

MINUTES OF THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

January 12, 2005

Greenville, North Carolina

Present:

Don Edmondson Kristina Harris Charles Vincent Evan Lewis Chip Little
 Gloria Pearsall Vila Rosenfeld Pam Kesegi

Absent:

Don Edmondson Kristina Harris Charles Vincent Evan Lewis Chip Little
 Gloria Pearsall Vila Rosenfeld Pam Kesegi

Staff:

Chris Davis Gloria Kesler Karen Gilkey Dondra Perkins _____

A. Roll Call

Gloria Pearsall called the meeting to order.

B. Old Business

- Review of Meeting Minutes from December 8, 2004

The Committee reviewed the minutes from December 8, 2005 meeting. Motion was made by Vila Rosenfeld to accept the minutes as presented and seconded by Pam Kesegi. Motion carried unanimously.

C. New Business

- **Offer to Purchase: 505 Contentnea St., Audreinne Harvey-Tyson**

Ms. Karen Gilkey presented to the committee a residential property at 505 Contentnea St. The appraised value was \$13,600.00, which was actually less than tax value. Ms. Gilkey informed the committee that the seller would not sell the property for tax value she would only sell at the appraised value, but she was willing to sell. Ms. Gilkey informed the committee that the house was a contributing structure to the Cherry View neighborhood; it was rental property at one time, nice starter home for a small family or elderly couple; 2 bedrooms and 1 bath. Ms. Gilkey stated that the City would like to save the house because of its significance to the neighborhood. Mrs. Rosenfeld asked if the owner still wanted to live there. Ms. Gilkey responded that the owner never lived at the property, that the property was inherited. Ms. Gilkey informed the committee that she had color photos if anybody wanted to see them. Ms. Gilkey stated that the property had always been rental property and that the property has been vacant for at least a year. Ms. Rosenfeld questioned the need to buy the property. Ms. Gilkey explained that the property sat at the end of Contentnea, which is mostly owner occupied, and by putting in another homeowner it would keep that end of Contentnea stable. Ms. Gilkey stated that at this point the house could be saved but that it

would take substantial work to keep it from deteriorating to the point the house would need to be demolished. Mr. Chris Davis included that the property was at a value that if purchased it could be rehabilitated and sold which would allow the City to get the funds back or become a reasonable buy for a low-income individual. Ms. Rosenfield asked if the City would make a profit. Mr. Davis responded by explaining the process of obtaining the property. Mr. Davis concluded by stating that the profit would be rolled back into the program for additional activities. A motion was made by Ms. Rosenfield to set just compensation value at \$13,6000.00 and seconded by Ms. Pam Kesegi. Upon conclusion, Mr. Don Edmondson inquired to know the tax value. Ms. Gilkey responded that the tax value was \$17,140.00. Ms. Rosenfield questioned why Mrs. Harvey-Tyson would not accept the tax value. Ms. Gilkey explained that Mrs. Harvey-Tyson thought the house would appraise higher, but Mrs. Harvey-Tyson was willing to except \$13,600.00, which helped the City saved \$4,000.00 dollars. Motion carried out unanimously.

- **Offer to Purchase: 1203 Martin Luther King Dr., Samir F. Abed**

Ms. Gilkey presented the committee an offer to purchase a convenient store at 1203 Martin Luther King Dr. Ms. Gilkey explained that the appraise value was \$ 57,000.00 and that the store was a problem in the neighborhood with the community and the police department. Mr. Evans Lewis questioned what plans the City had for use of the property once purchased. Ms. Gilkey explained that the City plans to demolish the property. Ms. Gilkey stated that the City is still trying to determine the rightful owner of the business and that if the business owner was renting the building the City would have to relocate the renter if they bought the property. However, if the building owner owns the business then the City would pay him/her the \$57,000.00 and no relocation assistance would be required. Ms. Pam Kesegi questioned if the City should wait to find the rightful owner. Ms Gilkey responded that it was difficult to find the rightful owner, because it was usually inherited or passed down, and it was hard to get a clear idea. In conclusion, Mr. Chris Davis discussed issues concerning the neighborhoods' complaints about storefront properties. A motion was made by Ms. Villa Rosenfield to set just compensation value at \$57,000.00 and seconded by Mr. Don Edmondson. Motion carried unanimously.

- **Downpayment Assistance Countryside: L. Finch**

Mrs. Kesler presented the committee with a loan application for Ms. Finch. Mrs. Kesler stated that the City was working with NC Housing Finance with this loan application. Ms. Kesler explained the case of Ms. Finch, by stating that she has a household of two and that she was seeking a grant for \$10,000.00 with a 20% deferred loan from NC Housing Finance. Mrs. Kesler explained that Ms. Finch had worked hard to pay off debt; her credit report showed that most of the things she was working own had been paid off. Ms. Finch was currently dealing with a fraud situation, which a family member had used her name, but Ms. Finch was taking care of that situation. Ms. Kesler recommended that the committee read the letter on page (33) thirty-three of the package. Mrs. Kesler explained the letter briefly. Mrs. Kesler continued by explaining Ms. Finch current income, she is sitting at about 80% and that she didn't carry a lot of debt. However, she was working with a group that the City has not worked with before. NC Housing Finance wasn't pleased with some of the fees that were being charged, however, the bank was willing to rework their fees to meet NCHFA's guidelines. Mrs. Kesler stated that the City was able to get the lending package in line with NC Housing Finance guidelines and that NCHFA was willing to do a conditional approval once Ms. Finch took care of a bill she owed, which at this time has been resolved. Ms. Vila Rosenfield motioned to approve Ms. Finch for downpayment assistance in the amount of \$10,000.00 HOME Grant. Mr. Don Edmondson seconded that motion. Motion carried unanimously.

D. Other Business

- **Chris Davis: HOME & CDBG Awards/ Public Hearing Feb. 10th**

Mr. Chris Davis explained to the Committee that the City had received an award letter for the upcoming 2005-2006 CDBG and HOME Funds. The City would receive just over \$914,000.00 this year for the CDBG program and 15% (\$137,000.00) of that would be the City's allocation for the non-profit agencies. Mr. Don Edmondson asked for the previous amount allotted for 2004. Ms. Karen Gilkey responded that about \$144,000.00 was given for non-profits. Mr. Davis concluded by explaining the CDBG program and invited the entire committee to the Neighborhood Meeting that would be held on February 16, 2005.

- **2005 Nonprofit Application**

- Nonprofit Application Workshop will be held February 9, 2005, 3:00 pm, City Hall
- Nonprofit Presentations-March 9, 2005 (12:00 noon-lunch meeting and presentations)

Ms. Gilkey presented the committee information concerning the non-profit ad that would run on Sunday, January 16, 2005 in the City page. Ms. Gilkey stated that she had at least (20) twenty or more non-profits to send letters to. There would be a mandatory meeting on February 9, 2005 for all applicants. At that meeting they would receive an application and explanation about the process. One procedure has been changed; they now have to include the last 3 years of tax returns. They would have until February 24, 2005 to return the application. Ms. Gilkey explained the process briefly. Mrs. Gloria Kesler stated that the final approval would be held on March 9, 2005 at 12:00 noon. Ms. Vila Rosenfield questioned what kind of reports does the committee receive concerning the non-profit organizations. Ms. Gilkey explained that the committee would receive a verbal report. Ms. Rosenfield questioned if the non-profit organization would be required to do any type of reporting once they were allocated. Ms. Gilkey responded by explaining that every funded agency has to submit a monthly report to the city. Ms. Rosenfield stated that it would be interesting to read the monthly reports prior to the committee approving additional funding to the non-profit organizations. Mr. Chris Davis explained the process briefly and stated that staff would summarize the non-profit applications and provide staff recommendations for funding.

- **2005 Presentation to City Council by AHLIC (March 7, 2005)**

Mrs. Kesler explained that the presentation would be early this year. Ms. Kesler asked Mr. Evan Lewis if he would be interested in doing the presentation. Mr. Evan Lewis stated he would have to look at his calendar, and if he could not represent, he would help appoint someone else.

- **Downpayment Assistance Monthly Update**

Mrs. Kesler explained that NC Housing Finance closed out for 2004. She stated that \$165,830.00 was spent. HOME Program closed at \$35,000.00 in the last 6 months, (July 1 through June 30). There are two loans that are conditionally approved at this time. Seventy Homes are now closed at Countryside Estates Subdivision and that Ms. Pittman (45-Block) close on her home January 28, 2005.

E. **Adjournment**

Mrs. Gloria Pearsall closed the meeting by announcing that in February she would step down from her position as chairperson. The committee acknowledged her decision. Upon conclusion, Ms. Rosenfield questioned if the City heard a response from Pamlico Property. Ms. Gilkey responded that the City had not had a response at present.

With there being no additional business a motion of adjournment was made by Ms. Vila Rosenfield and seconded by Mr. Don Edmondson. Motion carried unanimously. The meeting was adjourned.

Respectfully Submitted,

Signature on File
Gloria Pearsall, Chair

Signature on File
Gloria H. Kesler, Planner I