

MINUTES

Council Subcommittee on Housing

May 8, 2009 8:00 a.m. – Conference Room 2C

Members Present: David Schiavone, Chair
Anita Scott Jones
Tony Marconi
Larry Mulligan

Staff Present: Clerk Parr
Doug Adkins, Acting Comm. Rev. Director
Judy Gilleland, City Manager

At 8:05 a.m., Mr. Schiavone called the meeting to order.

Ms. Marconi moved to approve the minutes of April 3, 2009. Mr. Schiavone seconded and the motion carried.

Mr. Adkins gave updates of the department's code enforcement efforts. He stated staff has fielded 417 inquiries regarding the 2300 letters that were mailed out. Twenty-one have been resolved. A few residents have asked for staff to come out feeling they were in compliance. He discussed HUD NSP training on procedures and resubmittal of applications more than once. The City will be buying properties, and standardized contracts are being reviewed. He is meeting with the board of realtors and bank to make sure the standardized forms can be used to expedite purchase of some properties. They are putting those things together and are trying to get lists of properties. There will be budgets and if it's not in the budget, they will be straight forward in their approach. Inspections will begin down Central Avenue in an effort to get that cleaned up a bit. The 2009 site visits are almost complete. The Section 8 contract is complete and they will begin on the Administrative Plan at the end of May.

There was discussion on the competitive process for NSP money.

Mr. Marconi asked how the property maintenance inspections work. How do they know the rear of a house has peeling paint? He has had about a dozen people ask him that question.

Mr. Adkins responded the inspections were done from the street. Some rear yards can be seen from one street or another. They did not go on anyone's property.

Purchasing foreclosed homes was discussed. Mr. Adkins advised that HUD requires 15% under appraisal for the maximum bid. Reduced fees for appraisers were discussed. Mr. Adkins explained if the City does 100 rehab or demo homes, will there be something missed, probably.

Ms. Gilleland added this is all being done with existing staff that was already overloaded. We could well miss something but will do our best to keep on track of this.

Mr. Adkins added remember we are changing everything at the same time. Staff is jittery, the public is jittery, we are going to touch some things and screw up. The idea is to get up every morning trying to do the right thing.

Mr. Schiavone said the personal touch approach is well received too. He has heard that from people.

Regarding appraisals, Dan Tracey added you can't use county appraisal records right now. You might have a property appraised at \$70,000 and it sells for \$15,000 and it's rehabbed for \$15,000. It might be

on the county record worth \$70,000 and can buy it for \$20,000. Two years from now might be a different ball game.

Mr. Adkins stated the NSP area covers about 70% of the city. The City cannot double its money on a rehab.

Ms. Gilleland added what we can do is take a loss on the property. It goes back to incentives for teachers, fire, and police to purchase and live in the City.

REHAB LOAN CRITERIA

Ms. Gilleland advised the City has received criticism in the area of rehab/loan criteria and felt it was an appropriate time to put some policies in place.

Mr. Adkins distributed some guidelines and stated the maximum rehabilitation assistance is limited to 25% of the homes value to a maximum of \$25,000, with a maximum loan-to-value of 90% including all encumbrances. He said in the past, we have tried to make things work even when impossible

Ms. Gilleland interjected that there are reasons all over the board to make things happen, it was a policy decision and we are placing some criteria on the process. Guidelines will take the personal decisions out of the process.

Mr. Adkins also mentioned that tax and water bills will have to be current before any loans or rehab monies will be used. It won't work for everybody.

Mr. Marconi questioned income eligibility on page 2 of the handout.

Mr. Adkins responded that those are HUD guidelines – cut and dried.

CONSOLIDATED PLAN COMMITTEE

Ms. Gilleland report this is the committee established by one staff member.

Mr. Schiavone said we had this committee.

Mr. Adkins explained that every year staff creates an action plan. At year five the consolidated plan states how we are spending the plan, it goes to public review, at the end of every year we do a CAFR which is a 40 or 50 page document, that reviews what was actually done. Also, there is a five-year Master Plan and we also have a budget that tells you for your department every dollar that is spent throughout the year. He doesn't know how much more oversight he feels he needs. He distributed a first draft of a document that he intends to have at housing meetings each month. The yellow highlighted page are things he wants; reports, showing loans, defaults, chip fund, spending, budget, how many families assisted, etc., etc., how many at homebuyers classes. He stated he needs this every month so he can see and track the program. It will all be out in front, if we make mistakes it will be out front. Only thing he sees this committee doing is overseeing his daily activities. He has plenty of meetings and a lot going on. He is trying to make this as transparent as possible. There will be screw ups.

Mr. Amburgey said he was at the meeting today to follow up on his request to this committee to clearly define what this Consolidated Plan Committee's functions were. As a member of the committee, the results were remarkable. A lot of great things were and are being done. There were a lot of people

working on that committee prior to him going on board. That needs to be acknowledged somewhere. They set up some guidelines and he doesn't know if they were ever adopted. That's why last October he approached and asked this committee to define the committee's duties. The bare minimum is meeting a couple of times a year. You can't run a city by committee and he does commend Doug. He disagreed that it was for oversight. He commended Doug for recognizing all these things are linked.

Mr. Schiavone appreciated the data distributed. The vouchers have been dropping.

Mr. Adkins said they have had their first landlord booted off the program. There was a situation where someone was involved in drug activity and it was reduced to Disorderly Conduct. CONSOC came to them and asked for his review. He showed them documentation stating they can not go back on the program. Also, if there is a pattern of disorderly conduct they can lose their privileges. They had someone terminated because there were six or more disorderly conduct calls that established a pattern of trouble making. They were put through the process, and had rights to hearings, etc. and were terminated.

Mr. Schiavone said that message will travel quickly through the community.

Mr. Marconi said he was very impressed with the information. He said recent history in this City building was no one has come in and took over a program and made a turn around. Council was adamant this was going to change and they are seeing results.

Ms. Gilleland responded it's all a part of the system. You have to lead the system and support staff for it to succeed.

Mr. Adkins told the committee members they will be getting calls.

Mr. Schiavone said when you have the numbers and can show them facts, it's crucial for success.

Mr. Adkins explained as well as property maintenance issues. As long as he treats everyone equally, they might not like it, but he has treated everyone the same with no exceptions. He recommended to council that the 5 year plan be made into a 3 year plan. Because whatever you're trying to do, by the time all this money is pumped into the program things will be changed. He recommends a three year plan.

Mr. Schiavone thinks five years ago, council appointed or signed off on the appointment of the committee. He doesn't know for sure. He asked Clerk Parr to check the minutes.

Ms. Gilleland said she envisions this committee meeting a couple of times to review the three-year plan. In discussions with HUD, there were some statements about no committee being required. She has no objection to having a consolidated planning committee to help us review our plan. Staff is already getting questions. There should be a public process and she has no problem regardless of HUD requirements. The previous issue was staff couldn't be reporting to a committee and answering demands.

Mr. Marconi said that committee wouldn't be any different from any other committee, it would be advisory.

Mr. Amburgey stated he is mission oriented. He too made some phone calls. He talked to some other communities. One city involves as many as 250 people in the process. He stated that Doug is dead on accurate; you don't have to have it.

Mr. Schiavone thinks what has changed are these subcommittee meetings. People have better access to information and council and will answer a lot of questions that weren't getting answered previously. He thinks the committee should be focused on a three year plan then move on. We run the city following the plan. People have access to us and he thinks that's a positive change.

Ms. Gilleland agreed. She said if Council feels the need to enlist the committee on an annual basis, maybe reform the committee and take official action to disband, reform, or whatever shape it needs to take.

Ms. Gilleland announced that Bert Grimes is in the hospital for those that didn't know.

Incentives for Middletown Residency

Ms. Gilleland explained that Mr. Adkins would have the ability to purchase and rehab some homes. Take a vacant and foreclosed house and put a policeman in that house. Staff can come up with some proposals if council can set some guidelines. How far are you willing to go, can we move the process forward, does it have merit?

Mr. Schiavone would like to examine opportunities out there. There are a lot of questions. Would it pertain to current employees?

Mr. Adkins said he needs a beginning or a starting place from council.

Mr. Marconi responded he is curious about other cities and what they've done.

Mr. Adkins advised what he has seen is assistance with down payment on homes - \$5,000 to \$10,000.

Ms. Gilleland would like to target teachers because it helps our schools, then safety forces that help neighborhoods. If we get a feeling that you are at least supportive, staff will go forward and do some more research. If we wait for a perfect program, we'll never get there. The program would provide incentives for the right reasons to revitalize our community. NSP is a great program.

Mr. Mulligan felt the program could focus on new-hires and first time home buyers in Middletown. If it's a grant, do we need to have an amortization?

Mr. Adkins answered there are lots of options available.

Mr. Mulligan added there are lots of ways to structure such a program.

Ms. Gilleland said there are numbers of housing opportunities in the community right now. To accomplish our mission, it will have to be a very enticing program. It may not be a loan, may be a grant, could be a lottery, and say a free house per year. But before doing a bulk of research, she wants to make sure council's subcommittee is on board.

Consensus of council was for more information.

Mr. Adkins said staff will put some things together for review.

OLD BUSINESS

Mr. Adkins reported there was an ex-employee that has made calls, sent email messages and had conversations with HUD. Staff finally sat down and talked to HUD on a conference call about email and

where HUD thought our programs were. HUD has no concerns with our programs. They are coming for a monitor this summer. It hasn't been done in six years so they are over a year behind. But they are coming.

Mr. Marconi said he appreciates this and looks forward to HUD coming in June. Whatever has happened in the past, we have made some bad mistakes, maybe had some bad management and waste, but we can't look at the past anymore. There is a whole new administration, new council and a new day. He is impressed with what he has seen.

Mr. Adkins is getting all the files organized. They are what they are. He reported that 2009 is clean as a whistle and there is a check list on every file. Whatever happened in the past is done.

Ms. Gilleland said she detests people threatening the city under veil of darkness. If there are errors we will discuss them in the public, but no one will threaten the city or make veiled threats for policy decisions that were made then feel like they have power over the city. There will be no backroom decisions in dark corners. That's how she operates. Email was sent to whomever. But, we will discuss these issues openly and publicly. Honest mistakes aside, she does not believe there was any mismanagement with mal-intent. Council has called her and said this woman wants to stay in this house, can you make it happen. We need to spend our time looking forward. The HUD monitor will help us do that.

SECTION 8

Ms. Gilleland stated she is really happy had they will have the second reading on the CONSOC contract. The committee needs to talk about how council wants to work on the Section 8 issue as far as the policy standpoint. Do you want to appoint a citizen committee to work on policies or work through policies through this Housing Subcommittee? This committee will get monthly reports from staff will send with updates to council. To what extent to you want to be involved.

Ms. Scott felt it should be brought to the entire council.

Mr. Marconi said he tends to agree.

Ms. Scott Jones said they could set aside a date that looks light during a council meeting. That seems to be the thing that's always criticized, every time three or four of us meet even with the media at the table, and open to the public, there is criticism. We're not holding meetings where more than three council members are meeting.

Mr. Schiavone said he thinks there are two issues though. One, the ongoing numbers of reporting and addressing questions on issues arising on a monthly basis; the other issues are the initial policy decisions. If policy discussion happens with this committee, then take that discussion and refine it to council as a whole. Don't have hours at council meetings talking specifically about Section 8.

Ms. Scott Jones stated you know how things go when it's taken to council. What's purpose of meeting here in subcommittee for hours, then meeting at council and taking hours? It would be repetitive and redundant when it could be redone.

Ms. Gilleland said staff would prepare a draft and bring it back to council. They will do the review of the Administrative Plan and it would probably be a good work session discussion. There's that, but also, we are the Housing Authority. They meet monthly to review activities of the agency. She fears Section 8

will get lost in the system again and wants to make sure that doesn't happen. How much would you like to hear, what's appropriate?

Mr. Marconi said if Council is the board, why would they abdicate their duties.

Ms. Scott Jones said the committee has asked CONSOC if they would be willing to come to council once a month and the committee gave them a list of things to report on. The perception is we meet in these little subcommittees and make decisions. She said bring as much to council and the public as possible. Ms. Scott Jones said when you're talking about a board, you're talking about liability. When you abdicate your authority and a decision is made by someone abdicated to, there could be liability issues. It's a board meeting, whether decisions are made or not. Council made the decision last year to have a more active role in the process.

Discussion ensued about the administration of the plan as the Housing Authority.

Mr. Adkins advised that the City has so many vouchers; CONSOC could have a quick reporting process with six or so bullet points. Unless there's a problem, he would suggest quarterly meetings. It's up to council on how much detail you want to see. Council decides what's appropriate.

Mr. Schiavone was in total agreement.

Ms. Gilleland added in defense of Section 8 clients, they need privacy as well. Maybe you can ask about specific issues at council meeting and will probably have to experiment a little. This is a new process and staff wants Section 8 to see the light of day. We probably will have to experiment a little.

Ms. Scott Jones said that goes for citizens too. If they come to council, they're opened the door.

Ms. Gilleland advised there are all sorts of issues. It doesn't necessarily mean they'll all be brought to council. They'll start with quarterly meetings from CONSOC and she'll do monthly updates at the monthly meetings of the subcommittee. Maybe a work session is in order for the Administrative Plan.

Ms. Scott Jones commended Judy for being bullish and making changes that needed to be made and for putting Doug in the position that he needed to be in. She commended her for that.

At 9:33 a.m. the meeting adjourned until Friday June 5, 2009 at 8 a.m.