

THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

Minutes

April 9, 2008

Greenville, North Carolina

**Present:**

Brian Becker     Faye Brewington     Leslie Cox     Lovella Perkins     Dallas Taylor  
         R.J. Hemby (Alternate)     Rose Glover (City Council Liaison)

**Absent:**

Brian Becker     Faye Brewington     Leslie Cox     Lovella Perkins     Dallas Taylor  
         R.J. Hemby (Alternate)     Rose Glover (City Council Liaison)

**Staff:**

Sandra Anderson     Gloria Kesler     Karen Gilkey     Pauline High     Betty Moseley     \_\_\_\_\_

**A. Roll Call 3:00 PM**

**B. Old Business**

• **Review of Meeting Minutes from March 12, 2008**

Motion was made by Ms. Alice Faye Brewington and seconded by Mr. Leslie Cox to approve the minutes from the March 12, 2008 as presented. Motion carried unanimously.

• **Update 10-Year Plan to End Chronic Homelessness (Karen Gilkey)**

Ms. Karen Gilkey gave the monthly update for the 10-Year Plan to End Chronic Homelessness. Ms. Gilkey stated that two of the four public forums had been held. The next forum is scheduled for Tuesday, April 22<sup>nd</sup>, 2008 to discuss housing needs. The Housing Subcommittee will review the information gathered from the forum and use the input as they create the Housing part of the 10-year plan to end chronic Homelessness.

The committee held a meeting with a focus group of Veterans. The issues raised at this meeting were that it would be extremely helpful if there were more local services targeted just for Veterans due to the fact that many Veterans have issues that the normal population doesn't have to deal with.

• **Update Downpayment Assistance (Gloria Kesler)**

Ms. Gloria Kesler gave the monthly update for the Downpayment Assistance Program. No new applications had been received over the past 30 days. Response was good from the CDBG week of activities. Six new families have scheduled intake appointments and are interested in the new homes the City is building in West Greenville.

Ms. Kesler stated the new homes on Douglas Avenue are being framed at this time and calls are starting to come in about them. Foundations for the homes on Ford and Cadillac are being dug and poured so everything is underway now. Ms. Kesler encouraged the committee to ride by and see what's happening in West Greenville.

**C. New Business**

- **Review AHLC Annual Report with Committee (Gloria Kesler)**

Ms. Gloria Kesler provided a copy of the 07/08 Affordable Housing Loan Committee’s Annual Report to City Council to committee members. Ms. Kesler thanked Mr. Brian Becker, Vice Chair for presenting the report to the City Council at their April 7, 2008 City Council Meeting.

**Copy of Report**

**AFFORDABLE HOUSING LOAN COMMITTEE  
ANNUAL REPORT (3/1/07-2/29/08)**

**Affordable Housing Committee:**

Dallas Taylor, Chair	Faye Brewington	vacant
Brian Becker, Vice Chair	Leslie Cox	R. J. Hemby (alternate)
Rose Glover	Lovella Perkins	
City Council Liaison	vacant	

**I. Affordable Housing Bond Program**

**A. Downpayment Assistance**

Inquiries * (all DPA programs)	295
Completed Intakes	84
Completed Intake Paperwork	24
Completed DPA Application	10
Approved	8
Withdrew	1
Not Eligible	1
Pending Approval	1
Closed 7	
Total Downpayment Applications approved or funded this year ( <b>HOME / 5% Bond Funds only</b> )	0 Pending (new homes) 0 Pending (Acq/Rehab)

**NOTE:** \* Inquiries include completed applications, interviews and informational request.

**B. Overview of Downpayment Assistance for Mar. 1, 2007 – Feb. 29, 2008**

<b>Program</b>	<b><u>Loan or Grant Closed this year</u></b>	<b>Loan or Grant Amounts</b>
Downpayment Assistance (5% no interest loan)	2	\$8,100.00
HOME (45-Block Program)	5	\$96,024.80
	Total	\$104,124.80
New Homes Loan Pool 2007 (NCHFA 30 year deferred)	2 of the 5 HOME families also received DPA From NCHFA	\$39,400.00
	Grand Total:	\$143,524.80

**C. Elderly Rehabilitation (March 1, 2007 – February 29, 2008)**

Inquiries*	N/A
Completed Application	
Reviewed	
Approved	
Not Eligible	
Withdrew	
Total Loan Amount	\$0.00

NOTE: \* Inquiries include completed applications, interviews and informational request.

**II. CDBG Subrecipient Request Approved (2007)**

Pitt County Council on Aging	\$20,000.00
Family Violence Center DBA / New Directions	\$12,500.00
Flynn Christian Fellowship Home, Inc.	\$20,000.00
Greenville Community Shelters, Inc.	\$14,600.00
Habitat for Humanity of Pitt County	\$15,000.00
Martin County Community Action	\$20,000.00
Progressive Active & Restoration, CDC	\$15,500.00
<b>Total Allocation</b>	<b>\$117,600.00</b>

**III. Cumulative Results**

**A. Grant / Loan Programs**

<b>Program</b>	<b>Number Approved</b>	<b>Loan / Grant Amounts</b>
Downpayment Assistance (2% no interest loan- Bond Funds)	25	\$37,109.26
Downpayment Assistance (5% no interest loan- Bond Funds)	4	\$16,100.00
Elderly Rehabilitation Loans (Bond Funds)	20 (7 Paid in Full)	\$227,684.85
Self-Help Credit Union Guarantee (Bond Funds)	3	\$33,804.00
Bonnars Lane Small Street Project (HOME Funds)	1	\$5,000.00
HOME (ADDI) (Countryside Estates / Carolina Heights / 45-Block)	43	\$442,045.90
AHOP (NCHFA deferred secondary Carolina Heights and Singletree)	2	\$35,500.00
HOPE 3 (NCHFA deferred 20 years secondary Carolina Heights only)	4	\$60,000.00
HOME (NCHFA 15 yr amortized loan – existing homes only)	7 (3 Paid in Full)	\$36,200.00
NCHFA New Homes Loan Pool 2003 (deferred 30 years-Countryside Estates)	4	\$76,959.00
NCHFA New Homes Loan Pool 2004 (deferred 30 years-Countryside Estates)	9	\$171,873.00
NCHFA New Homes Loan Pool 2005 (deferred 30 years-Countryside Estates)	14	\$224,607.00
NCHFA New Homes Loan Pool 2006 (deferred 30 years-Countryside Estates or West Greenville)	4	\$69,250.00
NCHFA New Homes Loan Pool 2007 (deferred 30 years-Countryside Estates or West Greenville)	2	\$39,400.00
Non-Profits Funded (CDBG)	16	\$1,230,270.00
<b>Total:</b>		<b>\$2,705,803.01</b>

## B. New Home Construction

Subdivision / # homes	Prior Year Sales	3/1/07 – 2/29/08 Sales	Total Units
Singletree (24)	24	Project Completed	24
Carolina Heights (15)	15	Project Completed	15
Red Oak (1)	1	Project Completed	1
Countryside Estates (105)	102	3	105
West Greenville Infill Project	4	4	8
Total:			153

## IV. 45-Block Redevelopment Project

- The Committee has Set Just Compensation for 36 properties within the West Greenville Revitalization Area at a value of over \$599,060.00.
- The four (4) homes built on W. 5<sup>th</sup> Street have sold.
- Homes rehabbed at 505, 601, 603 & 605 Contentnea Street are still available for sale as well as the home located at 1101 Douglas Ave. (relocated from Bonner's Lane Project).

## V. Other Activities

- Three (3) families have completed the Homeownership Academy program and bought homes within the West Greenville Revitalization area. Four (4) additional families have completed the Homeownership Academy and are working toward buying homes within the West Greenville Revitalization Area. The Academy was created to education residents in the home buying process and to prepare them financially (credit, budgeting, etc.) to purchase a home within the West Greenville Revitalization Area.

## End of Report

Ms. Kesler gave an overview of the report to the committee as follows:

During the past year, the City received 295 inquiries for downpayment assistance with 84 intakes completed. Of the 84, 24 applicants returned the required information needed to process the intake file. Of the 24 applicants, 10 submitted full applications for downpayment assistance. Of the 10 submitted applications, 8 were approved, 7 have been funded, 1 withdrew, 1 was deemed not eligible for assistance and 1 application is pending approval at this time.

The seven (7) funded applications provided \$143,524.80 in assistance from the 20% HOME Grant Program, The City of Greenville's 5% No-Interest Loan Program and the North Carolina Housing Finance Agency's New Home Loan Program.

The Committee reviewed grant applications from local non-profits requesting funding from the Community Development Block Grant (CDBG) Program. Seven agencies were approved to receive funding this year: Pitt County Council on Aging, Family Violence Center (DBA New Directions), Flynn Christian Home, Greenville Community Shelter, HABITAT for Humanity of Pitt County, Martin County Community Action and Progressive Action & Restoration with a combined grant amount of \$117,600.00.

To date over \$2,705,803.01 has been expended in grants and loans for downpayment assistance, elderly rehabilitation loans and non-profit funding.

To date the City has added 153 affordable housing units to the housing stock, with 7 units under construction.

Over the past 12 months the Committee has Set Just Compensation for 36 properties within the West Greenville Revitalization Area at a value of over \$599,060.00.

The four homes built on West 5<sup>th</sup> Street have sold. The homes that were rehabbed by the City of Greenville on Contentnea Street and the home moved from Bonner's Lane to Douglas Ave are still available for sale.

This past year three families completed the homeownership academy and received the certificate and purchased within the west Greenville revitalization area. A fourth family is still looking for housing.

Mr. Brian Becker thanked Ms. Rose Glover for the positive comments concerning the AHLC at the City Council meeting. Ms. Rose Glover expressed appreciation for the work the committee does and stated that it was very important work because we were dealing with peoples lives.

Mr. Dallas Taylor asked for clarification on Ms. Kesler's report under the DPA. He asked her to explain from inquiry to completed end.

Ms. Kesler responded that 84 people physically came into the office and completed the initial assessment this past year. Of that 84, after reviewing program guidelines and expectations with them (credit / income / ratios, etc.), 24 came back with the income, credit reports and other documents required for them to move forward in qualifying. Of that 24, 10 actually filed applications this pass year for assistance.

Mr. Taylor asked Ms. Kesler what would you say was the biggest issue of the other 70 or so?

Ms. Kesler responded that it was more than one issue. Credit, lack of income & savings and a lot of miscommunication in the community seem to be the biggest issues at hand.

People think they can come in and get 40,000 to 100,000 dollars to a buy house because they are low income or that our houses are free if you are low income. Many of these issues are addressed during phone inquiries or the intake.

Lack of income has been a really big issue- when you are talking about needed a 60,000 - 80,000 mortgage to buy a home, \$650 a month in Social Security is not going to pay that kind of mortgage.

Lack of saving- will they be able to save enough of their own money (\$750 - \$1000 depending of the program). Just trying to pay off the debt that has to be paid is hard for many of the families- much less trying to save the \$750 - \$1000 needed for our DPA programs. And the cash reserves the banks are asking for.

Credit issues - many stop that this point and won't go forward because they know what's on their credit report. I encourage my clients to pull their credit reports and let's review them before they make the decision not to move forward. Sometimes they are pleasantly surprised, because their credit wasn't as bad as they thought and sometimes they were right- their credit is bad. So many of them have been told over and over that their credit was bad- that they can't buy a house and they believe them and give up with out trying. When other families have had their dreams squashed then they will often tell others too that they won't qualify either. Education is the key here.

Mr. Taylor: I'm sure that you have discussed this in staff meetings about ways to improve these numbers. This is less than less than a 3% application rate based on inquires.

Ms. Kesler responded- compared to last year's numbers, it actually went up about 1 percent. A lot of people who call or come in are information seekers; they have heard something maybe at a public meeting, or in the newspaper and they call or come in for more information. Some are looking for rental housing and are not interested in buying a home so they don't move forward with the program. We received a lot of rental inquires this year because of the tenant relocation project in West Greenville- we had about 25 families displaced this past year because of landlord property acquisitions. They were paying rent to the city during the relocation process and people started calling about they heard we had rental properties.

Ms. Sandra W. Anderson commented that staff has been investigating a possible lease purchase program for the 4 properties on Contentnea Street and the Douglas Avenue property. This would add a rental option to the table for potential homeowners in the West Greenville Area.

- **Proposed changes to the Policy and Procedure Guidelines (Sandra Anderson)**

Ms. Anderson: The Housing Division monitors and administers all Housing programs and community redevelopment projects that are funded by HUD, CDBG, HOME, general revenue, public and private institutions, North Carolina Housing Financial Agencies and Local Bonds to assistance moderate to lower income citizens.

All of these programs offered have specific guidelines for their implementation, as defined by the funding source, so each one of these has a different requirement. A policy and procedure manual is in place and is a requirement for these funding sources.

The following are proposed changes to the current City of Greenville Housing Manual:

1. Reduce the requirement for not being eligible to reapply for Housing Rehabilitation assistance from 25 years to 15 years, at the closeout of the file. Right now, families have to wait 25 years before being eligible for assistance again. We are proposing to shorten that time to 15 years.
2. Add the rule that a Life Estate in the property is an ineligible form of ownership. This is a Federal rule. Anyone who owns a home though a Life Estate would not be eligible for our programs. Since it is a Federal rule we cannot get around it, therefore we to update our policy.
3. Add picture identification and social security cards for all household members as required documentation. Currently we do not collect this information. We need to gather this information to ensure that the person we are assisting is who they say they are and that they are a citizen of the US. Since 9/11, it is important to ensure that they are citizens, and it is very important that we verify this information. That will be for all members of the household.
4. Add that all applicants with pending legal action as a result of faulty or default repair work done by a non-Housing Division approved contractor must reimburse the city from any proceeds received for the amount of housing rehabilitation costs.

Ms. Anderson stated this proposed change was actually generated from a case that we have. One of our applicants hired someone to repair their home our of proceeds form disability check. The contractor was paid upfront, and he skipped town soon after. He forged her name on the building permit and left her with literally a wall torn out and just plastic on the wall. When she came to us for approval she qualified for assistance and has since filed a lawsuit. We are asking that she pay back for the rehab work that we are going to do on her home if she gains any of her monies.

Ms. Anderson continued by stating that these proposed changes will be presented to City Council at the April 10, 2008 City Council meeting for approval to amend and update the policy and procedures manual.

#### **D. Other**

- **Update Continuum of Care (Pauline High)**

Ms. Pauline High stated that there was not a Continuum care meeting in March. The meeting was cancelled because there were no new agenda items. The next meeting is scheduled for May 14, 2008, 9:00 am at Pitt County Social Services. The committee will be assessing the One Stop Event that they are planning for the summer. This event will allow different agencies to come together at one location on one day to provide services to homeless individuals at one time.

- **Upcoming Activities:**

Ms. Gloria Kesler shared with the Committee:

The 3rd session of the 2008 Homeownership Workshop Series “Foreclosure Prevention” will be held on Wednesday, May 21, 2008 from 5:30-7:00 pm at City Hall, Room #337. Ms. Valerie Ramsey, Mortgage Loan Officer with Bank of America will be facilitating the event.

Council Member Rose Glover stated that in considering the time for the meeting maybe we should change the time to 6:00 – 8:00 as to allow more people the time and opportunity to attend. Time was changed to 6:00 – 8:00 for the May 21 Session as well as the additional 3 sessions to be held in July, September & November.

The 2008 Homeownership Workshop Series came about as part of the City Council’s goals to provide housing information to homeowners and potential homeowners in respond to the foreclosure and predatory issues being experiencing in the community.

Ms. Sandra Anderson shared with the Committee that the draft of the consolidated plan was available for review at the front desk.

**E. Adjournment**

Motion was made by Mr. Brian Becker and seconded by Ms. Faye Brewington to adjourn the meeting. Motion carried unanimously.

Signature on File

Dallas Taylor, Chair

Signature on File

Gloria H. Kesler, Staff Liaison