

**THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING**

**Minutes**

**Thursday, March 29, 2012  
Greenville, North Carolina**

**Present:**

- Alice Brewington
- Howard Conner
- Lovella Perkins

- Melissa Grimes
- R. J. Hemby
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**Absent:**

- Alice Brewington
- Howard Conner
- Lovella Perkins

- Melissa Grimes
- R. J. Hemby
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**Staff:**

- Merrill Flood
- Sandra Anderson
- Sylvia Brown

- Betty Moseley
- Thom Moton
- Kandie Smith (City Council Liaison)

- Scott Eaton
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**A. Roll Call**

**B. Approval of Agenda**

Motion was made by Mr. Conner and seconded by Ms. Grimes to approve the agenda. Motion carried unanimously.

**C. Approval of meeting minutes from February 7, 2012**

Motion was made by Mr. Conner and seconded by Ms. Grimes to approve the meeting minutes from February 7, 2012 as presented. Motion carried unanimously.

**D. Old Business**

**1. 2012 CDBG Subrecipient Funding Process Questions**

Mr. Flood stated that a memorandum outlining the process for CDBG funding has been included in the AHLC packets. Staff submitted a summary of the nonprofits that applied for 2012 funding and noted any deficiencies with the applications. The City submitted all comments received to HUD. HUD agreed with the process used by the City and confirmed that staff was following all required guidelines. HUD will not allow the application process to be reopened.

Six nonprofits submitted applications and seven different funding requests were received. The requirement of an audit was the biggest issue with the applications received. The City of Greenville risks losing funds if the subrecipients do not have an audit.

Ms. Grimes asked if HUD was aware of the cost of an audit. She stated that the cost of the audit pushed people out of the process. Many applicants ask why they should apply under these conditions. She suggested having something in place to help out the nonprofits and finding other provisions for applicants.

Mr. Flood replied that HUD funding was not the only funding for most organizations. The audit requirement is in place as a safeguard across the country. The cost of the audit depends on nonprofits shopping for the best price.

Mr. Conner stated that 61 nonprofits attended the workshop but only seven applications were received. That is not a good percentage.

Mr. Flood stated that staff doesn't know all the reasons nonprofits did not submit an application. Some groups were out of the service area while others had ineligible activities.

Mr. Hemby stated that he was concerned because the committee voted to send the funding requests to City Council. After speaking with each Councilmember, he feels they do not understand the function of the committee. The appointed Council liaison does not regularly attend the AHLC meetings. The committee seems to be taken as a joke and the programs are not working. People have lost homes due to the process and its timeline. As a committee, we have failed. The committee needs to meet with City Council and rewrite the program. The funding for housing should be used only for housing and to clean up blight. We can blame HUD, but HUD does not know that this program is not working. City Council needs to take another look at the formula being used. Staff needs to take this process to City Council for review because this is unacceptable. We should not proceed until the process is fixed. Staff was asked to assist nonprofits with the criteria.

Mr. Flood replied that this is one year out of 15 where only one nonprofit was eligible. Staff cannot help the nonprofits with the application because it would be an unfair advantage. He stated that he would not characterize the process as broke. It is on the applicants to ensure they have all the required materials. He stated that staff has spoke with City Council concerning the process.

Mr. Conner stated that the money does not come from the City it comes from HUD. If we are using HUD's money, then we must adhere to HUD's rules.

Ms. Grimes asked if there was anything to bridge the applicants and the application process to ensure applicants are following HUD guidelines.

Mr. Flood replied that staff could go back to the submitters and explain the deficiencies with their applications.

Ms. Grimes stated that many people may think they are doing the application right; however, staff does this work daily and can help explain things to them. The audit should not hinder good organizations from applying. She stated that she would speak with known CPA's and make referrals to staff for a partnership.

Mr. Hemby stated that staff needed to give nonprofits technical assistance with their applications.

Ms. Perkins stated that that was the purpose of the workshop.

Mr. Hemby replied that staff won't assist the applicants due to unfair advantage.

Ms. Perkins stated that the applicants must have the willingness to speak up. If they ask up front then staff will not need to backtrack.

Mr. Flood stated that staff will not answer questions during the application submittal period; however all questions are answered during the workshop.

Mr. Hemby stated that staff needs to revamp the workshop. Applicants should be able to attend a workable workshop, where they can get notebooks, training and take tests.

Mr. Flood stated that during the workshop, Ms. Brown walked through each page and explained what the City was looking for and asked for questions. Applicant comments were taken into consideration. Staff can consider doing something, such as a workshop, after June 12, 2012. Last year, the City had to pay back money because an approved nonprofit did not submit the required 990 form.

Ms. Anderson stated that each organization that received funds last year signed an agreement stating that they would submit an audit. This is not the first time they have heard the audit request. Ms. Brown did receive questions and answered them after the workshop. Applicants need to send persons to the workshop that can use the information or relay it to the responsible person.

Mr. Hemby stated that there needs to be an entity between staff and nonprofits. A neutral party needs to help the nonprofits understand and complete the process.

Ms. Perkins asked where the funding would come from for the extra person to give the help.

Mr. Hemby replied that staff can use the money that will not be awarded to the nonprofits.

Mr. Flood stated that the remaining funds would go towards City projects or programs in the community.

Ms. Teresa Barefield, Literacy Volunteers Coordinator, stated that Literacy Volunteers did receive funding last year and has asked for funding this year. Every application for funding requires an audit. The process is doable. The City's qualifications are not different than other applications she's completed. Many grant agencies don't offer training or workshops.

Ms. Perkins stated that it was due diligence to seek and go after funding.

## **2. Subrecipient Funding Request Recommendation**

Ms. Brown stated that six applications were received from five nonprofits. The only application that was complete was for Literacy Volunteers of Pitt County. Staff recommends awarding LV \$8,000.00. Staff has concerns about the location of the projects and other funding areas. Only one location was in the Greenville city limits.

Ms. Anderson stated that this was a staff recommendation but it was up to the committee to decide what was recommended to City Council.

Ms. Barefield stated that most of the clients are seen in the office on Arlington Boulevard. Only 15% of the clients are seen in Pitt County schools. The office is booked for up to three months and there should be no problem spending the money. The two sites outside of Greenville city limits will still receive services due to commitments.

Motion was made by Mr. Conner and seconded by Ms. Grimes to recommend awarding \$11,960.00 to Literacy Volunteers of Pitt County for the 2012-2013 funding year. Motion carried unanimously.

### **3. Update on Meeting Time Change**

Ms. Brown stated that the meeting time request is going before City Council in April 2012.

Mr. Flood stated that the new time could be effective May 2012 if approved.

Mr. Hemby stated that the reason the committee has requested a change is because prior members owned their own businesses and could leave at leisure. However, now committee members are leaving a job to attend the meeting.

## **E. New Business**

### **1. Set Just Compensation – 1009 Douglas Avenue**

Mr. Eaton stated that the City would like to purchase 1009 Douglas Avenue. The owners and senior management for the City have agreed on tax value which is \$2,545.00.

Motion was made by Mr. Conner and seconded by Ms. Perkins to set just compensation for 1009 Douglas Avenue at \$2,545.00. Motion carried unanimously.

### **2. Unspent Funds Request**

Ms. Anderson stated that additional funds were available to award to nonprofits. Staff is recommending awarding these funds to the Lucille W. Gorham Intergenerational Community Center and PAL for their summer camp programs. The funds would pay for admission and transportation costs. The IGC is requesting \$3,000.00 and PAL is requesting \$13,000.00.

Mr. Conner recused himself from voting due to his position on the board for PAL.

Ms. Perkins asked what the planned activities were for the children.

Captain Robert Williams replied that the activities include local trips to the River Park North, City pool and Chuckie Cheese. Out of town activities include trips to Fort Macon, Aquarium in Pine Knoll Shores, Raleigh Museum of Natural History and other educational trips. Some trips are for fun and others are just for educational value. The camps are eight weeks and serve 156 children.

Ms. Grimes asked how a student became part of the program.

Captain Williams replied that there is an application process. Many of the children are involved in the PAL Afterschool program. There is a nominal fee of \$50.00 for each child, which covers the eight weeks of camp, trips and food. Some families can't afford the fee, especially if they have two or more children.

Ms. Grimes asked if PAL was involved in any sports activities.

Captain Williams replied no, just camp and travel.

Mr. Hemby asked if there was a written budget for the proposal.

Ms. Anderson replied that the cost for transportation and admission for PAL was \$13,000.00 and \$3,000.00 for the IGC.

Ms. Megan Butler stated that the funds will serve 156 children in five summer camps, rent and fuel buses. The Eppes Recreation Center will have four camps and South Greenville one camp.

Ms. Grimes asked if PAL participated in the summer significant program.

Ms. Butler replied no.

Mr. Hemby asked if this was the only funding for PAL.

Captain Williams stated that the \$13,000.00 would fund the camps 100%. He stated that there was a revenue stream available.

Mr. Hemby asked what trips would be funded with the \$3,000.00 for IGC.

Ms. Anderson stated that some of the activities included the IMAX Theater in Raleigh and Frankie Fun Park in Raleigh.

Mr. Hemby asked if this was for unspent funds for 2011.

Mr. Flood replied yes. Also, there are 150 children in the IGC camp.

Ms. Grimes asked if this was for one trip for the whole summer.

Ms. Butler replied that the PAL camps have one trip per week using five buses.

Motion was made by Ms. Perkins to fund \$13,000.00 for PAL and \$3,000.00 for the Lucille W. Gorham Intergenerational Community Center. Motion did not receive a second, therefore it did not pass.

Mr. Conner asked what would happen to the funding if it does not go to the camps.

Mr. Flood replied that City Council will decide where it goes.

### **3. 2012 Annual Action Plan Review**

Ms. Anderson stated that this is the fifth year of the Consolidated Plan. Staff will start working with the community to develop a new Consolidated Plan for the next five years.

The 2012 AAP is available for review until April 13, 2012. The City expects to receive the following funding:

- HOME \$387,237.00
- CDBG \$781,037.00
- Other \$640,000.00
- HOME Program Income \$100,000.00
- CDBG Program Income \$30,000.00

The 2012 AAP documents are on the City website and in the Housing Division office.

### **F. Staff Report**

Ms. Brown stated that the AHLC Annual report is due to City Council on April 9, 2012.

Ms. Grimes agreed to present the AHLC Annual Report to City Council.

Ms. Brown stated that CDBG Week is April 9 – 14.

- April 11 – Tour
- April 13 – Housing Fair
- April 14 – Homeownership Workshop

Ms. Perkins asked how long the homeownership education certificate was effective after receipt.

Mr. Hemby replied that it was good for one year.

Ms. Anderson stated that 11 vendors have signed up for the Housing Fair.

### **G. Other**

### **H. Adjournment**

Motion was made by Mr. Conner and seconded by Ms. Grimes to adjourn the AHLC at 4:45 PM. Motion carried unanimously.

Signature on file

R.J. Hemby, Chair

Signature on file

Sylvia D. Brown, Staff Liaison