

THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

Minutes

May 14, 2008

Greenville, North Carolina

Present:

- | | | | | |
|--|---|--|---|--|
| <input checked="" type="checkbox"/> Brian Becker | <input checked="" type="checkbox"/> Faye Brewington | <input type="checkbox"/> Leslie Cox | <input checked="" type="checkbox"/> Lovella Perkins | <input checked="" type="checkbox"/> Dallas Taylor |
| <input checked="" type="checkbox"/> R. J. Hemby | <input type="checkbox"/> | <input checked="" type="checkbox"/> Melissa Grimes (Alternate) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> Rose Glover (City Council Liaison) |

Absent:

- | | | | | |
|---------------------------------------|--|---|--|---|
| <input type="checkbox"/> Brian Becker | <input type="checkbox"/> Faye Brewington | <input checked="" type="checkbox"/> Leslie Cox | <input type="checkbox"/> Lovella Perkins | <input type="checkbox"/> Dallas Taylor |
| <input type="checkbox"/> R. J. Hemby | <input type="checkbox"/> | <input type="checkbox"/> Melissa Grimes (Alternate) | <input type="checkbox"/> | <input type="checkbox"/> Rose Glover (City Council Liaison) |

Staff:

- | | | | | | |
|---|---|---------------------------------------|--|---|--------------------------------|
| <input checked="" type="checkbox"/> Sandra Anderson | <input checked="" type="checkbox"/> Gloria Kesler | <input type="checkbox"/> Karen Gilkey | <input checked="" type="checkbox"/> Pauline High | <input checked="" type="checkbox"/> Betty Moseley | <input type="checkbox"/> _____ |
|---|---|---------------------------------------|--|---|--------------------------------|

A. Roll Call 3:00 PM

- **Welcome New Committee Member Melissa Grimes**

Ms. Melissa Grimes was introduced and welcomed to the committee as the new Alternate Member.

Mr. Howard Connor was introduced by Council Member Glover to the committee as a potential new committee member.

B. Old Business

- **Review of Meeting Minutes from April 9, 2008**

Motion was made by Ms. Faye Brewington and seconded by Mr. Brian Becker to approve the minutes from the April 9, 2008 as presented. Motion carried unanimously.

- **Final 2008-2013 Consolidated Plan (Sandra Anderson)**

Ms. Anderson informed the committee that a public hearing was held at the May 8th City Council meeting and that City Council authorized the City Manager to approve and sign the final draft of the Consolidated Plan for submission to HUD. A copy of the final revision of the Consolidated Plan will be made for all committee members once approval has been received from HUD.

The strategy for the next 5 years (2008-2013) for CDBG & Home funding will be to:

- Reduce substandard housing and blight in the area
- Preserve owner occupied housing
- Increase homeownership
- Improve public infrastructure
- Increase economic opportunities in the area

Ms. Anderson reminded the committee that the primary focus area for the upcoming 5 years was the West Greenville Revitalization Area. Included in the second year of the Consolidated Plan is the possibility of assisting with the funding of a small business incubator project if the decision is made to place the Incubator within the West Greenville Revitalization Area. Funds were also set aside to assist with economic development projects & activities within the West Greenville area.

The CDBG budget for the first year starting July 1, 2008:

- | | |
|------------------|-----------|
| • Administration | \$150,000 |
|------------------|-----------|

• Housing rehabilitation	\$300,000
• Clearance and Demolition	\$ 77,533
• Acquisitions of properties	\$125,000
• Public Service (Non-Profit Funding)	\$115,000
• Public Facilities Improvements	\$ 30,000
• Total	\$797,533

Ms. Anderson explained to the committee that per CDBG Guidelines the City cannot use more than 20% of approved funds for administration and no more than 15% for Public Service activities.

Ms. Anderson shared with the committee that it was reported earlier in the year that the Pitt County HOME Consortium would be disbanded at the end of the fiscal year (June 30, 2008). However due to HUD requirements, the Consortium would not be disbanded until June 30, 2009 so the Consolidated plan had been revised to include funding for the Consortium for the 1st year.

2008-2009 Funds for HOME Program:

• Administration	\$ 63,000
• CHDO set aside	\$130,000
• City of Greenville activities	\$340,172
• Pitt County Government	\$150,000
• Pitt County Administration	\$ 15,000
• Town of Farmville	\$ 80,000
• Town of Winterville	\$ 47,000
• Winterville Administration	\$ 5,000
• Total	\$830,172

HOME Program for the City of Greenville Breakout:

• Administration	\$ 63,000
• Housing Rehabilitation	\$100,000
• Acquisition	\$ 50,000
• Downpayment Assistance	\$ 80,000
• New Construction	\$110,172
• Total	\$403,172

Ms. Anderson explained that for HOME funds the City cannot expend more than 10% for administration and are required to set aside 15% for CHDO Activities.

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

Ms. Gloria Kesler gave the monthly update for the Downpayment Assistance Program. No new applications have been received over the past 30 days. There is one (1) potential applicant for the University Area Downpayment Assistance Program but they are still working on their loan approval.

Ms. Kesler stated that the appraisals have been ordered for the new homes in order to start the process to have City Council approve the sales prices of the homes. Once the sales prices of the homes have been set we will be able to move forward with the selling the homes. Since the City retained ownership of the properties they will be offered by a sealed bid process like the homes sold on 5th Street Ms. Kesler also stated there has been an increased interest in the new homes being built in West Greenville and that she was working on a new handouts to be used in the marketing of the homes. Ms. Kesler also stated the Housing Division's website had also been updated with information and pictures of the new homes as well.

Ms. Kesler shared with the committee that there were 2 upcoming workshops being offered by the Housing Division:

- Foreclosure Workshop, Wednesday, May 21, 2008 from 6-8:00 pm
- Homeownership Workshop with the Greenville Housing Authority, Saturday, May 17, 2008 from 9:00 am – 3:00 pm.

Council Member Glover asked Ms. Kesler the location of the Homeownership Workshop. Ms. Kesler responded that it was held at Housing Authority Community Building on Broad Street. Individuals interested in attending need to pre-register with the Housing Division or the Housing Authority because of limited seating.

Mr. Dallas Taylor inquired about the average monthly cost for the new homes. Ms. Kesler replied that the homes were built to GUC's E-300 standards, so they won't have the same guarantees like the ones that Reverend Moore built with Advanced Energy's SystemVision Energy Guarantee Program. The homes are the same general type of savings but they do not come with the guarantee that heating & cooling costs that the SystemVision Guarantee Program. Ms. Anderson suggested that Mike or Virgil would be best at answering the efficiency questions.

Mr. Taylor commented that he was concerned because the wording on the back of the brochure should state something about the costs. Mr. Taylor stated that usually people coming into these homes are already paying way more out of the range of \$400 a month. Since this is being used to advertise then by rewording the back of the brochure to state something about saving \$150 – 200 a month would make a huge difference in their thinking. Ms. Kesler answered that the expenses, savings and cost are covered during the intake and when we create a housing budget based on what they are paying now and what the average cost would be when they buy a home. What the \$400 on the brochure is referring to is having a mortgage payment in the same range as the \$400 rent payment. Ms. Kesler will look into making a change in the wording but utilities are really hard to determine based on a property and personal usage.

Ms. Glover asked if Reverend Moore was scheduled to build anymore homes. She likes his homes better because they are more efficient. Ms. Anderson said that Rev. Moore has a CHDO agreement pending in West Greenville at 602 Contentnea St. Rev. Moore is in the process of re-qualifying. He has staffing issues at this moment; however he is still on our approved list. If all goes well he should be building one, possibly two in the near future.

- **Set Just Compensation for the following properties: (Gloria Kesler)**

For the benefit of the new committee member, Ms. Gloria Kesler explained the roll of the Affordable Housing Loan Committee in setting Just Compensation (value) of properties that the Housing Division is interested in purchasing. Just compensation is usually based on appraised value of the property but the owner can waive (in writing) the right to have the property appraised and accept current tax value of the property. Just Compensation is the starting negotiation point for the Housing Division to make a written offer to the property owner; however staff still has authorization to negotiate a value up to but not greater than 15% of the Just Compensation as established by the committee.

Property Owner	Property Address	Parcel #	Offer Price
Julius E. Streeter	1508 W. 5 th Street	09530	\$28,338.00

Ms. Gloria Kesler stated to the committee that the property located at 1508 W. 5th Street was owned by Julius Streeter with a current tax value of \$28,338.00. The property is located across the street from the new homes the City built on 5th Street. Mr. Streeter is interested in selling the property to the City for the current tax value. The property is a duplex with a history of Code Enforcement violations and has been boarded up since 2004. At this time Code Enforcement has an open case on the property as an abandoned structure and is in process of taking the property to City Council to request an Ordinance requiring the repair or the demolition and removal of the dwelling from the property. Staff was in negotiations with Mr. Streeter last summer but Mr. Streeter broke off negotiations when a final sales price could not be reached. He is now interested again in selling the property to the City.

Ms. Kesler stated that the City owns the property to the left of this parcel which has a tenant that is in the process of moving. If we purchase the property would need to be combined with the lot we own to create a buildable lot.

With no further questions, motion was made by Ms. Alice Faye Brewington and seconded by Ms. Lovella Perkins to approve the recommendation to set just compensation for the property located at 1508 W. 5th Street, parcel #09530 at \$28,338.00. Motion carried unanimously.

Property Owner	Property Address	Parcel #	Offer Price
Quency Gardner	703 Douglas Avenue	07598	\$7,000.00

Ms. Gloria Kesler stated to the committee that the property located at 703 Douglas Avenue was owned by Quency Gardner. There is a house sitting on the property that has been boarded up by Code Enforcement and there has been no power at the property since 2004. Ms. Kesler stated that the property has a long history of code violations with the first certified letter being sent back in 1998 informing Mr. Gardner that the house did not meet minimal housing standards. At the December 13, 2007 City Council Meeting, Council approved an Ordinance requiring the repair or the demolition and removal of the dwelling from the property within 6 months. The property appraised at \$7,000.00 with a tax value of \$12,860.00. There was a review appraisal done and based on comparable sales within the area and the condition of the home the reviewer agreed with the appraised value of \$7,000.00.

Mr. R. J. Hemby asked how much it would cost to rehab the house. Ms. Kesler responded that the estimated cost from Code Enforcement to rehab the home would be in excess of \$40,000 which is more than 50% of the value of the home.

Mr. Dallas Taylor asked if the \$12,860.00 represented the new tax revaluation value and did Mr. Gardner request an appraisal? Ms. Kesler responded that it was the most current tax evaluation. At the time the property went to city council the tax value was \$11,060.00. As for the request for an appraisal Ms. Kesler continued, there would not be a request for an appraisal in the file. Mr. Taylor responded that he thought that unless a request was made for an appraisal, then we paid them tax value. Ms. Kesler responded by saying that federal law requires an appraisal be done to set fair market value, but the seller may in writing waive their rights to an appraisal and accept tax value if they choose. In reviewing the file there was no waiver stating he wanted to accept tax value.

Ms. Anderson commented that she and Ms. Kesler had been handling the file during another staff member's leave of absence, so we were are not sure if Mr. Gardner was offered either option. Staff had sent him a letter asking him to make contact so that they may ask that question; which one he wants, appraised value or tax value.

Mr. Taylor asked if the committee was being pushed on a time frame or could this item be moved to next month's meeting to give time for the staff to get a response from Mr. Gardner as to what he wanted to do. Ms. Anderson replied that we needed to move forward with it this month if possible because Mr. Gardner's case was to go back before council in one month.

Mr. Taylor commented that the committee has set precedence in the way it has been done since he's been on the committee, and they have never deviated from that. He recommended that the Housing Division pay the tax market value.

Mr. Hemby asked if staff had been in conversation with the seller concerning this matter. Ms. Anderson replied somewhat. He does want to sell and staff has talked with him. He has been notified in writing about today's meeting and what the appraisal came back as so he is aware of that.

Council Member Glover stated that she thinks he would want the tax value of the house especially if he is paying taxes on the tax value of the house. And since Mr. Taylor has stated that the committee normally offers the tax value to the owner then it is only fair to offer tax value it to him.

Mr. Taylor restated the options to the committee: the committee may take staff recommendation of setting Just Compensation at the appraised value or the committee may set Just Compensation for the tax value of the property, which is basically what has been done since he's been on the committee.

Mr. Taylor stated that the real issue here is based on precedence of what the committee has done. He is certain that for the past three years just compensation has been based on one of two things: owners were paid tax value unless the owner requested an appraisal. If the owner requested an appraisal and it came in less than tax value then they got bit by their own selves by asking for an appraisal. The committee has never paid anyone less than tax value if the owner did not request an appraisal. So, precedence has been set, the committee either protected them against themselves because maybe they didn't understand or have a lack of ability to understand what they can do. Why did staff go through the expense of ordering an appraisal if the owner did not request it and if the staff is going to turn around and give him tax value anyway? Ms. Anderson responded that staff didn't know if Mr. Gardner requested an appraisal. The staff member originally handing the file is out on leave and is not available to answer that question.

Mr. Taylor stated that there was another option: the committee can approve tax value until staff has a chance to find out whether or not the owner requested an appraisal. If Mr. Gardner asked for an appraisal then we should offer him the appraised value but if he did not then we should offer him tax value.

Council Member Glover asked if staff had a request in writing of Mr. Gardner's request. Ms. Anderson responded there would not be anything for the appraisal, if he wanted tax value that would be in writing. Ms. Kesler reminded the committee again that federal law requires an appraisal be done to set fair market value, but the seller may in writing waive their rights to an appraisal and accept tax value if they choose.

After additional discussion by the committee, Mr. Taylor suggested the committee approve the Just Compensation subject to verification by staff that the owner requested the appraisal. If Mr. Gardner did not request an appraisal then staff will pay the tax value. If he did request the appraisal then staff will treat him like everybody else and offer him the appraised value.

Mr. Taylor called for a motion on his recommendation. Mr. Becker motioned that Just Compensation be set at the tax value of \$12,860.00 for 703 Douglas Avenue, parcel number 07598 if Mr. Gardner did not request an appraisal subject to verification by staff. If Mr. Gardner did request an appraisal then just compensation should be set at the appraised value of \$7,000.00 for 703 Douglas Avenue, parcel number 07598.

Motion was tabled while Ms. Anderson attempted to contact Mr. Gardner. Ms. Anderson was not able to get in contact with Mr. Gardner. After addition discussion Mr. Becker motioned again to set Just Compensation at the tax value of \$12,860.00 for parcel number 07598 if Mr. Gardner did not request an appraisal subject to verification by staff. If Mr. Gardner did request an appraisal then just compensation should be set at the appraised value of \$7,000.00 for parcel number 07598. Motion was seconded by Ms. Lovella Perkins. Motion passed unanimously.

Property Owner	Property Address	Parcel #	Offer Price
Quency Gardner	700 Douglas Avenue	19463	\$3,500.00

Ms. Gloria Kesler stated to the committee that the property located at 703 Douglas Avenue was owned by Quency Gardner as well. It was a vacate lot adjacent to the property at 703 Douglas Ave. The property had an appraised value of \$3,500.00 with a tax value of \$2,291.00.

Mr. Taylor asked Ms. Kesler to clarify the appraisal process one more time. Ms. Kesler replied that Mr. Gardner would not have asked for an appraisal. Staff sends out a first contact letter stating that we are interested in purchasing your property. In that letter it explains the process that we go through. The City will do a first appraisal and have it reviewed. This becomes the offer price. If the owner doesn't agree with the price they can at their own expense have an appraisal done. If it comes within 15% of our appraisal we take the higher appraisal. Sometimes the owners don't want to go through the appraisal process and are willing to sell the property for tax value. The owner writes a letter stating that they are will to sell at tax value and waive their rights to an appraisal. But an appraisal is always offered. It might not necessarily be done, but it is offered. After review of the file there is not a letter from Mr. Gardner stating we waived his rights to an appraisal and wanted tax value for the property. So the appraised value should be offered as staff presented.

After additional discussion by the committee, Mr. Taylor stated the committee has two options: table the motion until next month or move forward.

Mr. Becker motioned that Just Compensation be set at the appraised value of \$3,500.00 for 700 Douglas Avenue, parcel number 19463 if Mr. Gardner did not waive his rights to an appraisal subject to verification by staff. If Mr. Gardner did waive his rights to an appraisal then just compensation should be set at the tax value of \$2,291.00 for 700 Douglas Avenue, parcel number 19463. Motion was seconded by Ms. Perkins. Motion passed unanimously.

D. Other

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

Ms. Pauline High informed the committee that the continuum of care had met that morning at 9:00 am and discussed the Continuum of Care's role as part of the Pitt County Balance of State. The Balance of State will be submitting a grant application for Continuum of Care members by July 1, 2008. There are two organizations that have requested funds through the Balance of State, The Greenville Housing Authority and the Pitt County Family violence program. The Greenville Housing Authority is requesting \$253,000 which is a reoccurring grant. The Pitt County Family Violence Program is seeking funding for a new project and is in the process of working through a possible proposal with Martha Are to submit to the Balance of State.

Mr. Brian Becker asked Ms. High what was the Balance of State? It was a term unfamiliar to him. Ms. High responded that the Balance of State is an organization that actually submits applications for the homeless funding and disperses it to various Continuums through out the state of NC. The Balance of State is more productive for Continuum of Care than the state because it gives you a stronger application. Typically the Balance of State will receive more money than the individual continuums.

- **Update 10-Year Plan to End Chronic Homelessness (Pauline High)**

Ms. High stated that she has serving on the Blue Ribbon Task Force in place of Ms. Karen Gilkey during her leave of absence. The Blue Ribbon Task Force meets on a weekly basis to discuss the progress of the 10-year plan to end chronic homelessness. Currently the subcommittees are meeting to develop the goals and objectives for their particular areas (transitional housing, permanent housing, employment and transportation). The management advisory team will be meeting this week to review the goals and objectives the various subcommittees have decided upon and to work toward finalizing the 10-year plan. The management advisory group is also in the process of organizing a business round table in order to get various businesses to the table to address homelessness, in terms of employment and employability in terms of the homeless individuals.

Mr. Dallas Taylor asked if these meetings were open to the public. Ms. High answered that from her understanding, no, not the management advisory meetings. Ms. High stated that if someone wanted to attend the Blue Ribbon Task Force meeting there was not be a problem, but the management advisory meetings are representatives of those subcommittees that have been working with the subcommittees on their various goals and objectives.

Council Member Rose Glover stated that she was under the impression that all meetings are public. Ms. High stated that The Blue Ribbon Task Force meetings are open to the public and the information from the meetings is available to the public but that she was unsure about the Management Advisory Team Meetings but she would ask at their next meeting. Ms. Anderson stated that The Management Advisory Team, which are The City of Greenville, Pitt County Government, United Way of Pitt County, Behavioral Health Hospital Foundation, Greater Greenville Community Foundation and East Carolina University are funding the plan.

Council Member Glover stated that since the City of Greenville is involved then the public can come because the city's meetings are open to the public. Ms. Anderson replied that Pitt County is taking the lead in the project and although the meetings are not published, if anyone showed up they would not be refused entry. The Blue Ribbon Task Force meetings are not published either but the meetings are held at Jarvis Memorial United Methodist Church and the public is welcome to attend.

Mr. Taylor stated that there has been a lot of talk about buying houses and all but is there a committee set up to interview and work with these people to pick out and help identify the issues and rehab (train) them to take care of what they end up with? Ms. High answered that part of the subcommittee's discussion has been to talk about sustainability and implementation of supportive services to individuals and families in order to attain and maintain adequate housing. The Blue Ribbon Task Force has held public forums to discuss services needed in the community to assist homeless people in obtaining self sufficiency. The outcome of the 10-year plan is to implement supportive services so that those type of services are available to people. While this is not to say these services are not currently available, for example, through the shelter or other agency's dealing with homeless individuals, but the Blue Ribbon Task Force does recognize that there is a disparity when it comes down to the supportive services offered verses what is needed and with the funding of these services.

Ms. High concluded her report by stating that she and Ms. Kesler would be attending the North Carolina Coalition to End Homelessness Leadership Luncheon (Smart Investing: Permanent Supportive Housing as a just and fiscally responsible solution) on Monday, May 19, 2008.

Mr. Howard Connor addressed the committee and expressed an interest in possible serving on the committee.

E. Adjournment

Motion was made by Mr. Brian Becker and seconded by Lovella Perkins to adjourn the meeting. Motion carried unanimously.

SIGNATURE ON FILE IN OFFICE

Dallas Taylor, Chair

SIGNATURE ON FILE IN OFFICE

Gloria H. Kesler, Staff Liaison