

**NORTHEAST TENNESSEE/VIRGINIA
HOME CONSORTIUM
BOARD MEETING MINUTES
January 6, 2016**

Board Members Present:

Brian Rose, Bristol, Tennessee
Donna Malone, Bristol, Tennessee
Steve Baldwin, Proxy for Johnson City
Mark Haga, Proxy for Kingsport
Lauren Calhoun, Proxy for Bristol, VA

Others Present:

Bill Forrester, FTDD
Donna Lewis, FTDD
Curtis Montgomery, Kingsport, TN

I. Call to Order

The Northeast Tennessee/Virginia Home Consortium Board Meeting was called to order by Donna Malone at 10:15 a.m. on January 6, 2016, in the Round Room of the Bristol, Tennessee Annex.

II. Approval of Minutes

Mark Haga made a motion to approve the minutes of the September 9, 2015. Steve Baldwin seconded the motion. Brian Rose abstained since he was not in attendance at that meeting. Motion carried.

III. FTDD Status of Projects – Bill Forrester/Donna Lewis

Homeownership: Donna Lewis stated that homeownership applications are beginning to pick up. She said there are two applications from Bristol, Virginia that are going to be approved, one in Bristol, Tennessee and applications from other locations that are being filled out. A report of HOME Consortium Projects Fiscal Year 2015-2016/Balance of Funds as of 12/31/2015 was distributed to the Board. Donna further stated the Horizon Community Development Corporation has completed its CHDO project and that Ron Von Essen is waiting on applications to be approved for lease-ups.

Bill Forrester asked if it would be better to wait until new HOME funds are announced to take CHDO applications since we only have \$116,146 to spend. Since this item was further down on the agenda, Steve Baldwin made a motion to move Agenda Item V.C. up on the agenda to be discussed at this time. Mark Haga seconded the motion. All voted in favor.

Discussion to combine current year CHDO funds with upcoming funds in order to develop a more substantial project: Bill Forrester said that he has been asked by two of the CHDOs if

we would consider combing the 2015-16 and 2016-17 CHDO set asides so a more substantial project could be done with these funds. Mark Haga stated that this had been done a few times in the past and had worked out well. The Board discussed the timing of the advertisements for bids, and the amount of time we will have to commit and complete the CHDO projects. We have two years to commit the funds and four years to complete the project. By holding current year funds over, we would only have one year to commit the funds and three years to spend the money.

Bill Forrester asked if it would be alright to advertise the CHDO funds in the fall and start the project in the spring. The Board discussed that we need to make sure that not only the best project gets the funds, but that the agency awarded the funds has the capacity to complete the project in a timely manner and well within HUD's spending deadline. If not, the Consortium will be liable for paying back the funds that have been spent. Donna Malone told the Board that HUD has been persistent in telling her that the Consortium needs to spend its money faster, so it is imperative that when the CHDO funds are allocated, the project be one that can begin quickly, the project can be completed without prolonged delays, and the money be drawn down in a timely manner.

Steve Baldwin made a motion to combine current year CHDO funds with the upcoming allocation instead of allocating the \$116,000. Mark Haga seconded the motion. All voted in favor.

IV. Old Business

Donna Malone told the Board that she had received the CAPER Approval Letter from HUD.

V. New Business

Johnson City's Proposal to Amend the Consolidated Plan/Add Sub-Recipients to Policies and Procedures: Steve Baldwin explained that because Johnson City has so much prior years' HOME funds, they would like to subcontract some of these funds to Eastern 8, Appalachian Service Project, and Habitat for Humanity. Keystone Limited was in the original list but decided to decline. Because these projects were not included in the 2015 Action Plan or in the 5-Year Consolidated Plan, both would have to be amended and submitted to HUD for its approval. Steve proposed the following project allocations/amendments:

1. Appalachian Service Project: \$60,000 – Build 3 new houses (40% of total project cost)
2. Eastern Eight CDC: \$60,000 - Build 4 new apartment units (10% of total project cost)
3. Holston Habitat for Humanity: \$60,000 – Build 3 new houses (27% of total project cost)
4. First TN Development District: \$19,600 – Soft costs involved in project delivery
5. Homeownership Assistance Program: \$93,311

Steve stated that at the last Executive Committee meeting, they recommended placing this item on the agenda for Board approval. Mark Haga made a motion to approve these allocations and to amend the Annual Action Plan and the 5-Year Consolidated Plan. Lauren Calhoun seconded the motion. All voted in favor.

Contract Approval: Steve brought the contracts for Eastern 8, Appalachian Service Project and Habitat for Humanity with him to this meeting. He stated that these contracts were written in line with the CHDO contracts. He asked if the approval of these contracts could be added to today's agenda for approval. Mark Haga made a motion to add contract approval to the agenda. Lauren Calhoun seconded the motion. All voted in favor.

Mark Haga made a motion to approve the three contracts as presented. Lauren Calhoun seconded the motion. All voted in favor.

Kingsport's Proposal to Amend the 2015 Action Plan by reallocating funds to Eastern 8 for new affordable apartment project: Mark Haga made a request on Kingsport's behalf similar to Johnson City's. Mark explained that Kingsport Community Development has been negotiating with Eastern 8 Community Development Corporation to partner in a project to construct a multi-family rental development in the city. The project involves the demolition of dilapidated structures on 5 parcels of property located in the Highland neighborhood of the city. Eastern 8 has acquired these parcels and has received notification of a successful application from the Federal Home Loan Bank for funding. Eastern 8 has begun the development design process. To assist in the facilitation of this project, the City of Kingsport proposes to amend the 2015 Consolidated Plan to provide \$100,000 to Eastern 8 for construction costs for the Highland project. The City proposes to reallocate the funds from the \$150,205 in 2014 HOME funds for single-family rehabilitation.

Mark Haga requested that the Board approve an amendment to the 2015 Consolidated, reallocating \$100,000 from 2014 HOME funds designated for rehabilitation/reconstruction to the Highland Rental Property Development project. In addition, the City requests that the amendment include provision that the funds would only be reallocated upon the completion and approval of all zoning and design requirements, with a deadline for completion of the zoning and design requirements, of June 30, 2016. Steve Baldwin made a motion to approve this amendment to the Consolidated Plan. Brian Rose seconded the motion. All voted in favor.

Discussion to change HOME Board meeting days from Wednesdays due to scheduling conflicts: Donna Malone told the Board that Ambre Torbett has requested that we consider having the Board meetings on a day other than Wednesday because of another meeting she is required to attend. Donna also said that Irene Wells had mentioned that Wednesdays are difficult for her to attend because of meetings on Wednesdays that she must attend now that she is City Manager. Mark Haga said that he believes Washington County has budget meetings on Wednesday mornings. The Board voted to change the Board meetings from Wednesdays to the second Thursday of each meeting month. The next meeting will now be on April 14, 2016.

VI. Announcements

Donna Malone stated that today will be Steve Baldwin's last HOME Consortium Board meeting due to his retirement. Steve was presented a plaque in recognition and thanks for his years of service to the Northeast Tennessee/Virginia HOME Consortium.

The next meeting is scheduled for April 14, 2016 at 10:00 a.m.

There being no further business, the meeting was adjourned at 11:23 a.m.

Donna Malone, Recorder


Jack Young, Chairman
