Board Meeting Notice

TO: CDC Board Members
Scott Winship, Chair
Shari Bell-Beals, Vice Chair
Gary Hawkinson, Secretary
Mike Miller, Treasurer
Kyle Denbrook
Ray Velkers
Gar Hansen
Hollie Johnson

FROM: Bryan Schmid, Affordable Housing Supervisor
Pierce County Human Services

CDC BOARD MEETING FOR May 18, 2021

A regular meeting of the Community Development Corporation will be held
TUESDAY, May 18, 2021 at 8:00 A.M.

The CDC Board Meeting will be conducted via Zoom. There is a link to join via app/web browser and there is also an option to call in. Please let us know if you run into any issues.

You are invited to a Zoom webinar.

When: May 18, 2021 at 8:00 AM
Topic: CDC Board Meeting

Join from a PC, Mac, iPad, iPhone or Android device:
Please click this URL to join. https://piercecountywa.zoom.us/s/99477035348

Or join by phone:
(253) 215 8782 or
(877) 853 5247 (Toll Free) or
(888) 788 0099 (Toll Free)
Webinar ID: 994 7703 5348
Call to Order -

Review and approve April 20, 2021 CDC Board meeting minutes:

CDC Resolutions:
- CDC-2021-003 Public Works Sewer Connection Loan Contract

Housing Resolutions:
- H-2021-20 Applicant A
- H-2021-21 Applicant B (Tabled)
- H-2021-22 Borrower A
- H-2021-23 Borrower B
- H-2021-24 Applicant C
- H-2021-25 Applicant D
- H-2021-26 Applicant E
- H-2021-27 Borrower C (Vadis)
- H-2021-28 Borrower D (Pierce County Housing Services/Sumner Townhomes and Manresa)
- H-2021-29 Borrower E (MDC/Brookdale)

Other Business:
- February Financials / Vouchers
- Late Payment Reports

Staff Updates:
- Board Appointments
- American Rescue Plan Funding/Potential CDC impact

Future Business:
- County Budget 2022-23 impact to the CDC
- Affordable Housing NOFA - May 2021

Public Comment Period:

Adjourn
A meeting of the Board of Directors of the Community Development Corporation was held virtually on Zoom. The link to join via app/web browser: https://piercecountywa.zoom.us/s/99477035348

The meeting was called to order by Director Winship, Chair, at 8:03 a.m.

Those present were: Directors Winship, Velkers, Hawkinson, Hanson, Denbrook, & Bell-Beals
Absent: Director Johnson & Miller
Staff in attendance: Bryan Schmid, Laura Charbonneau, Shannon Shuman, Lucy Newman, Gary Westcott, Arlene Whittington, Robyn Lee, & Vy Yun
Guests: Chris Piotrowski

UNFINISHED BUSINESS

Director Winship, Chair, requested CDC Board Members review the minutes of the March 16th, 2021, meeting. With no questions, Director Hawkinson moved to approve the minutes, and the motion was seconded by Director Bell-Beals. The vote was unanimous, and the minutes were adopted.

NEW BUSINESS

CDC Resolutions:

Resolution CDC-2021-001 was presented for approval to amend CDC credit policy and increase the owner rehab loan limit to $80,000. The CDC Board commenced discussion and questions asked included:

- Board: Was there a reason why $80K was chosen as the limit? Staff: Staff believes this is a reasonable cost to bring a house up to code. The determination was $80K, based on the bids that we have been receiving.
- Board: What was the policy previously? That the staff would come back to board for increase? Staff: Correct, with the cost increasing more projects were being brought back to Board for loan increase approvals.
- Board: Why not make it $100K? Staff: We could; however, at this time this has been determined to be a sufficient loan amount.
- Board: We don’t just need it for immediate, this would be for years to come. Staff: Yes, our thought is that it gives our staff the guidelines to keep the homeowner within range of repairs. However, construction costs do not appear to be going down.
• Board: Do you think $80k is reasonable? Staff: Yes, next year we could look at the market, construction costs, funding, etc. Then in a year we can reevaluate and increase if needed.

With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Bell-Beals. Vote was unanimous, motion carried, and resolution was adopted.

Resolution CDC-2021-001 – Tabled

CDC Housing Resolutions:

Resolution H-2021-018 Applicant A was presented for approval for a $50,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:
• Board: The only credit issues were the medical, correct? Staff: Correct.
• Board: Do they still owe $250? Staff: Yes, they are looking into it.
• Board: Are the two credit scores for each of the borrowers? Staff: Correct.

With no further questions from the Board, the resolution was moved to approve by Director Hawkinson and seconded by Director Velkers. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2021-019 Applicant B was presented for approval for a $50,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:
• Board: The Deed of Trust for $7,500.00 - was that for a smaller CDC loan? Staff: Yes, it was a forgiven ADA loan; however, the borrower is required to pay the reconveyance cost of $200, in which she is making payments.
• Board: Can we add the reconveyance cost to be included in the loan? Staff: Fees are not allowed to be included.
• Board: Does the reverse mortgage pose any threat to the CDC? Staff: This was strictly to payoff. This was a CDC board approved reverse mortgage on her previous loans.
• Board: Explained that a reverse mortgage is based on the homeowner living to 100 with a 4% increase assumed for appreciation on the home. Even though the loan is not being drawn on, the interest still accruers, which will increase the loan balance over time. Even if she doesn’t draw on it, there is a maximum amount to the loan.

With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Hawkinson. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2021-020 Applicant C was presented for approval for a $50,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:
• Board: What differentiates them from anyone else? Income perhaps? Board responded: We need to be careful of age discrimination. Staff: He works as a musician and she works for the airlines. They both have been impacted by COVID. They have a roof that is dilapidated and in dire need of repairs. They did not have a savings and they do meet the underwriting criteria for assistance.
• Board: Unfortunately, with COVID restrictions, there is no way this borrower could get a front-end loan. So yes, this loan does make sense to make this house livable.
• Board: What is the interest rate on the current loan? Staff: Unsure of their current loan interest rate.
• Board: Are you thinking of a cash-out refi? Board response: Yes, although there is not enough information, but there is enough equity to possibly do a cash-out refi.
• Board: So, the monthly payment would be deferred on this loan? Staff: Correct, they did request an amortization schedule so that they may possibly make payments on the loan.
• Board: How long have they owned the home? Staff: Eight years.
• Board: Feels that we are safe with a savings. Staff: In 2019, they did have one slow pay; however, borrower said she just slipped and forgot about the payment.
• Board: Can we table this until we gather more information to see if they are eligible for a cash-out refinance? Staff: We could, and the point is well-taken; however, this is viewed as a preservation and in looking at the forecast – the longer this goes the condition worsens. In normal times, there would be more options, however, this would be very fitting at this time.
• Board: Do we have bids? Staff: Yes, we did receive 6 bids ranging from $17K - $31K.
• Board: Is that just for the roof or the entire project? Staff: These are bids for the entire project.
• Staff shared pictures and Board felt that the roof needed immediate repair.

With no further questions from the Board, the resolution was moved to approve by Director Hansen and seconded by Director Bell-Beals. Vote was unanimous, motion carried, and resolution was adopted. Board requested to see the after photos.

GENERAL CDC BUSINESS:

Staff presented the January 2021 financials and vouchers. With no questions from the Board, Director Denbrook moved to approve the January 2021 financials and vouchers, this was seconded by Director Hawkinson. The vote was unanimous, motion carried, and adopted.

Staff introduced Arlene Whittington, new grant accountant with Pierce County, that will be working with the CDC. Arlene introduce herself and shared her background and history with accounting.

Late payment report was presented.

PROJECT UPDATES:
Board Appointments: Not many updates...

- Gar Hansen will finish his 1st term June 20th, 2021 – Gar has a couple potential candidates for the position.

- Ray Velkers will finish his 2nd term September 1st, 2021. Staff will be processing Chris Piotrowski’s appointment confirmation with Council, with the hope to be confirmed in August.

American Rescue Plan Funding/Potential CDC Impact:
- Pierce County Executive and Council are working to determine the plan for the Rescue funding and what it means. To include the CDC involvement with the assistance for homeownership and rehab activities.

- HUD will be allocating additional HOME funds of roughly $5 million. More information to come at the May meeting.

FUTURE BUSINESS:

County Budget 2022-2023 impact to the CDC: The budget process has started.

Affordable Housing NOFA – May 2021: This will be released in May.

PUBLIC COMMENT:
- No public comments

ADJOURN
There being no further business, the regular meeting was a motioned to adjourn by Director Velkers and seconded by Director Denbrook. The next meeting being Tuesday, May 18th, 2021. The meeting was adjourned at 9:14 am.

Certified by:

_________________________________________  ______________
Board Chair  Date

_________________________________________  ______________
Secretary  Date

Prepared by:

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Robyn Lee