



MINUTES

REGULAR MEETING OF THE HEMET HOUSING AUTHORITY

August 25, 2009

1:00 p.m.

www.cityofhemet.org

City of Hemet Council Chambers

450 E. Latham Avenue

Please silence all cell phones

Call to Order

Chairperson Lowe called the meeting to order at 1:33 p.m.

Roll Call

PRESENT: Board Members Foreman, McBride, Youssef, Vice Chairperson Franchville and Chairperson Lowe

ABSENT: None

Work Study Session

1. Community Land Trust - Housing Manager Trabling

Discussion regarding this item, with possible direction to staff

Mark Trabling, Housing Manager, the proposed Community Land Trust (CLT) would be a 501C3 charitable organization developed to purchase land. Land owned by a CLT would be purchased by the Neighborhood Stabilization Funds (NSF).

Adam Ellison, Pacific Stone, gave the Board a brief background on land ownership options. The Board can develop a new City sponsored non-profit Community Land Trust also known as a Community Housing Development Organization or contract with an existing regional non-profit organization. Strong enforcement can be applied in either option. A good deed restriction can accomplish enforceable monitoring and performance standards. The non-profit could be required to report to the Housing Task Force, a 3+ person citizen advisory panel, regarding performance and tenant screening. A draft agreement can be prepared for Board consideration in two weeks.

Rick Jacobus, Burlington Associates, incorporated in Federal Law in 1992, CLT's are separate 501C3 organizations. There are currently 200 CLT's in the USA. CLT's are designed to preserve low income housing through ground lease contracts. The Board of the CLT's can be composed of the following: 1/3 appointed by public officials; 1/3 residents of the community; and 1/3 residents of the CLT properties, after a number of properties have been purchased. The formation of a new non-profit will take approximately six months. There will be costs associated with the forming of the profit and staffing will need to be determined. The Housing Authority will need to draft and approve

a business plan and the necessary legal documents. CLT's are primarily used to preserve affordable housing and work well where there is scarcity of reasonably priced land. Affordable housing is already available, a CLT might make it difficult to sell homes. Enforceable maintenance oversight can be required with a CLT or deed restriction option. Affordability will become more of a concern when the market recovers.

Steve Harding, Interim Assistant Executive Director, it might be easier for Hemet to go with an existing non-profit. Staff would include the Housing Department and the Interim Executive Director to begin this process.

Board Member Youssef, recommended that either option require future sale to be offered to the City of Hemet prior to the public.

Steve Harding, the CLT was introduced as a means to control the property. This same control can be achieved with a non-profit organization. The CLT will allow the Agency to control more affordable housing and troubled multi-family projects.

Board Member Foreman, asked if the land was included in the appraised value for CLT's. Mr. Jacobus, there is a value to the 99 year lease on the land.

The Board discussed the restrictions including improvements.

Board Member Youssef, a CLT and any limitations on the property will make the loan process considerably more difficult for the potential buyer.

Mr. Jacobus, the restrictions do create a challenge for the home buyers. Lack of underwriting is a cause for the markets instability, higher standards for home loans can be written into the policy. This process will ensure that the home owners can actually afford these homes.

Eric Vail, City Attorney, the issue is not a lack of affordable homes, it is the long term care and homeownership of your housing stock. CLT's are used to expand the low income housing. The City has some critical multi-family housing units that are distressed. The money used to purchase the homes will control the residence. Some of the homes purchased can be used to help meet the RHNA. The Board needs to determine what avenue will allow the most control over the residence on a long term basis.

Chairperson Lowe, strict screening reduces the number of evictions. Monitoring the home after the sale is important. I recommend the avenue that allows the most control. Based on comments presented, Mr. Ellison and Mr. Jacobus will come back with a plan for consideration by the Board in October 2009.

The Housing Authority recessed to the City Council meeting at 2:19 p.m.

REGULAR SESSION

7:00 p.m.
City of Hemet Council Chambers
450 E. Latham Avenue

Call to Order

Chairperson Lowe called the meeting to order at 7:33 p.m.

Roll Call

PRESENT: Board Members Foreman, McBride, Youssef, Vice Chairperson
Franchville and Chairperson Lowe

ABSENT: None

Consent Calendar

2. Approval of Minutes - August 11, 2009
3. Recommendation by Interim Assistant Executive Director - Sahara Senior Villa Modification
 - a. Authorize the Chairperson to sign the Modification Agreement, Substitution of Trustee, and the Request for Partial Reconveyance.

Vice Chairperson Franchville moved and Board Member Foreman seconded a motion to approve the Consent Calendar as presented. Motion carried 5-0.

Communications From the Public

There were no communications from the public.

Future Agenda Items

Identify the location of group homes in mobile home parks and planned unit developments.

Adjournment

Adjourned at 7:37 p.m. to Tuesday, September 8, 2009 at 10:00 a.m.

