

**CHARLOTTE COUNTY
AFFORDABLE HOUSING ADVISORY COMMITTEE
MINUTES
March 20, 2013
Human Services
Main Conference room
1050 Loveland Blvd.
Port Charlotte, FL 33980**

- I. ROLL CALL:** The meeting was called to order at 10:06 am by Mike Mansfield. Roll was taken and a quorum was present.

Committee members present:

Mike Mansfield	Not for Profit Housing Provider
Earlene Oliver	Citizen who resides within the County
Paul Bigness	Planning & Zoning Board
Diana Bello	Not-for- Profit

Committee members Excused:

Barbara Melanson	Charlotte County Employee-CCSB
James Sweeney	Low Income Advocate

Others present:

Bob Hebert	Charlotte County Housing
Doreen Stoquert	Charlotte County Budget & Fiscal Services
Wilda Rock	Charlotte County Housing
Rose Brooks	Charlotte County Housing
Richard Gromalski	Charlotte County Housing
Commissioner Stephen R Deutchsh	Board of County Commissioner
Ken Quillen	Charlotte County Community Development
Gabrielle Reineke	Charlotte County Habitat for Humanity
Carrie Luft	Realtor

II. Approval of Previous Meeting Minutes

Minutes for February 15, 2012 meeting – Approved: Motion Bigness, 2nd Bello

Minutes for May 16, 2012 meeting – Approved: Motion Bigness, 2nd Bello

Minutes for Dec 9, 2012 meeting – Approved: Motion Bigness, 2nd Bello

III. Funding status report

1. HHR – Staff: HHR grant is closed and audited this was the \$19 million dollars that we received after the Hurricane.

2. SHIP – Staff: F/Y 08/09 has been closed; funding remaining from the remaining years is being spent; Staff is processing the application for these funds. Approximately \$680,000.00 is the remaining amount SHIP funds are those received from the Sadowski Trust Fund.

3. NSP1 – This grant is closed out, with .75 cents left. 27 houses were completed with these funds. The required 25% set aside for low to very low rental houses were conveyed to the New Paradigm Foundation and the Punta Gorda Housing Authority. Houses for ownership were conveyed to the Charlotte County Habitat for Humanity. This grant was \$4.2 million.

4. NSP3 - There are seven (7) houses acquired and under contract for construction with one (1) out to bid for rehabilitation this week. Under contract for construction is \$610,000. There is a concern with U.S. Department of Housing and Urban Development (HUD). We should be at the 50% level of expenditure March 11th. We are working through this issue and waiting for HUD's directive.

5. Other - There are no other housing programs with funding currently. Recaptured funds are received under the SHIP program and HHR program. Staff is available for any questions regarding Fiscal matters.

Staff: The Board of County Commissioners was asked to consider permission for evictions for some of the fifteen (15) properties from the Housing Corporation. Six (6) have been conveyed to Habitat for Humanity for their homeownership program, and three (3) are leased with the Family Self Sufficiency Program a self-reliant program through Human Services. This was taken to the Board for direction to proceed and seek eviction and damages. Lease clients are required to work on credit issues with local credit counselors. These houses were designated for homeownership from the beginning. There was discussion by those present. Commissioner Deutsch: Does not see the County getting to be a mortgage business. There could be established a stop gap measure for households moving ahead towards homeownership and also try to stabilize some of the properties. The evictions that we are now involved in, are people that should be evicted because there is no sense of responsibility. They are actually what he referred to as professional tenants. These tenants know the laws better than we know them, and they know it takes six months to get an eviction. They know what they have to do to stay. If we have a responsible family, will not define that now, if we can do a stop gap measure where we can give them a 30 years fixed rate mortgage at 5.5% – it will cost them approximately \$4.90 per \$1,000.00. Set up a mortgage with a fixed rate and give them 3 years to get their credit in order. This is not only a stop gap measure, it actually giving some people an opportunity to realize an American dream for homeownership is possible. But we can facilitate those folks get into their own home, and at that point they will be paying taxes on the property, the County doesn't own it anymore and there's real estate taxes.

Mr. Bigness asked why wasn't the lease able to be renewed or restructured. If they were responsible and paid the bills, they should've been rewarded.

Staff: This case was an exception from other cases through the Housing Corporation of Charlotte County Inc. a two (2) year lease option to purchase. But at the end of the leases the Housing Corporation of Charlotte County Inc. ceased to exist. The properties were conveyed to the County with the lease was extended for 6 months. Part of the initial payment went toward escrow for down payment when purchased which resulted in \$3,000.00 to \$4,000.00. Then the County agreed 12 months with no option to purchase but if they bought the house within 12 months either through commercial financing or through the Charlotte County Habitat for Humanity the escrow was honored. The rental rate for most paid for rent was approximately \$400.00 per month. They had a twelve (12) month period to come up with financing. That was accomplished with six (6) of the tenants with one pending. The other one is qualified through Charlotte County Habitat for Humanity. One house was abandoned house with about \$15,000.00 to \$20,000.00 in damages. In these cases there was no paid rent for over 3 months.

Staff: When County received possession of these properties we had all them appraised. The highest was \$60,000.00 the rest is \$40,000.00 to \$45,000.00.

Commissioner Deutsch asked if a commercial lender would mortgage these properties. Staff stated commercial lenders are unable to finance individuals with low credit scores. We have been working with Charlotte County Habitat for Humanity and have conveyed these properties to them. They in turn will put the acquired funds back into their program.

Mr. Mansfield stated that the downside is the client. If they can't qualify for Habitat, the lowest of the low for homeownership qualification they aren't going to qualify for anyone. Bank of America or any other bank wouldn't qualify them.

Commissioner Deutsch: Asked if they do any counseling.

Mr. Mansfield: Stated that they do and they also refer them to Solstice Consumer Services, Inc. Then they are reviewed to determine probable qualification in six months and may need to improve their credit. If so the lease is extended until they qualify for homeownership. Commissioner Deutsch asked what interest was paid. Mr. Mansfield stated for Habitat, zero. The Commissioner restated then they just pay principal? Mr. Mansfield stated correct. So in this equation financing \$45,000.00 commercially they are going to pay more because they are not going to get 4% or 5% mortgage but close to 7%.

Staff introduced Ms. Carrie Luft a local realtor, and asked if she may have some input.

Ms. Luft: had worked with Sun Trust and as a mortgage broker; some of the banks have to lend a certain portion to the affordable neighborhoods.

Mr. Mansfield: It is different, to achieve Community Reinvestment Act credits because banks have to prove that they are lending to all. Unfortunately in our community, because it's a below income community most of the banks then can satisfy their CRA quotas just with the people that come off the street.

Ms. Luft asked if local community banks had been approached. Staff responded that there used to be the Cornerstone program through the Housing Corporation of Charlotte County Inc. In order for it to work the County had to underwrite 20% to 30% of the mortgage. Because of all Foreclosure the County is still having claims filed against this program which has now ended.

Staff: Stated that there also are a percentage of folks who shouldn't be homeowners, they never going to be good homeowner, or will have an income to maintain the home and pay taxes and insurance. This committee will be starting to establish a community housing vision statement based on needs assessments currently being conducted by numerous agencies in the County. Under development is the 10 year plan to end homelessness with a housing component. County will need to responds to this document and develop a plan based on the vision of other groups on how the County is going to respond in the future to housing issues.

Mr. Mansfield stated you need to have a willing partner at the table, not one waiting for a hand out. I believe in an education program, and not all should be in homeownership – some may be professional tenants. There is room for everybody, there's need to be a process to help these people.

Mr. Bigness stated that it depends on the group that needs help and wants to better themselves and cater to those who want to work with program and those who we can help. We just need Plan A and Plan B and divide the groups.

The Commissioner asked what percentage Habitat loose. Mr. Mansfield stated less than 5%. The Commissioner acknowledged that's amazing.

There is a 10 year plan to end homelessness that the homeless coalition is working on with many other organizations and there is a needs assessment being conducted by the United Way. In the near future this Committee will be asked to develop a vision of the future housing programs for presentation to the Board of County Commissioners. The sub committees in this effort come up with things that are good for the community but then how do we fund all these things? For example a fixed route transportation system.

Ms. Oliver spoke about the group of younger people who have a felony record from 6 or 7 years ago. They are doing fine and having their own business and they can't get into HUD housing. The same with NSP due to HUD rules and the Punta Gorda Housing Authority also cannot accept them. Habitat will take them after 7 years. The question is how do you deal with that situation?

Information was just received stating that the Governor and the Florida House of Representatives has decided to sweep the Sadowski Act funds to put into general revenue funds, which means there will be no funding for next year if this holds up. The settlement money that was received by the State in the mortgage law judgment has funds going into the SAIL program and Habitat for Humanity for the State of Florida will be getting some of these funds. The Sadowski Trust Fund funding source was from the dock stamp sales and it was to support Housing.

The potential of private money entering the housing market would be higher if there were available corresponding tax credit bonds or other incentives for building. Commissioner Deutsch stated that he is meeting with someone today that will be building a substantial amount of houses on the lower level of the spectrum because they are in an old Brownfield Area. It will work if they are able to spend \$70,000.00 to \$80,000.00 and can get tax credit.

The County needs to look whether they want to become a landlord if they want to continue the role, or build public housing that is not under Housing Authority. We need to start looking at these plans. Use some private partnership, banking institution or investors or big company like Carlisle may be interested in coming in. We first need to have a plan.

When the Committee gets more members we will poll members if this is still a good time and location. The next meeting is scheduled for May 15, 2013 a reminder will be sent out.

IV. Next meeting date: May 15, 2013 at 10:00am, location:
Human Services Building – Main conference room,
1050 Loveland Blvd., Port Charlotte, FL 33980.

V. Adjournment at 11:09 am