

Minutes of the November 18, 2010 Meeting of the  
Eastern Shore of Virginia Housing Alliance  
The Enterprise Building  
Accomac, Virginia

Directors Present

Delores Bailey  
Angel Collins  
Diana Giddens  
Betsy Jenkins

Diane Musso  
Michael Selby  
Faith Showell  
Lawrence Trala

Directors Absent

Chris Bannon  
Louise Coles  
Valentine Evans

Sean Ingram  
Lenora Mitchell  
Ellen Richardson

Others Present

Elaine Meil  
David Annis  
John Simpkins

Kat Edwards  
Susan Haycox  
Melissa Matthews

1. Call to Order

President Selby called the meeting to order at 7:10 p.m.

2. Invocation

Director Selby offered the invocation.

3. Minutes of September 22, 2010 Meeting

The Minutes of September 22, 2010 Meeting were presented.

Board approval of the minutes of the September 22, 2010 Meeting was requested.

Director Trala moved to approve the September 22, 2010 Meeting minutes as presented. Seconded by Director Collins, the motion carried by unanimous vote.

4. Bills Payable/Financial Statement

Board approval of the following Bills Payable/Financial Statements was requested:

ESVHA Bills Payable

|        |                              |             |
|--------|------------------------------|-------------|
| A-NPDC | September & October Expenses | \$22,443.87 |
|--------|------------------------------|-------------|

Financial Statements for ESVHA operating account and IP/R Construction funds were attached.

Pine Street Apartments

The current Pine Street Apartments budget report and financial statement were also attached.

Director Showell moved to approve the Bills Payable/Financial Statement and Pine Street Apartment budget report and financial statement as presented. Seconded by Director Richardson, the motion carried by unanimous vote.

5. Current Financial Status Report

The presented report thru October 2010 indicated that 43.66 percent of the administrative budget had been expended while 33.33 percent of the fiscal year had passed.

Board approval of the presented reports was requested.

Director Showell moved to accept the current financial reports as presented. Seconded by Director Richardson, the motion carried by unanimous vote.

6. FY 2012 Budget Requests

Accomack County has advised that FY 2012 Budget Requests be submitted by December 16.

Staff recommends requesting level funding from Accomack County and Northampton County, \$9,215 and \$4,747 respectively.

Commission guidance and approval of FY 2012 Budget Request recommendation was requested.

Director Trala moved to request level funding fom Accomack & Northapton Counties, \$9,215 and \$4,747 respectively. Seconded by Director Showell, the motion carried by unanimous vote.

7. FY 2010 Audit

Michael Aukamp of Dunham and Aukamp, PLC has advised staff that the draft FY 2010 Audit will be completed by the November 18 Board Meeting. The Executive Committee met at 6:30 PM prior to the meeting to review. All Board members were welcome to attend.

Pending Executive Committee recommendations, acceptance of the FY 2010 Audit as prepared by Dunham & Aukamp, PLC was requested.

Director Trala moved to accept the FY 2010 Audit as prepared by Dunham & Aukamp, PLC with the stipulation that the last page be changed to show the ESVHA as a low-risk auditee. Seconded by Director Showell, the motion carried by unanimous vote.

8. Procurement Policy

Recently, while staff was seeking guidance on a procurement question, it was discovered that the Alliance has not adopted a procurement policy. The Alliance is a non-profit, and as such, is not bound by most provisions of the Virginia Public Procurement Act, but the Alliance has used the Act as guidance for past procurements to assure competition and to avoid conflict of interest issues.

Staff is recommending that the Alliance adopt the following procurement policy:

The Eastern Shore of Virginia Housing Alliance will be guided by the Virginia Public Procurement Act, as amended, for the purchase of all goods and services. The Alliance hereby adopts the following Small Purchase Procedures as provided for at Section 2.2-4303. G. H. of the Virginia Public Procurement Act.

Director Trala moved to adopt the above procurement policy. Seconded by Director Bailey, the motion carried by unanimous vote.

9. Property Management

PINE STREET APARTMENTS

There are no vacancies at this time, however, two tenants will be moving at the end of the month. Staff is working with families now to fill those vacancies. Inspections were held in October with only one unit failing. That tenant is one of the two who are moving.

There are no major maintenance issues. Management plans to undertake resurfacing of the parking lot in the spring. More information about that project will be available as time goes on and the process begins.

ACCOMACK MANOR

There are currently no vacancies. Quarterly inspections were held in September. Management is working with families who had an unsatisfactory inspection.

Maintenance and Repairs

There are no major issues at this time.

Other Matters

Management continues to have monthly birthday parties, bingo, movie night, nutrition classes and GED classes.

10. Housing Development Projects

Indoor Plumbing Rehabilitation Program

Under the 2010 contract, five substantial reconstruction projects are completed and two are under construction, along with one rehabilitation project. Under the 2011 contract, one substantial reconstruction project is under construction; a second has been bid out and submitted for approval by DHCD; and a third has been bid and is in the regulatory approval stage.

Applicant intake, including property eligibility inspections, is ongoing.

An eligible Indoor Plumbing Program applicant was approved by the IPR Rehab Oversight Board. The applicant has requested the purchase of Lot 38 in the Bayview subdivision for the purposes of having a new home built with IPR Program funds. Lot 38 is currently owned by ESVHA.

Authorization for the Executive Director to execute all documents associated with the sale of Bayview subdivision Lot 38 for the purchase price of \$2,500.00 plus all closing costs was requested.

Director Richardson moved to authorize the Executive Director to execute all documents associated with the sale of Bayview Lot 38. Seconded by Director Trala, the motion carried by unanimous vote.

11. Housing Development Projects

Mill Run Phase II

Staff has been negotiating the terms of a contract with the project architect for the final designs of the buildings, and water and sewer systems. The final application for allocation of the credits was submitted to VHDA on November 5, 2010. The required phase I environmental has been ordered, along with the VHDA required appraisal.

### Mary N. Smith Apartments

Last week we received a copy of a proposal from Mark-Dana Corporation that contained some specifics of the deal proposed for the conversion of the Mary N. Smith School building into affordable apartments. The Mark-Dana Corporation is proposing a partnership with the Eastern Shore of Virginia Housing Alliance to form a LLC that would own the development. Additionally, the Alliance is being asked to enter into a right of first refusal agreement with the LLC. The agreement would give the Alliance the option to acquire the property after the 15-year tax credit compliance period by assuming whatever remaining debt is outstanding at that time. Additionally, the Alliance would agree to continue to operate the facility as affordable housing for an additional 15 years.

The partnership arrangement between the Alliance and Mark-Dana would be the same as was used to develop Accomack Manor. The partnership position of the Alliance, and role of the Alliance during the development and construction phases would be limited. The Mark-Dana Corporation would be the developer, managing member of the LLC, and property manager after construction. The Mark-Dana Corporation would provide all financial guarantees, and there will be no financial obligations assigned to the Alliance, unless the Alliance decides to assume ownership of the facility in 15 years.

If the Alliance decides to agree to the deal, staff is recommending that all partnership documents including the right of first refusal and partnership agreement be reviewed by an attorney that specializes in tax credit deals.

Staff requested that the Board take formal action on the attached proposal. Approval to go forward should include authorizing the President and Executive Director of the Eastern Shore of Virginia Housing Alliance to sign all documents required to enter into the partnership. Additionally, approval to go forward should authorize staff to obtain the services of an attorney who specializes in tax credit deals to review the partnership documents.

Director Trala moved to authorize the President and Executive Director of the Eastern Shore of Virginia Housing Alliance to sign all documents required to enter into the partnership. Seconded by Director Richardson, the motion carried by unanimous vote.

### William Hughes Apartments

The new executive director of Delmarva Rural Ministries has notified staff that negotiations for the possible transfer of ownership of Williams Hughes Apartments will be suspended until further notice. DRM is currently focusing on more pressing interior issues.

12. Housing Services Programs

Sponsoring Partnership And Revitalizing Communities (SPARC) & HOMEownership Down Payment Assistance Program (HOME)

We have received the contract for the upcoming year for an allocation of \$41,212 in HOME funds for 2010-2011. These funds provide downpayment assistance to families who are purchasing homes with SPARC funds or monies from any VHDA approved lender.

Award of these funds was delayed several months due to passage of the Secure and Fair Enforcement Act which took effect in Virginia in July. This act established new mandatory licensing requirements for individuals who act as a mortgage or loan originator. The Act unfortunately covers a broad range of activities that can include some types of housing counseling activities and a variety of housing assistance programs. DHCD has negotiated an agreement with the State Corporation Commission Bureau of Financial Institutions that will allow the HOME downpayment assistance program to proceed in a modified form.

Staff requested Board authorization for the Executive Director to execute the agreement.

Because of the nature of other programs operated by the A-NPDC and A-NRHA staff will be taking part in the licensing anyway.

Director Richardson moved to authorize the Executive Director to execute the agreement. Seconded by Director Bailey, the motion carried by unanimous vote.

NCALL Homeownership Program

- The Virginia Association of Housing Counselors-VACH held their Fall Conference in October in Richmond. There were two tracks to follow for this conference, one for newcomers seeking certification and the other for seasoned housing counselors. The advanced track reviewed a lot of basic counseling and financial management which all counselors can benefit from. There was also a presentation on Fair Housing and consumer scams. Many counselors agreed they have seen an upswing of consumer scams since the foreclosure crisis. I have had numerous reports of scams on the Eastern Shore, both for foreclosure remedies and credit solutions. In both cases, funds are always requested upfront. Clients are being warned of these scams at the one on one appointment and in the educational classes. Pamphlets and website information is being provided to clients for more information.
- I was asked to conduct a presentation on Foreclosure Counseling for the Eastern Shore Housing Collaborative Meeting held at the Hospice of the Eastern Shore on October 28. The group was given an outline of the procedure that takes place when someone calls in due to mortgage delinquency. The discussion gave the

group an idea of the counselor’s role in assisting a family facing foreclosure. This assistance starts with determining the client’s eligibility for HAMP or other workout solutions, a review of the current budget, income and assets. Contact information for the servicer is obtained and assistance is given to complete financial packets, writing the hardship letter, etc. An Action Plan is written to provide the client with a list of steps they will need to complete to assure a successful outcome. The group had a lot of questions and appeared to be enthusiastic about taking this information back to their agencies.

For the remainder of the Housing Collaborative Meeting, Neal Barber reported on the role of Housing Virginia, a Statewide Organization. Some of the ways Housing Virginia is able to support local housing agencies is by providing good, accurate data; financial support; being an impartial source; and facilitating local and regional dialogues. Lastly at the meeting each agency had the opportunity to tell the group about current projects their organization was currently working on. The group agreed to continue meeting quarterly.

- There seems to be a new wave of foreclosure clients as calls and appointments remain high. However, I am finding that a large percentage of clients are more in need of financial management and budgeting skills than they are in need of a modification of their mortgage. Many of these clients are delinquent due to the fact that they don’t know how to prioritize their bill paying. Clients are being referred to the Growing Your Money Classes or are working on financial management one on one.
- An all day homeownership is scheduled for Saturday, November 20. There was a good turnout for the Orientation Class held on October 28, so hopefully, a trend toward increased homeownership interest will continue. Again, the challenge is keeping clients motivated when they have major credit hurdles to overcome.

| <b>Pre-Purchase Counseling</b>      | <b>Current Month:<br/>October</b> | <b>Cumulative<br/>Year 3</b> | <b>Total<br/>Cumulative</b> |
|-------------------------------------|-----------------------------------|------------------------------|-----------------------------|
| # of orientations held              | 1                                 | 7                            | 16                          |
| Orientation attendees               | 10                                | 47                           | 105                         |
| Client Intakes                      | 3                                 | 70                           | 136                         |
| Additional Counseling Sessions Held | 3                                 | 61                           | 122                         |
| # of final workshops held           | 0                                 | 9                            | 12                          |
| Mortgage submissions                | 1                                 | 15                           | 20                          |
| Mortgage closings                   | 1                                 | 7                            | 12                          |
| Financing leveraged                 | \$ 108,465                        | \$ 770,346                   | \$ 1,306,346                |

| <b>Growing Your Money<br/>Financial Literacy</b> | <b>Current Month:<br/>October</b> | <b>Cumulative<br/>Year 3</b> | <b>Total<br/>Cumulative</b> |
|--------------------------------------------------|-----------------------------------|------------------------------|-----------------------------|
| New GYM participants                             | 0                                 | 54                           | 105                         |
| GYM graduates                                    | 4                                 | 35                           | 45                          |

| <b>Default and Foreclosure<br/>Counseling</b> | <b>Current Month:<br/>October</b> | <b>Cumulative<br/>Year 3</b> | <b>Total<br/>Cumulative</b> |
|-----------------------------------------------|-----------------------------------|------------------------------|-----------------------------|
| Intake sessions                               | 7                                 | 70                           | 146                         |
| Additional Foreclosure<br>Sessions            | 8                                 | 117                          | 247                         |
| Positive Foreclosure<br>Prevention Outcomes   | 1                                 | 21                           | 44                          |
| Homeowner Budget<br>Counseling                | 0                                 | 7                            | 19                          |

13. Executive Director's Report

Fairview Rental Property

The sale is still pending. Community Development Coordinator Grove is working with Shore Memorial to release the last issue.

Bayview Property

The houses have been placed on the list of potential locations for Section 8 Voucher holders. Four persons have applied to rent the two houses. Staff is checking previous landlords before determining the new tenants.

Property Management (Pine Street)

The RFP is being developed but the process is not expected to be completed by December 31. Staff is requesting authority to renew East Coast Management for one additional year with an option to cancel with notice.

Authority was requested.

Director Trala moved to authorize the staff to renew East Coast Management for one additional year with an option to cancel with notice. Seconded by Director Richardson, the motion carried by unanimous vote.

Next Meeting

The next meeting will be January 26, 2011 at 7:00 PM.

Informational Items

Regional Housing Authority Minutes were attached.



14. Public Participation

There was no public participation at this time.

15. Other Matters

There were no other matters discussed at this time.

16. Adjournment

There being no further business brought before the Board, President Selby adjourned the meeting.

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Michael Selby, President

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Elaine K. N. Meil, Executive Director