, because they are still receiving bids for updating their fire alarm system. In January they had received two out of the three bids required. In February they had three of the bids necessary and they were in the process of determining if the components of the bid met the requirements of fire code. In March they reported that it was noticed that the three bids were not comparable. The four reasons for that were:

- Components were added to or deleted from the original bid form
- Sales Tax was included in the price of the components or added as a separate line item
- Shipping was included or not included as a line item
- Labor was included or not included as a line item

Different contracts were giving different information. The GCS decided send out again for the bids and reformulated the form to ensure the same information was given by all contractors. Therefore, no funds have been expended as of today.

Ms. Anderson stated that the housing rehab specialists have been working with GCS to get the forms corrected and will approve the final contractor that's chose.

- **Request for Additional Funding (Sylvia Brown)**

Ms. Brown explained that Housing additional funds available so staff sent out notification for anyone that has a need to make application. Two requests have been received as of today.

The first request is from New Directions Safe House and Crisis Services is a 24 hour emergency domestic violence shelter for women and children. Their target population includes women 18 years old and older and their children who are or have been victims of domestic violence and need emergency housing. New Directions provides its clients with basic needs such as food, clothing and shelter. Also, services for off base adult and children counseling, support group, case management, goal setting, court advocacy and referral to other agencies. Clients are offered a stay for 60 days. Residents participate in life skills programs and receive court services for assistance for domestic violence and protection orders. In 2008, New Directions served 182 women and children, unduplicated victims and took 487 crisis calls. They continue to look at ways the program can better assist their clients but continue to see an enormous number of clients struggling to find jobs and become self sufficient because of the lack of job skills. In 2008, of the 108 adult clients that were served, only seven had employment at the time of intake. They feel that a new program directed at providing employment counseling and career development skills to all clients that are either unemployed or have little employment history is needed. The shelter manager would be trained as a career development facilitator with the ability to provide jobs skills and career development training to all unemployed or underemployed safe house residents. Their focus would be on assisting clients obtain stable employment in order to help break the cycle of abuse. Also, they would provide training and interviewing skills, resume writing and all aspects of job search. They believe that a lot of the unemployment is a result of the power and control that an abuser exerts over them (the victims) by isolating them and controlling their lives.

New Directions is requesting assistance for securing two desk top computers, one laptop computer, two computer desks, two chairs, one printer, three flash drives for backups, mouse, mouse pads and one year of internet service for job search abilities. The new computer initiative will be called New Directions Employment Training Center or the NET Center. The mission is to empower women to by developing skills, computer literacy, word processing, research, online training and resume writing.

Mr. Hemby and Mr. Conner questioned that total amount requested.

Ms. Brown stated that on the second page, they are asking for \$4,700.00 but when you break it down the total is \$4,520.00.

Mr. Conner stated that if the shelter manager did good job with this new duty, he or she will not have time to do this thing. If they are going to train somebody then they should train two people. Also, they did not indicate how many hours would be dedicated to this project or if it is expected to be an ongoing project. He suggested they should ask the city, GUC, local churches and other organizations for computers and equipment that can be donated. Mr. Conner suggested that considering the number of job links and services there are available, the board will need additional information to make a decision.

Mr. Becker asked how much money is available.

Ms. Anderson replied that we have \$31,000 available.

Mr. Becker asked if the funds would be lost if not used in the year that they are allocated.

Ms. Anderson stated that in public service line items they would be lost. But the funds could possibly be used in another line item, such as rehabilitation.

Mr. Conner stated that he has been reading some of the letters to the editor and people are watching what is happening to the money. He stated that the board needs to be real careful; concerning the idea that we don't really lose the money we can use it on another line item. There are so many other organizations that can provide these services that they say they want to do. They need to collaborate with other agencies instead of put out four or five hundred dollars a month.

Ms. Perkins commented that these clients may be already getting services from these other organizations and this is what's left, that they can't extend out from the other organizations. You can't just rule out that they are not getting it.

Mr. Becker commented that some organizations may not be equipped to handle the kind of emotional issues that women like this are dealing with. It's nice that they have a place, and they are probably not very comfortable going to other organizations.

Mr. Merrill Flood stated that if the board was concerned with the information provided then staff could ask them to come in and make a presentation.

Mr. Becker and Mr. Conner replied that they would prefer to have New Directions come in to present.

Mr. Hemby asked if funding was for the program or just the equipment.

Mr. Becker replied that it looks like equipment.

Council member Glover commented that with the domestic violence piece, they try to keep these people as sheltered as possible. There are other programs such as Job Link located at the Intergeneration community center and the Intergeneration Staff that have helped and worked with people with career counseling, and with jobs.

Ms. Anderson commented that the funds have to be expended by December this year.

Councilmember Glover commented that domestic violence is on the rise. It has quadrupled since the previous year, with all the problem going on, such as losing homes and jobs. There are some issues that are arising from domestic violence that have never risen before, even in normally good home, people are having some problems with domestic violence. She stated that she has seen their operation, the type of support they offer for the client. Just knowing that these clients can't just go anywhere else for help, perhaps the board could see if the city has some computers that it could donate. This Thursday night was one of the issues that will be brought up at council is to see if the city can donate its computers to non-profit organizations in the community verse trying to sell those computers.

Mr. Hemby commented that this is May and if the board brings them back in June, a two month window, then it will be September before they get the funds, and it has to be spent before the end of the year. He asked what the need was for them to get the funds if the city could just donate the equipment to them

Mr. Conner stated that since, the shelter manager will be trained as career development facilitator that leaves questions about the other duties and who will be completing them. Even though they are only asking \$4,520.00 for equipment he has a few more questions he'd like answered before we give them money.

Ms. Anderson reminded the committee that when asked to go back to the organization, the committee specifically requested a short description. Staff asked for a brief description of how they could use the money and a budget.

Mr. Conner asked if the board was ready for vote.

Ms. Anderson suggested that the board listen to the next request, and then vote on both at the end.

Mr. Hemby stated that when the board requested additional requests for funding that the intention was for programs that had already presented proposals and was still lacking any funding would make a request. Due to the limited funding during the first awards, some programs did not have all their needs met and these programs could come back to present the area that still required funding. The board was not looking for something new.

Ms. Brown presented the second request from Progressive Action & Restoration Community Development Corporation. They requested \$12,000.00 for a 12 month period for general operational support and that will include marketing of their financial restoration project. The objectives of that project is to further educate homeowners in debt management, energy conservation, home maintenance and second to provide clients who are experiencing foreclosure or have faced foreclosure with a refresher course on basis financial principles that will procure confidence in the system and to reveal their corrections. The focus for this program will be for low to moderate income families and will assist with debt management, credit repair, and homeownership restoration. They have included in their request their goals and objectives. The direct beneficiaries of this proposed activity are low income persons and families in the CDBG target areas, elderly, disabled, and handicapped, homeless or special populations, low income neighborhoods and foreclosure families. They have received funding from two other sources: Mission of Peace Corporation and Home Run Construction.

Motion was made by Mr. Becker to approve New Directions for \$4,520.00 and PAR for \$12,000.00 and seconded by Ms. Lovella Perkins.

Mr. Hemby asked if the motion was for both New Directions and PAR.

Ms. Brewington answered yes.

Mr. Conner remarked that on the corrected request given, New Directions is asking for \$6,598.00 but only has \$4,360.00 to draw on. He asked all the Family Violence funding was together or if the funding was kept separate. If so is this last request separate from the first.

Ms. Anderson stated that they have only one new request. The first funds have already been received.

Mr. Becker requested to amend the motion to vote on them one at a time. Amend the motion to allow just the Family Violence request of funding for \$4,520.00. Motion was seconded by Ms. Perkins. Mr. Howard Conner opposed. The majority ruled.

Mr. Hemby asked if they could continue discussion before the vote was finalized.

Mr. Becker commented that he understands the boards concerns but they dealing with very fragile people in a very fragile recession, and they may not have two months or three months to wait for help.

Mr. Conner replied that everybody that has a program has a critical issue. These programs would not even exist if there was not a need out there. But there is a duplication of services in Pitt County. Have the groups come in and tell us what they are doing for the community not just for the Affordable Housing Loan Committee.

Motioned to approve PAR's request for \$12,000.00 was made by Mr. Hemby and seconded by Mr. Becker. Motion carried unanimously

Ms. Anderson informed the committee that there was a balance of \$14,480.00 that will be moving to another line item.

Mr. Hemby commented that there is a need to find out why folks are not coming to the table. Groups content that they are having a crisis and we offer money to help develop corporations but no one is making any requests. Those who do are not completing their request properly. Many groups will not complete the applications because they do not feel they will be accepted so they quit before they ever try. If the

community participated at the level of what was available for them it would help a lot of hurting folks. We need to set up some kind of workshop or fair or something to bring these community groups back to the table to get them to ask for assistance or find out what is the need out there; why are you not coming to the table.

Ms. Brewington commented that the staff has worked on different fairs, and open up the door for agencies to come in. Do you have any other suggestions as to how Housing can reach them?

Ms. Anderson stated that when staff does the action plans, it's not based on the actual amount, so when the actual amount comes in there is usually additional funding having more. If other groups are invited to request part of the \$14,000.00 then they will need to attend a full workshop, which is normally held in the Fall.

Mr. Conner stated that he saw in the newspaper where the United Way was turning down a lot of groups. He suggested that we contact these groups.

Ms. Anderson replied that all those groups were on our existing mailing list.

Mr. Flood commented that if the board was agreeing on a new organization, to keep in mind that by HUD's traditional standards of 24 months of experience and with December as your cut off, they are going to be disadvantaged to spend that money quickly. He suggested that the board bring them to training, and verify the 24 months of experience ahead of time.

Ms. Anderson stated that the next training would be on September 25. Housing will advertise in the newspaper and on the city page, and send them notices by mail.

Mr. Hemby asked if the GHDC would qualify for more funding. He stated that he had visited their facility and was impressed with their progress.

Ms. Anderson answered that there would be some reservations about giving them more money at this time because of some of the issues and they are a new organization. Since this is their first year of funding staff will need to work with them a little bit more before additional funds are awarded. However, should the board want to contact the GCS, FVC or PAR, then staff will be happy to review their circumstances.

Mr. Hemby stated that he had a problem with GCS requesting lights and equipment when they were dealing with people who were homeless and hungry. He suggested that they work on transitional homeless program.

Ms. Anderson commented that she expected to see a very good proposal in the Fall. They are putting together an excellent program, for rapid re-housing.

Councilmember Glover suggested taking the board through a training session and request feedback from the members.

The board agreed to complete a training session in the regularly scheduled August meeting.

## **C. New Business**

### **• Just Compensation (Karen Gilkey)**

Ms. Karen Gilkey stated that the just compensation information was in the packet. There are six lots and 8 houses on Bancroft Avenue. The owner, Seth Hatteras LLC, is requesting 15% over tax value. The totals price will be \$139,592.75.

Mr. Conner asked why we jumped up to 15% instead of negotiating.

Ms. Gilkey said that this was the asking price of the owner and that we have to put it in writing. The owner did make his request in writing. A copy of the request is in the packet.

Mr. Becker asked if it was a requirement or rule concerning appraisal for the request to be put in writing.

Ms. Gilkey responded that if tax value is used by the owner and it is put in writing then neither the appraisal nor the appraisal review has to be done.

Mr. Becker asked if that was the case if the request was tax value or more.

Ms. Gilkey responded that if it was tax value up to 15% which is our cap.

Mr. Becker stated that this was maxing out the authority to negotiate up to 15%.

Ms. Anderson stated that the board would need to set the just compensation at tax value. This will give staff permission to negotiate up to 15%.

Mr. Becker asked what the cost of six appraisals would be for the city.

Ms. Gilkey answered that it would be the appraisal plus the appraisal review.

Mr. Becker asked if there was a specific desire to move on these properties quickly.

Mr. Flood replied that we needed these properties to start building for the families being relocated by the Farmville Blvd. project. Also, it would expedite cleaning up the area for new homeowners.

Ms. Perkins asked if there was any room for negotiating the price.

Ms. Gilkey stated that we can make an offer and see if the owner accepts.

Councilmember Glover stated that this was an important project because we (the city) have promised to find homes for those families who want to remain in the West Greenville Area or close to it. The citizens need to know that we are working on fulfilling this promise.

Ms. Anderson stated that the board vote today would not be to accept the offer price, but rather to set just compensation and allow staff to negotiate on the tax value up to 15%.

Motion was made by Mr. Brian Becker to authorize staff to negotiate up to but not greater than 15% of tax value for the 6 properties of the respective PIN numbers and seconded by Ms. Lovella Perkins. Motion was opposed by Mr. RJ Hemby. Majority has the vote.

Mr. Hemby asked if these properties were located in the 45-Block.

Mr. Flood answered that they were.

Mr. Hemby asked if the occupants were eligible for relocation money.

Mr. Flood replied that these occupants were not eligible because the homes they were in were being coded out and that the occupants did not decide to move during the eligibility period.

Mr. Conner asked if we were going to counsel them to see if they can be homeowners.

Mr. Flood responded very much so yes.

- **Downpayment Assistance (Gloria Kesler)**

Ms. Gloria Kesler stated that she had one applicant for a 20% HOME Grant, Mr. Eric C. Apple. She stated that Mr. Apple was purchasing a townhouse which is a new construction. The sale price is \$103,900.00. An appraisal has been ordered and should be complete by May 22, 2009. Mr. Apple qualifies for the full amount allowed under this grant which is \$20,000.00. He has also qualified for a \$10,000.00 grant from Federal Home Loan Bank.

Councilmember Glover inquired about the fund source for the grant.

Ms. Kesler responded that this is from the 20% HOME Grant that council approved to use city wide.

Ms. Anderson also responded that these funds would not be taken away from the West Greenville funds and that use of these funds were helping spend down 2006 HOME funds.

Ms. Perkins asked if Mr. Apple's current roommates planned to move in with him in the townhouse.

Ms. Kesler stated that at this time, Mr. Apple had no plans for roommates or anyone else living with him.

Motion to approve 20% HOME Grant for Mr. Eric C. Apple by Mr. R.J. Hemby and seconded by Ms. Perkins.  
Motion carried unanimously.

**D. Housing Administrator's Report (Sandra Anderson)**

Ms. Anderson introduced Mr. Scott Eaton, Planner I in Housing. He will be in charge of compliance duties such as Davis-Bacon and Historic Preservation.

Ms. Anderson advised the committee that as of August, the AHLC will be moving to the Council Chambers where the meetings will be broadcast live.

On May 8<sup>th</sup>, Housing was notified that we will be receiving additional Recovery Funds (CDBG) in the amount of \$216, 580.00. A plan to spend funds will be submitted to HUD by June 5<sup>th</sup>.

May 14<sup>th</sup> is the final public hearing day for the Annual Plan.

CDBG week was successful.

May 27<sup>th</sup> staff will be hosting an informational meeting for the Lead Paint Hazard Grant from 3:00 – 5:00pm in the City Council Chambers. We have send notifications to day care providers, landlords, Pitt County Schools, Health Department, and all other related businesses.

**E. Other**

Ms. Kesler stated that she has received an invitation to present Foreclosure Prevention Community Education Seminar at Philippi Church on May 16, 2009 at 9:30am.

**F. Adjournment**

Motion to adjourn meeting was made by Mr. Becker and seconded by Mr. Conner. Motion carried unanimously.

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Signature on file  
Alice F. Brewington, Chair

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Sandra W. Anderson, Staff Liaison