Board Meeting Notice

TO: CDC Board Members

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

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

CDC BOARD MEETING FOR February 15, 2022

A regular meeting of the Community Development Corporation will be held
TUESDAY, February 15, 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
COMMUNITY DEVELOPMENT CORPORATION
MEETING AGENDA
February 15, 2022

Call to Order -

Review and approve January 18, 2021 CDC Board meeting minutes:

CDC Resolutions:
- CDC-2022-001 Adoption of Credit Policy Amendments
- CDC-2022-002 Add Additional Signer to the CDC Account

Housing Resolutions:
- H-2022-003 Applicant A

Other Business:
- December Financials / Vouchers
- Late Payment Reports
- CDC Legal Matters – Foreclosure updates
- Banking Update – Transfer of account to Heritage Bank

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

Future Business:
- 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 Winship, Chair, at 8:02 a.m.

Those present were: Directors Winship, Denbrook, Johnson, Hawkinson, Bell-Beals, Miller, Firth, & Young
Absent:
Staff in attendance: Bryan Schmid, Laura Charbonneau, Shannon Shuman, Lucy Newman, Arlene Whittington, & Robyn Lee
Guests: None

UNFINISHED BUSINESS

Director Winship, Chair, requested CDC Board Members review the minutes of the December 21st, 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 Housing Resolutions:

Resolution H-2022-01 (Applicant A) was presented for approval on a $80,000 CDBG loan under the housing rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: Would CDC go behind $15K if not reconveyed? Staff: Yes.
- Board: Out of the gate we would be in 3rd? Staff: No, the CDC would be 4th. The contractor stated roof had extensive dry rot and repairs substantial that should not be postponed for months.
- Board: Is there enough equity with two judgements, to reserve funds for payoff? Staff: We would be behind those, we can’t pay off debt with our funding. With the assessed value of the home and liens prior to the CDC, the CDC would have sufficient equity for loan security.
- Board: Do the judgements acquire interest? Staff: Not confirmed, but sure they do.
- Board: Do you know the date of judgements? Staff: 3/26/2012 and 7/22/2014.
- Board: A judgement is only good for 10 years unless it is renewed. If it is not renewed, the creditors are unable to collect. Staff: It doesn’t appear that it is
has been renewed. He tried making payment arrangements; however, the creditors required full payment. Since that time, he has not heard from them. With no further questions from the Board, the resolution was moved to approve by Director Bell-Beals and seconded by Director Firth. Vote was unanimous, motion carried, no abstentions, and resolution was adopted.

**Resolution H-2022-02 (Applicant B)** was presented for approval for a $224,000 HOME and RAHD loan under the mobile home replacement loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:

- **Board:** Does the NDR report to the credit bureaus that payments were made on time? **Staff:** No, they do not. They will not take off the negative credit rating.
- **Board:** Do we have confirmation that the creditors are receiving the money from NDR? **Staff:** No, we do not have a statement from creditors that they are receiving payments. We do have a statement that payments are being made by the borrower to NDR.
- **Board:** As a consumer, I would check to be sure payments were being paid to creditors? **Staff:** Yes, we could ask for a creditor’s statement.
- **Board:** NDR is a passthrough to pay creditors? **Staff:** Yes, they are a service that collects payments from borrowers and disburses to creditors.
- **Board:** Do we have confirmation that no new credit lines are open, but are they still using these cards? **Staff:** No new credit has been reopened and they are unable to continue use of the cards.
- **Board:** It is presumed the septic system is sufficient for the size of mobile? **Staff:** Yes, septic is sufficient, the well needs to be checked off by the Health Dept.
- **Board:** How far are we back logged on the mobile home? **Staff:** It depends, it could be 6 months to a year. Unless there is an unclaimed mobile sitting on the lot.
- **Board:** If it takes year, how do we know their circumstances have not changed? **Staff:** We need Board approval to purchase the mobile, we do review to determine if there have been any income modifications since the loan signing to determine appropriate payment arrangements.
- **Board:** Does the price of the mobile get locked in or does that change? **Staff:** Unless there was a significant price change by the manufacturer, yes, it could change.
- **Board:** Can we do a 15% contingency for price fluctuation? **Staff:** The CDC has a $199K threshold with HOME and limited with RAHD funds in which there is some contingency built into that.
- **Board:** What if the situation worsened? **Staff:** Once a loan is obligated, we do not re-evaluate credit going forward. We monitor the loans by late payments, insurance, property taxes, etc. to be sure that they are not going in default with their loan.

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

Financials/Vouchers:
Staff presented revisions for the October 2021 financials and vouchers. Due to correction in Admin Exp allocation – the total didn’t change, just the allocation.
Board: What the reason? Staff: The FTE was using September.
Staff then presented the November 2021 financials and vouchers.
With no questions from the Board, Director Hawkinson moved to approve the revisions for the October 2021 financials and approve the November 2021 financials and vouchers, this was seconded by Director Denbrook. The vote was unanimous, motion carried, no abstentions and the November financials and vouchers were accepted.

Late Payment Reporting:
Late payment report was presented.
Board requested, going forward, to have a report that outlined defaulted loans in which the CDC is taking legal action.

Credit Policy:
Director Bell-Beals is working with staff sifting through and revising.
The CDC Board commenced discussion.
Board: Thanked Shari and staff taking the time and accepted recommendation to approve in February.

Officer Elections:
CDC staff recognized the current 2021 CDC Board Officers:
  Director Winship, Chair (2nd Term Expires 4-30-2022)
  Director Bell-Beals, Vice Chair
  Director Hawkinson, Secretary (1st Term Expires 4-30-22)
  Director Miller, Treasurer – Treasurer

CDC Board proceeded with Officer Nominations for 2022:
  Director Hawkinson was nominated as Chair.
  Director Bell-Beals was nominated as Vice Chair
  Director Miller was nominated as Secretary
  Director Denbrook was nominated as Treasurer

Director Johnson motioned to elect the incoming officers as nominated. This motion was seconded by Director Miller. The vote was unanimous, and motion carried.

STAFF UPDATES:

Board Appointments Update: Tom’s appointment was confirmed by the County Council.
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:

- Adoption of Credit Policy Updates - February
- Board Retreat – Possibly May

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 Winship and seconded by Director Miller. The next meeting being Tuesday, February 15th, 2022. The meeting was adjourned at 9:20 am.

Certified by:

_________________________________  ________________________
Board Chair  Date

_________________________________  ________________________
Secretary  Date

Prepared by:

_________________________________
Robyn Lee