

## **Open Work Session**

### **Countywide Housing Rehabilitation Program – Community Development Block Grant Program**

**June 5, 2018**

Mrs. Lori Carter, Deputy Director of Planning, Zoning and Community Development, and Mrs. Cheryl Meadows, Executive Director of Salisbury Neighborhood Housing Services, came before Council. Mrs. Carter said they are here today to bring Council up to date with their FY17 Community Development Block Grant, and on the down payment assistance. She said she will turn things over to Mrs. Meadows, who will give Council an overview of what that particular program has done over the last two years.

Mrs. Meadows said, in 2017, the County supported their application for funding for a down payment and closing cost grant assistance program for low and moderate income people who were purchasing a home as their primary residence in Wicomico County but outside of the City limits. She said they were awarded \$300,000, and \$270,000 of that was used for the direct grant on behalf on the homeowners, and \$30,000 was reserved for program administration. She said they anticipated they would serve 27 families, but they were actually able to serve 32 families. She said they expended the funds well before the grant period ended, and, in fact, the grant period has not even ended yet, but they are out of money. She said, of the 32 families that were served, 23 were below 80 percent of area median income, and the remaining 9 were below 50 percent of area median income. She said everyone who participates in the program is required to complete a homebuyer education class. She said it is a HUD-certified program, and each family is required to have a minimum of \$1,000 of their own funds in the deal somewhere. She said that \$1,000 can go towards the home inspection fee, the appraisal fee, or their earnest money deposit, but, as long as they have \$1,000, they are eligible to receive the block grant funds as well.

Mrs. Meadows said the \$300,000 they received in block grant funding leveraged just over \$4 million dollars in first mortgage loans, and another \$59,500 in other down payment assistance, seller credits, and other State of Maryland loan programs that are available. She said the report she just passed out to Council says "Quarterly Report," but is, actually, a cumulative report of everyone who has participated in the program. She said the addresses are listed so Council can see the distribution of who purchased where. She said there is information on the income level, whether the family had an elderly person in the family, they were disabled, or female head of household, and the amount of Community Development Block Grant assistance they received. Mr. Cannon asked if this information is from last year, to which Mrs. Meadows responded, this is the current program they just finished. Mrs. Carter said it actually expires on July 30, 2018. Mr. Cannon asked if the 32 purchases were over the last year, to which Mrs. Meadows responded, yes. She said the first one that closed was December 2016, so the majority of them were in 2017. Mr. Cannon asked how they get the properties, and whether they are on the MLS system, to which Mrs. Meadows responded, most of their referrals come from realtors who are working with the family that is looking to buy a home. She said they have regular quarterly meetings with the real estate community where they go into each office to let them know which programs are available to help their clients become homeowners in the County. She said the information is also on the County website. She said there is not a lack of people to participate in the program. Mr. Cannon said home ownership is great.

Mrs. Carter said, since Mrs. Meadows has done such a wonderful job for Wicomico County, they would like to continue. She said she is going to have Mrs. Meadows talk about what she would actually like to do with the FY2019 funding. Mrs. Meadows then said they are asking the County again to support their

application for an additional \$300,000. She said, this time, they are going to increase the amount of the closing cost assistance grants to \$280,000, and reduce their administrative fee to \$20,000 so they can help a few more people. Mr. Joe Holloway asked if she wants to increase it to \$20,000, to which Mrs. Meadows responded, no. She clarified, they want to reduce it. She said last year they had \$30,000 for program administration, and this year they are going to reduce that to \$20,000 and increase the amount of actual grants they can give out.

Mr. Joe Holloway asked if there is a limit on the cost of the home, to which Mrs. Meadows responded, there is not. She said as long as they are income eligible and can support the mortgage payment, there is not a restriction on the purchase price. She said she does have the income limits, and, just to give Council an example, a family of four people cannot make more than \$57,450, so there is only so much buying power a family of that income has. She clarified, they are not buying half million dollar houses. Mr. Joe Holloway said he knows in the past there were some that were questionable, to which Mrs. Meadows responded, they did have one buyer who bought a house that was over \$200,000. She said that particular family had no other debt, so they were able to buy more of a house than their typical homeowner does. She said most families are buying in the \$130-\$150,000 range. Mrs. Carter said these are first-time homebuyers.

Mr. Cannon asked how they arrange the financing, and whether it is done along standard procedures, to which Mrs. Meadows responded, most people are getting their mortgage from some other lender. She said some do get financing through them, but most of them are getting their mortgage somewhere else, and it has to be a 30-year fixed mortgage. She said there are no adjustable rates allowed. She said they do go behind and make sure the family can sustain the mortgage payment. She said, of course, if something happens and they get into trouble, they are also a HUD-certified counseling agency, so the buyers know they can come back to them for assistance.

Mr. Cannon asked when their next series of funding begins, to which Mrs. Meadows responded, the application is due on June 22. Mrs. Carter said, hopefully, the way this normally works, they will get a notice by July whether or not they make the first particular cut, and then they normally receive a notice sometime in September. She said, normally, by the time they get done with those reviews, they have funds possibly by October 1. Mrs. Meadows said they have a separate pot of funding for the City, and this is strictly Wicomico County.

Mrs. Carter said she would also like to tell Council they would like to continue their housing rehab program. She said they would like to request \$350,000. She said, at present, they have about a 326 person waiting list, and it grows daily. She said they would like to be able to actually continue that because that has been something that is definitely a need within the actual community. Mr. Hall asked if they are County residents, or are they City residents, to which Mrs. Carter responded, they are County residents.

Mrs. Carter said they do need to have a Public Hearing. Mrs. Hurley said Council will vote on this by Resolution at the next meeting, which will also be a Public Hearing required by State Law. She said that will be June 19, 2018 at 10:00 a.m. There was no further discussion.

*Signatures on next page*

**Open Work Session  
Countywide Housing Rehabilitation Program – Community Development Block Grant Program  
June 5, 2018**



---

John T. Cannon, President



---

Larry W. Dodd, Vice President, District 3



---

Ernest F. Davis, District 1



---

Marc Kilmer, District 2

---

John B. Hall, District 4



---

Joe Holloway, District 5

absent

---

Matt Holloway, At-Large



---

Laura Hurley, Council Administrator