

**Community Development Corporation
Board Meeting Notice**

TO: CDC Board Members
Kyle Denbrook
Mike Miller
Colleen Walker, **Treasurer**
Ray Velkers, **Chair**
Scott Winship, **Vice Chair**
Shari Bell – Beals, **Secretary**
Gar Hansen
Gary Hawkinson

FROM: Bryan Schmid

CDC BOARD MEETING FOR DECEMBER 2018

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, December 18, 2018 at 8:00 A.M.**

This meeting will be held at **PIERCE COUNTY HUMAN SERVICES BUILDING, 3602 PACIFIC AVENUE, TACOMA, WA 98418 (Soundview Conference Room 1, 2nd floor).**

Board packets will be distributed at the meeting.

**COMMUNITY DEVELOPMENT CORPORATION
MEETING AGENDA**

December 18, 2018

Call to Order -

Review and approve November 20, 2018 CDC Board meeting minutes:

CDC Budget (2019):

- Staff Presentation
- Review and approve the 2019 budget

CDC Resolutions:

- CDC-2018-009 TCRA Contract Resolution CDC-2018-007
- CDC-2018-010 Catholic Housing Services – Consent to Transfer

Housing Resolutions:

- H-2018-045 Applicant A
- H-2018-046 Applicant B

General CDC Business:

- October 2018 Financials and Vouchers
- October/November 2018 Late payment report
- Review Proposed Accounting Policies and Procedures
- 2019 CDC Board Officer Elections

Staff Updates:

- N/A

Future Business:

- Field Trip March/April 2019
- Budget and Sustainability work March/April 2019

Public Comment Period:

Adjourn

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

November 20, 2018
8:00 a.m.

The regular meeting of the Board of Directors of the Community Development Corporation was held at the Pierce County Human Services Soundview Building, 3602 Pacific Avenue, 2nd Floor, Soundview Conference Room 1.

The meeting was called to order by Director Velkers, Chair, at 8:06 a.m.

Those present were:

Directors Velkers, Winship, Walker, Denbrook, Miller, Hansen, Hawkinson, and Bell-Beals

Absent:

Staff in attendance were:

Laura Charbonneau, Shannon Shuman, Rand Bullinger, Lucy Newman, and Robyn Lee

Guests:

None

UNFINISHED BUSINESS

Director Velkers, Chair, requested CDC Board Members review the minutes of the October 16, 2018, meeting. With no questions Director Miller moved to approve the minutes, and the motion was seconded by Director Winship. The vote was unanimous, and the minutes were adopted.

NEW BUSINESS

CDC Resolutions:

Resolution CDC-2018-008 was presented for approval to enter into a professional services contract with Orion to perform lead-based paint evaluations for the CDC loan programs. The CDC Board commenced discussion and questions asked included: In our case the funding will come from the CDBG funds? Does this resolution apply going forward and not to previous projects? The HUD lead-based paint rules have been in place for a long time, so what is changing? What is difference between risk assessments and lead testing? Dust wipes? What would be a standard cost if the home did have lead? Why would we not charge these lead costs but charge other costs? Assuming we hit maximum, those funds will come from where and what will we not bill? How many houses did we have to order lead testing/risk assessments last year? If we say no, then what happens? Why would we do a contract with Orion if the current contractor is less expensive? What are the drawbacks? Is this mandated? Staff responded: Yes, funding is from CDBG. Yes, going forward as of December 1st, 2018. The application of the lead costs being charged to the grant instead of on the borrower's loan. The market is changing, we are now seeing construction costs almost doubling. Risk assessment identify lead hazards. Testing is specific to a location or locations where paint may be disturbed. Clearance testing is done after the work is performed, then dust wipes are done for clearance of any lead hazards in

building. Typically, 2 or 3-one square tile samples, more commonly at door entry and window sill. If lead is present, then it could be sent for abatement. Previously it was roughly \$650 for risk assessment, now it could start at roughly \$1,000. Due to the increase in lead costs and this being a HUD requirement, more jurisdictions are passing this onto HUD and not the borrower. This just reduces the dollar amount to fund other projects. Roughly 12 homes were tested last year. If it is a smaller loan, say under \$10K, and \$3K is for lead testing, then the client is not ambitious about having rehabilitation work done. We would go back out. The contract is a fixed price and Orion was the only contractor that bid on the RFQ. We could revisit next year for another RFQ. All the money would be coming from CDBG money; however, it would not be getting paid back to us from the loan proceeds. Yes, it is just the cost shift from the borrower to the CDBG program. With no further questions from the Board, Director Walker moved to approve this resolution and was seconded by Director Hawkinson. Vote was unanimous, motion carried, and resolution was adopted. Board would like staff to keep a record of costs and report when revisiting in one year.

CDC Housing Resolutions:

Resolution H-2018-043 was presented for approval for a temporary payment modification deferring monthly principal and interest payments on a First Time Homebuyer loan. The CDC Board commenced discussion and questions asked included: Does interest continue to accrue? Staff responded: Yes, then the staff will refinance the loan when the borrower is able to resume payments. With no further questions from the Board, Director Bell-Beals moved to approve this resolution and was seconded by Director Denbrook. Vote was unanimous, motion carried, and resolution was adopted. With the exception that the escrow is brought current prior to deferral.

Resolution H-2018-044 was presented for a loan approval on a \$30,000 CDBG loan under the home rehabilitation loan program for septic repair. With no questions from the Board, the resolution was moved to approve by Director Walker and seconded by Director Hawkinson. Vote was unanimous, motion carried, and resolution was adopted.

GENERAL CDC BUSINESS:

Staff reviewed the September Financials and Vouchers with the Board. The CDC Board commenced discussion and questions asked included: Why are the amount of loans in progress down substantially from last year? What is "other real estate" on balance sheet? When did the sale close? Board, what are "other program income costs" for HOPE3? Staff responded: The loans in progress are down due to several loans being closed out. There was a Deed in Lieu on one of the CDC loans and it has since sold. Staff noted that it closed in August or September. The Board felt that this should not be noted on books if closed. Staff stated that the CDC was financing the loan to the FTHB. Staff will review this "other real estate" cost and report back to the Board next month. This may also be a Tallentire project; however, staff will confirm. The contractor general inspection costs were to be billed as Admin to HOPE 3. With no further questions from the Board, the September 2018 financial statements and vouchers were moved to approve by Director Denbrook and seconded by Director Winship. The vote was unanimous, motion carried, and adopted.

October 2018 Late payment report were reviewed by staff. Staff noted that an update on legal matters will be brought to next meeting.

STAFF UPDATES:

- There are currently no updates.

FUTURE BUSINESS:

- 2019 CDC Budget – December 2018

PUBLIC COMMENT:

- No public comments

ADJOURN:

There being no further business, the regular meeting was a motioned to adjourn by Director Hawkinson and seconded by Director Bell-Beals. The next meeting being Tuesday, December 18th, 2018. The meeting was adjourned at 9:08 a.m.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee