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 April 19, 2022

A regular meeting of the Community Development Corporation will be held **TUESDAY, April 19, 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](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
April 19, 2022

Call to Order -

Review and approve March 15, 2022 CDC Board meeting minutes:

CDC Resolutions:
• CDC-2022-001 Adoption of Credit Policy Amendments

Housing Resolutions:
• H-2022-008 Borrower A
• H-2022-009 Borrower B
• H-2022-010 Applicant A
• H-2022-011 Borrower C

Other Business:
• February Financials / Vouchers
• SRLG Follow Up
• Late Payment Reports
• CDC Legal Matters – Foreclosure updates

Staff Updates:
• Board Appointments – Status Update
• Affordable Housing NOFA Release
• Open Public Records/Open Public Meetings Training

Future Business:
• Board Retreat - TBD

Acknowledgement of Service
• Acknowledge Scott Winship’s service on the Board

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 Hawkinson, Chair, at 8:02 a.m.

Those present were Board Directors: Gary Hawkinson-Chair, Shari Bell-Beals-Vice Chair, Kyle Denbrook-Treasurer, Scott Winship, Hollie Johnson, Jamie Macumber/Firth, & Tom Young
Absent: Mike Miller-Secretary
Staff in attendance: Bryan Schmid, Laura Charbonneau, Shannon Shuman, Lucy Newman, Arlene Whittington, & Robyn Lee
Guests: None

UNFINISHED BUSINESS

Director Hawkinson, Chair, requested CDC Board Members review the minutes of the February 15, 2022, meeting. With no questions, Director Young moved to approve the minutes, and the motion was seconded by Director Johnson. The vote was unanimous, and the minutes were adopted.

NEW BUSINESS

CDC Resolutions:

Resolution CDC-2022-001 was presented for approval to accept the updated CDC Credit Policy. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: If income is coming from family member, why was “needed to be notarized” removed? What is the reasoning for that? Staff: The staff calculates income for 2 reasons: 1. Determine HUD eligibility which means all HH income needs to be counted as income. 2. Determine debt-to-income (dti) ratios, in which we just look at the borrower’s income. This concern is based on a dti ratio and that was taken out and replaced. In terms of income eligibility, all HH income – over the age of 18 will be accounted for.
- Board: Should another row be added to add the notary? Staff: Revised language on pg 27. “Financial Assistance to support HH expense” this would include the notary clause.
- Board: If a HH member is only residing in HH for two months, how would income be calculated? Staff: It would only be calculated for the two months.
Staff requested any proposed comments and/or questions by April 8\textsuperscript{th} to allow the staff to make revisions. On April 19\textsuperscript{th} staff would bring revised edits to the Board to vote on.

**CDC Housing Resolutions:**

- **Resolution H-2022-004 (Borrower A)** was presented for approval for a proposed subordination on a downpayment assistance loan under the housing rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:
  - Board: Why can’t they include the CDC in the refi? Staff: Her monthly PITI would increase and disqualify her for the loan. This is FHA loan.
  - Board: The refi would save the borrower $300 a month? Staff: Yes, with her income, they have no wiggle room.
  - Board: The issue is that the DPA loan needs to be paid. Staff: Agreed, however, this is a make or break deal for this family to even buy food. Per the divorce agreement, they need to get him off the loan.
  - Board: He is still on the DPA loan? Staff: Yes.
  - Board: Do you have a closing disclosure and is interest rate locked? Staff: Yes. The lender did state that this is a 30-day lock and appraisal is already done.
  - Board: Do we normally charge $250 for subordination fee? Staff: Yes, and this is in line with banking subordination fees.

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

- **Resolution H-2022-005 (Borrower B)** was presented for approval on a foreclosure of a CDBG loan under the housing rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:
  - Board: Title has been transferred? Staff: Yes.
  - Board: Where would the payoff money be coming from? Staff: From the estate. The estate still owns the home.
  - Board: If we are on title, they would have to pay us off? Staff: We are unsure of sale date, that is why we are recommending foreclosure now. This loan is in default and would like to get our attorney involved.

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

- **Resolution H-2022-006 (Borrower C)** was presented for approval on a refinance for a $202,750 NSP loan under the housing rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:
  - Board: Did we come up with a COVID policy that would address this situation? Staff: No, this was discussed; however, we decided that these issues would be
addressed to the Board on a case-by-case basis. This is in line with the current policy for refinance.

- Board: Other companies are doing a balloon payment at the end, is there a reason why we are not? Staff: Our borrowers typically could not come up with that amount of money.
- Board: What is the maturity date? Staff: It is in 2040.

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

**Resolution H-2022-007 (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: How do we have a DPA loan in 2008 when they bought in in 2009? Staff: The loan was approved in 2008 and closed at beginning of 2009.
- Board: We would be in 3rd position? Staff: Yes
- Board: Is it common we loan for appliances? Staff: Replacement of appliances is allowed within the rehab standards, under HUD. Microwaves are not.

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

**GENERAL CDC BUSINESS:**

**Financials/Vouchers:**
Staff then presented the revision for the December 2021 financials and vouchers. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: The SRLG fund is still in the negative? Staff: Staff will look at SRLG data after the meeting.
  
  Board: Are we covering our costs going forward? Staff: Yes, staff will work together to see if line items with historical data. Staff noted that the County is working on a 4th SRLG grant money. Staff noted that the CDC will not do a program that does not pay for itself.

With no further questions from the Board, Director Denbrook moved to approve the revisions for the revised December 2021 financials and vouchers, this was seconded by Director Winship. The vote was unanimous, motion carried, no abstentions and the financials and vouchers were accepted.

Staff then presented the January 2022 financials and vouchers. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: Non-Operating Revenue for $42K? Staff: This is the variance with the budget.

With no questions from the Board, Director Winship moved to approve the January 2022 financials and vouchers, this was seconded by Director Denbrook. The vote was unanimous, motion carried, no abstentions and the financials and vouchers were accepted.
Late Payment and Defaulted Loan Reporting:

The reports for late payments and defaulted loans were presented. The CDC Board felt the late payment report looked good.

The defaulted loans report, in which the CDC is commencing foreclosure, was reviewed.

No action needed to be taken.

Banking Update:
Staff updated the Board with the transfer of accounts to Heritage Bank.

STAFF UPDATES:

Board Appointments Update: Email went out to TPC Bar Association and received a great response. Staff requested Scott to sit in on the Interviews to fill his position. Gary’s renewal is in process of moving forward.

Open Public Records Training Reminder:
Open Public Records and Open Public Meetings Training requirements: All Board members that have taken it. Great Job.

FUTURE BUSINESS:

• Board Retreat – Possibly this summer. Review the operations of the CDC, Charter revision, Bylaws, Economic Development going forward, Affordable Housing.

PUBLIC COMMENT:

• No public comments.

ADJOURN

There being no further business, the regular meeting was a motioned to adjourn by Director Johnson and seconded by Director Bell-Beals. The next meeting being Tuesday, April 19th, 2022. The meeting was adjourned at 9:15 am.

Certified by:

________________________________________  __________________________
Board Chair                                  Date

________________________________________  __________________________
Secretary                                   Date

Prepared by:

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Robyn Lee