

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 June 21, 2022

A regular meeting of the Community Development Corporation will be held **TUESDAY, June 21, 2022, at 8:00 A.M.**

The CDC Board Meeting will be conducted at 3602 Pacific Avenue, #200, Tacoma, WA 98418 in the Brekke Conference Room. There will be a link to join via zoom 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
June 21, 2022**

Call to Order -

Review and approve May 17, 2022, CDC Board meeting minutes:

Housing Resolutions:

- H-2022-017 Borrower A
- H-2022-018 Borrower B
- H-2022-019 Applicant A

Other Business:

- April Financials - Vouchers
- SRLG Follow Up Update
- Late Payment Reports
- CDC Legal Matters – Foreclosure Updates

Staff Updates:

- Affordable Housing NOFA Applications
- Open Public Records/Open Public Meetings Training
- Monitoring and Audits
- Pierce County Affordable Housing Action Strategy
- Board Retreat – Confirm Date and Time

Future Business:

- Affordable housing applications – September 2022

Public Comment Period:

Adjourn

**MINUTES OF THE
COMMUNITY DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING**

May 17, 2022
8:00 am

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 8:00 a.m.

Those present were Board Directors:

Gary Hawkinson-**Chair**, Shari Bell-Beals-**Vice Chair**, Mike Miller-**Secretary**, Kyle Denbrook-**Treasurer**, Hollie Johnson, Jamie Macumber/Firth, Tom Young, & Joe Beck

Absent: None

Staff in attendance: Bryan Schmid, Laura Charbonneau, Shannon Shuman, Arlene Whittington, Lucy Newman, & Robyn Lee

Guests: None

UNFINISHED BUSINESS

Director Hawkinson, Chair, requested CDC Board Members review the minutes of the April 19th, 2022, meeting. With no questions, Director Young 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-2022-012 (Borrower A) was presented for approval on a loan assumption of a CDBG loan under the housing rehabilitation loan program. With no 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-2022-013 (Borrower B) was presented for approval on a write-off of a HOME loan under the housing rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: What was the original maturity date of the loan? Staff: September 1, 2024.
- Board: The title companies are producing clear titles, despite the lien on title? Staff: Yes.

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.

Resolution H-2022-014 (Borrower C) was presented for approval on a foreclosure of a HOME loan under the housing rehabilitation loan program. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: Did you receive a response? Staff: No, the letter was mailed recently. We are providing a 30-day grace period.
- Board: Did you check with the County to see if there is a lender/trustee on the deed of trust? Staff: No, staff will follow up on that.
- Board: If there was financing, the lender will require to have title. Staff: We will check on that.

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.

Resolution H-2022-015 (Borrower D) TABLED

Resolution H-2022-016 (Applicant A) TABLED

GENERAL CDC BUSINESS:

Financials/Vouchers:

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

- Board: What is the negative balance related to on the grant income? Is it related to rollover? Staff: Yes, that is correct.
- Board: I see that there is a much higher volume of reconveyance fees than what we have had in the past. Is it related to more payoffs? Staff: Yes, there have been an increased number of sales and refinancing. Much of which is related to the Downpayment Assistance loans that the CDC provided back in 2008 through 2012 at 3.5%. Now those loans are being sold and refinanced.

With no further questions from the Board, Director Denbrook moved to approve the February and March 2022 financials and vouchers, this was seconded by Director Miller. The vote was unanimous, motion carried, no abstentions and the February 2022 financials and vouchers were accepted.

Staff then presented the SRLG summary reports. This report was a result of a concern with the account being in the negative. The staff did a reconciliation of the program and determine was the true balance was and to have a conversation with Public Works to reconcile the account if the balance is negative. The bottom line is that staff is still working on this reconciliation and will keep the Board apprised of the status. SRLG is a septic repair loan program that is contracted with the Public Works department for the repair of septic systems. We have had three contracts over the program period since 2008. The CDC is a pass-through

program. The CDC Board commenced discussion. Questions asked, and staff responses included:

- Board: So, we are not collecting a service fee program? Staff: This was collected initially up front.
 - Board: Was is projected numbers to low? Staff: We need to rethink the flat fee for service and think about charging an hourly rate.
 - Board: If we end up in the negative, how would we square it up? Staff: The CDC is still collecting payments. Conversation would be to request to reserve the payments to cover the negative balance.
 - Board: So how would the PW allocate the loss of \$20K. Staff: This would be reported as a negative in the Service Water Management (SWM) account.
- More updates to come, no action required.

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.

CDC staff presented a request for approval to authorize CDC Board Director Joe Beck to be added as a signer on the CDC's Heritage Bank Account. With no questions from the Board, Director Miller moved to approve it was and seconded by Director Johnson. Vote was unanimous, motion carried. Director Beck abstained from vote.

STAFF UPDATES:

Board Appointments Update: We are secure with Board Directors for the 2022 year. The next Director to term off would be Director Bell-Beals in 2023.

Affordable Housing NOFA release: NOFA went out Friday April 22nd and due June 10th, 2022. There will be \$2 million in HOME funds. We must present the recommendations to the PC Council and the HOME funded loans to the Board. Projection for approval presentation may be in September.

Board: Do we have any NOFA projects that we haven't closed that were approved? Staff: Yes, two very large loans - KWA they are close to being fully funded to construct 80 units of affordable housing and the LIHI Lincoln Project, this will probably close mid-2023.

Open Public Records Training Reminder:

Open Public Meetings Act – CDC needs to collect all certificates. A recent change with the OPMA, which will require the CDC to allow public access for in-

person would like to participate. A room will be made available at the Soundview building.

Monitoring and Audits:

Pierce County is a funder of the CDBG and HOME programs. The County will be doing a monitoring of the CDC, as a subrecipient, beginning Thursday, May 19th. HUD will be here in August to audit the HOME program. Washington State Audit will be starting soon, which typically occurs in July. The CDC staff is preparing for this.

The CDC will be providing notification of all entrance conferences for the audits. A monitoring will be looking at the programs and complying with regulations. They will issue concerns if there are any areas that are problematic. An audit will look at financials, audits, disbursements, and will issue a financial report for the financial clearing house. Audits are required for entities that receive over \$750K in funding. The last monitoring performed by HUD was in 2017.

FUTURE BUSINESS:

- Board Retreat – Possibly in September. We will review the following:
 - Operations of the CDC
 - Charter Revisions
 - Bylaws
 - Economic Development going forward
 - Affordable Housing

Staff requested feedback for timeframes. This will be a stand alone meeting. Staff will provide a doodle poll for feedback on September dates. This may be a 3 to 4-hour retreat to dive deeper into the CDC.

PUBLIC COMMENT:

- No public comments.

ADJOURN

There being no further business, the regular meeting was a motioned to adjourn by Director Young and seconded by Director Bell-Beals. The next meeting being Tuesday, June 21st, 2022. The meeting was adjourned at 9:18 am.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee