

THE AFFORDABLE HOUSING LOAN COMMITTEE MEETING

Minutes

Wednesday, November 9, 2011
Greenville, North Carolina

Present:

☒ Alice Brewington
☒ Howard Conner
☐

☐ Karalee Coughlin
☒ Lovella Perkins
☒ Melissa Grimes

☒ R. J. Hemby
☐ Sterling Reid

Absent:

☐ Alice Brewington
☐ Howard Conner
☐

☒ Karalee Coughlin
☐ Lovella Perkins
☐ Melissa Grimes

☐ R. J. Hemby
☒ Sterling Reid

Staff:

☐ Merrill Flood
☒ Sandra Anderson

☒ Gloria Kesler
☒ Betty Moseley

☐ Thom Moton
☐ Kandie Smith (City Council Liaison)

A. Roll Call

B. Approval of meeting minutes from October 12, 2011

Motion was made by Ms. Melissa Grimes and seconded by Mr. Howard Conner to approve the meeting minutes from October 12, 2011 as presented. Motion carried unanimously.

C. Old Business

None

D. New Business

1. ***Increase debt to income ratios for downpayment assistance programs.** (*Staff recommends approval*)

Ms. Gloria Kesler stated the minimum and maximum income ratios for North Carolina Housing Finance Agency are currently 33%/45%. The City's minimum and maximum income ratios are currently 32%/42%. Staff recommends increasing the ratios for the City to 33%/45% to align with those used by NCHFA.

Mr. Conner asked if anyone requesting assistance within the past year would have been affected by the changes.

Ms. Kesler replied that the guidelines for NCHFA were just changed, so no one in the past year would have been affected.

Mr. Conner asked if the increase in percentages will benefit persons seeking assistance.

Ms. Kesler replied that the increase will help determine if applicants can meet their obligations.

Motion was made by Mr. Conner and seconded by Ms. Lovella Perkins to increase debt to income ratios for downpayment assistance programs to 33%/45%. Motion carried unanimously.

**2. *Adopt approved Lenders list for downpayment assistance programs.
(Staff recommends approval)**

Ms. Kesler informed the committee that NCHFA will be combining their products into a single package called FirstHome Mortgage. They have created an approved lenders list. Currently, the City does not have a list of lenders approved to use the NCHFA FirstHome Mortgage products. Staff would like approval to begin the process of creating an approved lenders list.

Mr. Conner asked if creating an approved lenders list would increase or decrease the number of lenders we currently use.

Ms. Kesler replied that the list would increase the number of lenders applicants can use for a mortgage. Creating the list will allow staff to work with lenders to group products for the homebuyer. All the approved lenders will be required to meet and agree to basic guidelines.

Ms. Perkins asked how soon staff would be able to utilize the FirstHome Mortgage program.

Ms. Kesler replied that since NCHFA has an approved list, getting one together for the City should not take long. Lenders will be required to complete an application, and then sign an agreement to use the City of Greenville products.

Mr. Hemby asked if NCHFA would take first position on the mortgage.

Ms. Kesler replied that the lender takes first position and NCHFA takes second. The City of Greenville would take third, as usual.

Motion was made by Mr. Conner and seconded by Ms. Perkins to adopt an approved lenders list for downpayment assistance programs. Motion carried unanimously.

**3. *Approve an Affordable Rental CHDO Project at 417 Nash Street
(Staff recommends approval)**

Ms. Sandra Anderson stated that staff has been notified by the Department of Housing and Urban Development of expiring Community Housing Development Organization funds. Staff recommends using these funds to develop a low income rental project in a City owned duplex at 417 Nash Street. The project will include Metropolitan Housing and Community Development Corporation acquiring the property, substantially rehabilitating it and renting it to low income families. Rehabilitation cost will total approximately \$160,000.00. This item is on the City Council agenda for November 17, 2011. HUD has red-flagged the City for not having enough rental projects in our portfolio.

Mr. Conner asked if MHCDC would do the rehabilitation and collection of rent while the City paid for the project.

Ms. Anderson stated that MHCDC would receive a CHDO grant through the HOME Program.

Mr. Conner asked if HUD gave a number of expected rental projects.

Ms. Anderson replied that HUD did not specify an expected number of rental projects; however, currently the City does not have any rental projects.

Mr. Hemby asked who would collect the rent for this project.

Ms. Anderson replied that MHCDC will own the property and collect the rent.

Mr. Conner asked who currently owns 417 Nash Street.

Ms. Anderson replied the City of Greenville is the owner.

Motion was made by Ms. Perkins and seconded by Ms. Grimes to approve an Affordable Rental CHDO Project at 417 Nash Street. Motion carried unanimously.

4. Develop procedure for cancelling meetings

Ms. Anderson stated that per a request by committee development of procedures for cancelling meetings is open for discussion. Currently, staff will call the Chair and recommend cancellation of meeting. A notice is posted in City Hall and in the local newspaper.

Mr. Hemby stated that he recommended including this item in the retreat training and discussion.

Ms. Anderson stated that agenda items 4 and 5 will be postponed for discussion at the retreat. However, in order to take a vote the committee must be in meeting. In addition, the attendance policy set forth by City Council is currently in effect.

5. Attendance Policy amendment

Postponed until retreat

E. Housing Administrator's Report (Sandra Anderson)

None

F. Other

None

G Adjournment

AHLC meeting adjourned at 10:39 AM.

Signature on file

R. J. Hemby, Chair

Signature on file

Sandra W. Anderson, Staff Liaison