Board Meeting Notice

TO: CDC Board Members
    Scott Winship, Chair
    Shari Bell-Beals, Vice Chair
    Gary Hawkinson, Secretary
    Mike Miller, Treasurer
    Kyle Denbrook
    Hollie Johnson
    Jamie Macumber/Firth
    Tom Young

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

CDC BOARD MEETING FOR January 18, 2022

A regular meeting of the Community Development Corporation will be held
TUESDAY, January 18, 2022 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.

Join Zoom Meeting
https://piercecountywa.zoom.us/j/97185639023

Dial by your location
   (253) 215-8782 US (Tacoma)
   (877) 853-5247 US Toll-free
Meeting ID: 971 8563 9023
Call to Order -

Review and approve December 21, 2021 CDC Board meeting minutes:

Housing Resolutions:
- H-2022-001 Applicant A
- H-2022-002 Applicant B

Other Business:
- Revised October Financials / Vouchers
- November Financials / Vouchers
- Late Payment Reports
- CDC Credit Policy
- Officer Nominations/Officer Elections

Staff Updates:
- Board Appointments – Status Update
- Open Public Records/Open Public Meetings Training

Future Business:
- Adoption of Credit Policy Updates – February
- Board Retreat - TBD

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/j/97185639023

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

Those present were: Directors Winship, Denbrook, Johnson, Hawkinson, Bell-Beals, & Jamie Macumber-Firth.
Absent: Director Miller
Staff in attendance: Bryan Schmid, Laura Charbonneau, Shannon Shuman, Lucy Newman, Bryan Barmore, Arlene Whittington, Robyn Lee, & Gary Westcott
Guests: Tom Young, Azure NW

UNFINISHED BUSINESS

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

Staff introduced Tom Young, Principal of Azure NW homes, who has applied to fill the Board position for construction. Azure NW builds homes throughout Puget Sound Region.

Introductions commenced to welcome new incoming Board Directors

NEW BUSINESS

CDC Resolutions:

Resolution CDC-2021-006 was presented for approval to authorize the CDC staff to transfer banking services to Heritage Bank and setup all current CDC Board members as signers on the account. Some highlights
- There will be 90-day transition period in which Heritage will not charge us.
- We will be saving $200/mo by moving over, $3,000 annually.
- Retail Lockbox is the only servicing company and Heritage will intervene if any issues
- Will be doing away with check scanner, not needed in as much as very few check are mailed to office.
The CDC Board commenced discussion. Questions asked and staff responses included:

- Board: If this is a fixed savings or could it change? Staff: Their pricing over what Columbia bank is charging is a saving; however, it could change.
- Board: Is savings based on balance of CDC? Staff: Yes, this surrounds the numbers based on the account analysis, credits, interest rates, etc. Heritage Bank stood out.

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

_The meeting minutes will need to state that the following board members are approved as check signers for the general and escrow accounts - as well as conducting other CDC Business related services._

**CDC Housing Resolutions:**

**Resolution H-2021-057 (Applicant A)** was presented for approval on a HOME loan under the mobile home replacement loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: Can you clarify whether it is new or used? Staff: The mobile would be a used mobile to save money.
- Board: Thought we were moving away from used mobile replacements? Staff: Trying to make this a feasible rehab in this situation in which he is trying to avoid a large loan.
- Board: The new/used will need rehab? Staff: No not inside the home, just the standard skirting, porches, etc.
- Board: Status of DSHS obligations? Staff: We are trying to get clarification. Staff: The home would be setup to HUD standards.
- Board: Do DSHS liens trump all? Staff: Not like property taxes or sewer liens, unless it was in first position or if they subordinated. If it comes in after CDC, it would not trump all.

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

**Resolution H-2021-058 (Borrower Az)** was presented for approval for a loan assumption on a HOME loan under the housing rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: We are going to continue to let him be in charge of paying taxes? Staff: Yes, he will be reapplying for a senior disabled tax exemption.
- Board: Do we think the senior DOT is paid in full due to the year? Staff: Yes.
- Board: We wouldn’t close unless we were in first? Staff: We should get the first reconveyed and then the CDC would be in first position.
• Board: Otherwise, the CDC would foreclose? Staff: Yes, but the borrower is trying to make renovations and keep the home while trying to get everything in compliance.

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

Resolution H-2021-059 - Tabled

Resolution H-2021-060 (Borrower C): was presented for approval for a loan increase on a HOME loan under the mobile home replacement loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:
• Board: What are RAHD funds? Staff: They are State funds for housing replacement. We have funds sitting that we are recommitting to other projects. The RAHD dollars are State and not Federal funds. If HOME Federal funding exceeds $200K, it would trigger Section 3 mandates. In order to do this, we are backfilling the gap with RAHD funds.
• Board: What does RAHD mean? Staff: Redevelopment Affordable Housing Development.

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

Resolution H-2021-061 - Tabled

GENERAL CDC BUSINESS:

Staff reviewed the 2022 CDC Budget excel spreadsheet rollup and discussed the background of how the CDC budgets with Revenue, Expenses, and the Outlook.

Operating Revenue:
• County Subrecipient Contracts – HOME and CDBG contracts, NSP transfer revenues, etc.
• CDC Loan Repayments
• Fee for Service is less in previous years, as the TCRA program is wrapping up and once the few are completed, the CDC is done. However, Sewer Program is fee for service in which we just service loan payments.

Operating Expense:
• Operating Expenses – Straight out of County Budget.
• County Indirect/Rent
• Dept Cost Pools
• Expenses – We still have some rental expense to house CDC files at 1305, insurance costs, etc.
**CDC Expenses Admin vs Direct:**
- Direct costs are not capped; however, admin costs are typically capped at a percentage.
- Discussed admin availability for the various programs - HOME CDBG NSP HOPE and other programs.

**CDC Outlook:**
- Opportunities:
  - Affordable housing priority from Leadership
  - Increased funding opportunities
- Challenges:
  - Long-term outlook for HOME admin funds
  - Sustainability of revolving loan funds
  - Increasing operating costs

**Next Steps:**
- Formal Budget Approval December 2021
- Review Sustainability

We are now showing a little bit of revenue over expenses, which is typically not the case.
- Board: In 2021, how do you make up for deficit? Staff: Historically, the CDC runs a deficit – expense over revenue due to the type of funding the CDC does. The CDC receives grant revenue that is passed through the County of CDBG funds and the bad debt expense write off is not a liability to HUD, in which the CDC is not obligated to pay those funds back to HUD. This year we do show a bit of revenue over expenses.

With no further questions from the Board, the 2022 CDC Budget was moved to be adopted by Director Hawkinson and seconded by Director Denbrook. Vote was unanimous, motion carried, and 2020 CDC Budget was adopted.

**Financials/Vouchers:**
Staff presented the October 2021 financials and vouchers. The CDC Board commenced discussion. With no questions from the Board, Director Denbrook moved to approve the August 2021 financials and vouchers, this was seconded by Director Johnson. The vote was unanimous, motion carried, no abstentions and the September financials and vouchers were accepted.

**Late Payment Reporting:**
late payment report will be presented.

**CDC Banking Recommendation:**

**Other Business:**

**STAFF UPDATES:**
Board Appointments:
- Ongoing –
  - Jaime Firth, Western Properties - Hopeful to have confirmation by PC Council by the next meeting, to fill the vacancy of commercial realtor.
  - Tome Young, Azure NW, has been appointed by the executive and will be presented to council in January 2022.
  - Scott Winship will be terming off in April.

Credit Policy:
- Director Bell-Beals is working with staff sifting through and revising. More to come.

Open Public Records Training Reminder:
Open Public Records and Open Public Meetings Training requirements: Received updated guidance, members of governing board must take Public Records Act training and Open Public Meeting Act training. Received confirmation from some Board members that have taken it.

FUTURE BUSINESS:
- Credit Policy (updates to Owner Rehab) - January
- Officer Elections - January

FOLLOW UPS:
- None noted.

PUBLIC COMMENT:
- No public comments.

ADJOURN
There being no further business, the regular meeting was a motioned to adjourn by Director Bell-Beals and seconded by Director Johnson. The next meeting being Tuesday, January 18th, 2022. The meeting was adjourned at 9:27 am.

Certified by:

______________________________    _______________________
Board Chair                        Date

______________________________    _______________________
Secretary                          Date

Prepared by:

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Robyn Lee