

# THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

## Minutes

November 8, 2006

Greenville, North Carolina

### Present:

Dallas Taylor     John Tullos     Gloria Pearsall     Vila Rosenfeld     Robert Moore     Tammie Carlton  
 Brian Becker     James Tucker     Rose Glover (City Council Liaison)

### Absent:

Dallas Taylor     John Tullos     Gloria Pearsall     Vila Rosenfeld     Robert Moore     Tammie Carlton  
 Brian Becker     James Tucker     Rose Glover (City Council Liaison)

### Staff:

Sandra Anderson     Gloria Kesler     Karen Gilkey     Dondra Perkins     Merrill Flood

#### A. Roll Call

Dallas Taylor called the meeting to order.

#### B. Old Business

- **Review of Meeting Minutes from August 23, 2006 and September 13, 2006**

Minutes were corrected to show that Mr. Robert Moore was present for the August 23, 2006 meeting. Motion was made by Robert Moore and seconded by Gloria Pearsall to accept the amended minutes for August 23, 2006 and the minutes as presented for September 13, 2006. Motion carried unanimously.

#### C. New Business

- **Introduction of the new CD Housing Administrator, Sandra W. Anderson**

Gloria Kesler made introduction of the new CD Housing Administrator, Mrs. Sandra W. Anderson. In response, Mrs. Anderson stated that she looked forward to working with the staff and the Affordable Housing Loan Committee.

- **Proposed Changes to Downpayment Assistance Programs**

- **Update Lending Criteria**

Gloria Kesler requested that the committee consider making the following changes to strengthen the lending criteria for the Downpayment Assistance Programs. The following are changes requested:

- Add a six (6) month payment history to charged –off accounts to the already standard requirement of No Outstanding Balance due on charge-off accounts unless with an approved payment plan, will help identify some type of payment history and prevent abuse.
- Change the current bankruptcy requirement to Chapter 7 bankruptcy must be discharge for at least 24 months and add that for Chapter 13 Bankruptcy the applicant must have written permission of the Trustee / Count to acquire new debt.
- Add daycare payments to reflect a line of credit for non-traditional credit references.

- Applicant must use at least 20% of their gross monthly income toward the PITI payment.

With no further questions, a motion was made by Mr. Robert Moore to accept the proposed changes and seconded by Gloria Pearsall. Motion carried unanimously.

- **Change terms of the HOME Downpayment Assistance Program**

Mrs. Gloria Kesler stated she would like to propose three (3) changes to the HOME Downpayment Assistance Program. With the cost of the new homes being built within West Greenville there is a need to increase the amount of assistance offer to the future homeowners to make the homes affordable. According to Mrs. Kesler, once the committee has approved the request for the proposed changes, City Council will have the final approval for the changes describe below:

- **Change the amount of the Grant:**

Change the current amount of \$5,000- \$10,000 Grant to a No Interest Forgivable Loan of up to 20% of the sales price of the home with a cap of \$20,000.00.

- **Change the recapture period:**

Change the current recapture period from 5-10 years to 15 years. The Grant would be in the form of a secure no interest loan, forgiven by 1/15 of the original principal balance on an annual basis for the 15-year recapture period. Funds can be combined with other assistance programs but in no case can an applicant receive more than 20% of the sales price of the home from City of Greenville subsidies.

- **Change required out of pocket expense:**

Change \$500.00 plus closing cost to \$1,000.00 plus closing cost (closing cost may be paid by buyer, seller, or through other available city funds).

Mrs. Sandra W. Anderson concluded by stating these changes, if approved, would enable the homes to be affordable for the clients. Mr. Brian Becker questioned the income figure of 80% area median in Greenville. Mrs. Kesler responded by stating that according to the chart HUD provides every year, the median income for Greenville is at 39,200.00 for a family of two (2). Mrs. Kesler passed out a copy of the chart to Mr. Becker. With no further questions, motion was made by Mr. Robert Moore and seconded by Gloria Pearsall to present the proposed changes to City Council for approval. Motion carried unanimously.

- **Proposed Extension of DPA / Rehab Assistance Area**

Mrs. Karen Gilkey presented to the committee a proposal to extend the Homeowner Rehabilitation and Downpayment Assistance Program to all eligible properties within the boundary of the Redevelopment District which overlays the 45-Block boundary. Ms. Gilkey also stated that she was requesting permission to provide assistance to eligible scattered properties within one-block of the Redevelopment District boundaries. Mr. Moore questioned if the extension would allow investors to purchase the property. Ms. Gilkey responded by stating that the properties were to remain owner-occupied. Mrs. Rose Glover questioned the funding sources for the rehabs if the boundaries were extended. Ms. Gilkey responded by explaining that rehab money was currently available within the BOND funding. Ms. Gilkey continued by explaining to the committee that when the City began to assist with rehabilitation to eligible properties, the neighborhoods were 20% homeowners. Ms. Gilkey stated that since that time nearly half of those homes have been rehabbed. Mrs. Glover questioned the consistency of the boundary extension from the map Ms. Gilkey provided. With further discussion of the suggested boundary extension, the committee members tabled this request due to questions about the dividing boundaries and funding available for this request.

**D. Other**

- **Housing Award from North Carolina Housing Finance Agency**

Ms. Kesler informed the committee that the City of Greenville has won an award for excellence in affordable housing. The North Carolina Housing Finance Agency presented the Housing North Carolina Award to the City's Community Development Department for Countryside Estates.

The winners were selected for their potential to serve as models for other communities. Criteria included affordability; design (attractiveness, energy-efficiency, others); contribution to the community; sustainability as affordable housing; and features such as services for residents and creative partnerships.

- **Downpayment Assistance Update**

Ms. Kesler informed the committee to date that 99 homes had closed at the Countryside Estates Subdivision. The final 6 lots have homes under construction with 2 under contract.

The last home of the first 4 built in the West Greenville Revitalization Area will close on November 17. The next 4 homes are under construction on Martin Luther King Jr. Dr. with 5 more lots going to City Council in December to be awarded to the builder.

**E. Adjournment**

With no further discussion the meeting was adjourned.

Signature on File

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Dallas Taylor, Chair

Signature on File

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Gloria H. Kesler, Staff Liaison

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