

THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

Minutes

June 8, 2005

Greenville, North Carolina

Present:

Dallas Taylor Robert Moore Pam Kesegi Evan Lewis Chip Little
 Gloria Pearsall Vila Rosenfeld Drock Vincent

Absent:

Dallas Taylor Robert Moore Pam Kesegi Evan Lewis Chip Little
 Gloria Pearsall Vila Rosenfeld Drock Vincent

Staff:

Chris Davis Gloria Kesler Karen Gilkey Dondra Perkins Merrill Flood

A. Roll Call

Evan Lewis called the meeting to order.

B. Old Business

Review of Meeting Minutes from May 11, 2005

Motion was made by Vila Rosenfeld to accept the minutes as presented and seconded by Pam Kesegi. Motion carried unanimously.

C. New Business

• Welcome New Committee Members:

The Affordable Housing Loan Committee welcomed two (2) new members, Mr. Robert Moore and Mr. Dallas Taylor.

• Resignation of Kristina Harris:

Mrs. Kristina Harris has resigned from the Affordable Housing Loan Committee as of May 18, 2005. Mrs. Harris has a new position with East Carolina University and the meeting times conflict with her work schedule and job responsibilities.

• Proposed Guideline Changes: 1992 Housing Bond Program

▪ Downpayment Assistance Program

- **Raise the 2% No Interest Loan Program to 5% No Interest for 5 years.**

Mrs. Gloria Kesler made a request to the committee to consider raising the 2% No Interest Loan Program with a 3-year repayment period to a 5% No Interest Loan with a 5-year repayment period. Ms. Kesler stated to the committee that the increase would make the available bond funds a more viable source of downpayment assistance for families looking to buy a home within the City of Greenville. When the program was first implemented in 1992, 2% of the sales price of the home was a viable loan, but with the higher cost of buying and closing on a home today, the Loan Program has lost its marketability. Raising the loan to 5% would provide the additional funds needed to assist 80%-100% AMI families to purchase their first home. After further discussion on income eligibility, Mrs. Kesler asked the committee for their recommendation to present the change to City Council. Motion was made by Mrs. Vila Rosenfeld and seconded by Mr. Dallas Taylor to present the request to City Council for approval.

- **Raise Maximum Sales Price from \$116, 000.00 to \$132,500.00 for all City Downpayment and Rehabilitation Programs.**

Mrs. Gloria Kesler made a request to the committee to consider raising the maximum sales price from \$116,000.00 to \$132,500.00. Ms. Gilkey shared with the committee that the maximum sells price at \$116,000.00 began with the development of Countryside Estates Subdivision, which was actually less than NC Housing Finance price for a new home. Prior to Countryside Estates the maximum sales price was \$75,000.00, but due to the drastic increase in home values, the price was moved to \$116,000.00. Mrs. Gloria Kesler continued by stating that all the Downpayment Assistance Programs were capped; therefore, all the programs would have the same criteria. Mrs. Kesler provided the committee with a chart from NCFHA outlining their program guidelines of \$132,500.00. After explanation of the chart, Mrs. Kesler continued by stating that per conversation with NC Housing Finance, the program guideline for Pitt County had been updated to \$150,000.00 as of June 1, 2005. After further explanation of the changes made, Mr. Chip Little suggested that the maximum sells price be set to \$150,000.00; in lieu of the changes already made with NC Housing Finance. With further discussion of the guideline changes, motion was made by Mrs. Vila Rosenfeld and seconded by Mr. Dallas Taylor to present the change of the Maximum Sales Price from \$116,00.00 to \$150,000.00 to City Council for approval.

- **Elderly Rehabilitation Assistance Program**

- **Raise the \$15,000.00 cap with a 10-year repayment term to \$20,000.00 with a 15-year repayment term and change the Program from Elderly Rehabilitation Assistance Program to Elderly / Disabled Rehabilitation Assistance Program.**

Ms. Karen Gilkey began by explaining the request to raise the \$15,000.00 cap with a 10-year repayment term to \$20,000.00 with a 15-year repayment term. Ms. Gilkey stated that in the last two years an increase in cost of building materials, the ability of the homeowners to repay, and allowing the funds to be used by

documented physically disabled homeowners were key factors for the request. Ms. Gilkey stated that because of cost increase she had to prioritize the repairs to keep the applicant within the program debt ratios of 32/42 with a ten-year repayment period. Ms. Gilkey also stated that over the life of the program she has not been able to help low income elderly citizens with good credit because they needed more time to pay for necessary repairs. Ms. Gilkey concluded by stating that this change would help the disabled homeowners that were documented 55 years of age or older use the Elderly Rehabilitation Loan Program. Ms. Gilkey referred the committee to the memorandum concerning the request for this change. After further discussion, Motion was made by Mrs. Vila Rosenfeld and seconded by Mr. Dallas Taylor to present the recommended changes to City Council for approval.

D. Other

- **Downpayment Assistance Monthly Update**

Ms. Kesler gave the monthly DPA update. Four homes were closing by the end of June at Countryside Estates.

- Mrs. Kesler suggested that the July meeting be cancelled due to summer vacations. Motion was made by Mr. Evan Lewis and seconded by Mrs. Vila Rosenfeld to cancel the July meeting. Motion carried unanimously.

E. Adjournment

Motion was made by Mrs. Vila Rosenfeld and seconded by Mr. Dallas Taylor to adjourn the meeting. Motion carried unanimously.

On File

Evan Lewis, Chair

On File

Gloria H. Kesler, Planner I

drp