

MINUTES

TOWN COUNCIL

TOWN OF SHENANDOAH

SPECIAL MEETING

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FEBRUARY 24, 2011

CALL TO ORDER: The Shenandoah Town Council held a special meeting on Thursday, February 24, 2011, at 6:30 P.m., with Mayor Clinton O. Lucas, Jr., presiding.

The meeting began with the Pledge of Allegiance.□

ATTENDANCE: □ **Council Members present were:** Mayor Clinton O. Lucas, Jr.; Vice Mayor William Kite; Russell Comer, Jr.; Ira Michael Lowe; and Richard Pierce.

Council Members absent were: □ Councilman Charles Jenkins and Councilman Keith Sampson.

Other Town Officials present were: Juanita F. Roudabush, Assistant Town Manager/MMC.

Citizens present were: Greg Vannoy, People Inc.

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Media Representatives: Karen Campbell, WHSV TV3.

SPECIAL MEETING

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Mayor Lucas stated this special meeting was called for the purpose of discussing the grant application of People Inc. for construction of homes in Forest Knolls Subdivision. He noted the Town Council Members had questions from the discussion on this issue at their regular meeting on February 22, 2011. He noted there have been some concerns and questions from the property owners in the subdivision about this project, as well, and the Council wanted further clarifications prior to deciding on whether or not to offer a letter of support of this grant application.

Prior to the meeting, the Town Council was provided with a copy of the grant application from People Inc. and information about the existing home values and restrictive covenants of the Forest Knolls Subdivision. The covenants require a minimum square footage of 1,050 for a single story home and 1,200 square feet for a two-story home. Additionally, it was noted People Inc. has submitted a letter of intent to purchase five (5) lots at \$22,500 each with intentions of constructing five (5) homes and possibly purchasing an additional five (5) lots in the future for a total of 10 new homes.

Greg Vannoy spoke representing People Inc. and their grant application. Following questions, he clarified the homes they are planning to construct in this subdivision will be valued at \$150,000 to \$170,000 and noted the land will be transferred to the families purchasing the homes upon closing.

He noted the homes will be constructed from about \$85 to \$100 a square foot and the final project will depend on the trim value the homeowner chooses for their particular home.

He noted the original home will likely be constructed as a spec house and then the homebuyers will choose a design of their liking and in their price range.

Mayor Lucas inquired if the proposed homes will be similar to what exists in the subdivision currently?

Mr. Vannoy stated yes, the plan is to build these homes to compare with the existing structures and explained they will meet or exceed the restrictive covenants of this subdivision as well. He noted they want to have a good working relationship with the Town and the existing residents of the subdivision and are open to working with everyone on the plans.

He explained the additional photographs presented for Council's review are representative of what they have in mind for this project.

He noted homebuyers would ultimately decide which home plan to construct and it would dependant upon their loan amounts, but all homes constructed would meet or exceed the restrictive covenants and any other regulations.

Mayor Lucas inquired if People Inc. are affiliated with Habitat for Humanity?

Mr. Vannoy explained they plan to partner with Habitat for Humanity on a couple of these homes, but they are not affiliated with the group. He stated a homebuyer would have to live in the home anywhere from 5 to 15 years dependant upon the down payment assistance they received in order for the amounts to be forgiven after the specified number of years.

Councilman Pierce inquired if they completely understood the Town could not give anything toward the water and sewer tap fees for the homes?

Mr. Vannoy stated yes, they understood they would be responsible for paying all costs involved including the water and sewer connection fees. He noted they were hoping to receive the initial grant funding and then be able to obtain additional funding to help support the project as it moves forward.

Councilman Pierce inquired about paving of the streets in this subdivision?

Assistant Town Manager Roudabush explained currently the streets do not meet the Virginia Department of Transportation's specifications to be accepted into their system for maintenance.

She noted the Town Attorney has been working with the bank's attorney to have the streets paved and accepted by VDOT.

She noted the Town had been considering putting lien's on the unsold lots in order to force the bank to finish the streets, but the attorneys have been negotiating the matter.

Councilman Comer inquired if the restrictive covenants were still enforceable since they were drawn up by the original developer?

Mr. Vannoy stated the covenants were recorded at the courthouse and any builder will now have to abide by them prior to developing any of the lots in this subdivision. He noted the existing homeowners would have to set up the actual association to enforce the covenants.

Mayor Lucas stated the word “subsidized” housing was used by others for this project, and he inquired if these homebuyers would be paying their entire mortgage on their own each month or would they be receiving assistance?

Mr. Vannoy explained this grant is for down payment assistance only. He noted programs exist to assist residents with the monthly mortgage payments as well, such as FHA, etc.

He explained these programs are available to those living in rural areas and could be utilized by anyone who qualifies.

However, he noted families would have to earn \$46,200 and individuals would have to earn \$29,000 to qualify for down payment assistance through this particular grant funding that People Inc. is applying for now.

Councilman Lowe stated those salary ranges would be in line with many of the people living in our area and would be a great assistance for someone to obtain homeownership.

Councilman Pierce stated the concept sounds like a very good project.

Mr. Vannoy stated the photographs he presented are just some samples of the homes that could be constructed under this program. He noted the project is geared toward building wealth in families who may not otherwise be able to afford the purchase of a home.

He explained the homes will be Earthcraft certified to meet energy efficiency regulations and the contractors would be trained in this area as well.

He also noted the homebuyers receive financial and homeownership education prior to and after purchase of the home as well.

Councilman Lowe stated this project will assist the average hardworking person in the ability to purchase a new home since they are receiving assistance with the down payment and closing costs.

Mayor Lucas stated he still had some reservations about the apparent rush on obtaining the Council's support of the project. He noted the Town may eventually need to hold a public comment period to hear the concerns of the residents currently living in the subdivision.

He inquired if the Council agrees to offer the letter of support now, would there be a way to back out in the future if more information is learned or if the current homeowners totally object to the project?

Mr. Vannoy stated the initial letter of support and signature is needed for the grant application. He noted if the funding is not approved, then the project will not be done.

He noted People Inc. wants to have a good working relationship with the Town and the current residents of the subdivision.

He noted People Inc. would not want to be involved in a project if they could not obtain and keep support for it.

He stated the Town would be well within their rights to withdraw support any time they felt the need.

He apologized for the rush on the needed approvals, but explained they were under the assumption the land was in Page County and only found out a few days ago they would need Town rather than County support.

In closing, he noted he would be glad to sit in on a public meeting to explain the project to residents if needed.

There being no further discussion, a **Motion** was made by Councilman Lowe, **seconded** by Councilman Pierce, to authorize a letter of support and Mayor Lucas to sign the grant application for People Inc. to offer down payment assistance to qualified individuals for new

homes in the Forest Knolls Subdivision, which meet or exceed the restrictive covenants.

Members Roll Call Vote was as follows:

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YEA: Vice Mayor Kite

NAY: None.

Councilman Comer

Councilman Lowe

Councilman Pierce

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ABSTAIN: Mayor Lucas.

ABSENT: Councilmen Jenkins and Sampson.

VOTE:□□□□□□□ **Unanimous in favor of motion.**

ADJOURN

There being no further discussions, a ***Motion*** was made by Vice Mayor Kite, ***seconded*** by Councilman Comer, to adjourn the meeting at 6:50 p.m.

Members Vote was as follows:

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□ **YEA:** Vice Mayor Kite

NAY: None.

Councilman Comer

Councilman Lowe

Councilman Pierce

ABSTAIN: Mayor Lucas.

ABSENT: Councilmen Jenkins and Sampson.

VOTE: Unanimous in favor of motion.

APPROVED:

ATTESTED:

Clinton O. Lucas, Jr., Mayor

Juanita Roudabush, MMC