

**Community Development Corporation
Board Meeting Notice**

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

FROM: Bryan Schmid

CDC BOARD MEETING FOR APRIL 2019

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, April 16th, 2019 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**

April 16, 2019

Call to Order -

Review and approve March 19, 2019 CDC Board meeting minutes:

Staff Presentations:

- One Year Action Plan for HUD Program Year 2019 - (Proposed CDC HOME/CDBG Funding)
- Mobile Home Replacement Program – Slide Show/Updates

Housing Resolutions:

- H-2019-018 Borrower A
- H-2019-019 Borrower B
- H-2019-020 Applicant A
- H-2019-021 Borrower C
- H-2019-022 Applicant B

General CDC Business:

- February 2019 Financials and Vouchers
- March Late payment report

Staff Updates:

- Human Services Study

Future Business:

- Field Trip April 30, 2019
- Budget and Sustainability work Spring/Summer 2019
- Affordable Housing NOFA Summer 2019

Public Comment Period:

Adjourn

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

March 19, 2019
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 Bell-Beals, Vice-Chair, at 8:08 a.m.

Those present were:

Directors Hansen, Denbrook, Hawkinson, Velkers, and Bell-Beals

Absent:

Directors Winship, Walker, and Miller

Staff in attendance were:

Bryan Schmid, Shannon Shuman, Laura Charbonneau, Stacey Killmer, Lucy Newman, Sheree Clark, and Robyn Lee

Guests: None

UNFINISHED BUSINESS

Director Bell-Beals, Vice-Chair, requested CDC Board Members review the minutes of the February 19, 2019, meeting. With no questions, Director Denbrook moved to approve the minutes, and the motion was seconded by Director Velkers. The vote was unanimous, and the minutes were adopted.

STAFF PRESENTATIONS

Staff tabled presentations to April.

NEW BUSINESS

CDC Housing Resolutions:

Resolution H-2019-011 was presented for approval to write off an ADA and HOME loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Where is this home located? Are they still living in it? Staff responded: The home is in Puyallup. There are squatters and law enforcement is in the process of eviction. With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Hawkinson. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-012 was presented for approval for authorization to foreclose on a HOME loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: What's the value of the property? Staff responded: The value of the property is \$211,200. With no further questions from the Board, the resolution was moved to

approve by Director Hawkinson and seconded by Director Denbrook. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-013 was presented for a loan approval on a \$40,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Is an air conditioner a luxury item? You don't often see pest control treatment. Do they have pests? Staff Responded: A mini-split (similar to a heat pump) is an eligible item. Yes, there is an issue with rats. With no further questions from the Board, the resolution was moved to approve by Director Denbrook and seconded by Director Velkers. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-014 was presented for a loan increase on a \$150,000 HOME loan under the mobile home replacement loan program. The CDC Board commenced discussion and questions asked included: How do those payments compare to what was originally approved? We are in first position? Are the 18/32 ratios capped - can we go higher? Staff responded: The payments will remain the same, the loan increase will be added to the deferred portion of the loan. Yes, CDC holds first position on the mobile home replacement loans. Staff indicated the borrower is on limited income and with utility costs the payment would keep the housing expenses below 30% on income. Borrower's income will go done in three years. With no further questions from the Board, the resolution was moved to approve by Director Hawkinson and seconded by Director Hansen. Vote was passed by majority, motion carried, and resolution was adopted.

Resolution H-2019-015 TABLED

Resolution H-2019-016 was presented for a loan approval on a \$35,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Is the ADA in the percentage of the total? Staff Responded: The ADA loans are capped at \$7,500. With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Denbrook. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-017 was presented for a loan approval on a \$60,000 HOME loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: The borrower is 21 years old and receives social security? The 62-year-old is receiving \$400 for child support? Do we know how long that will continue? Eventually her income will just be social security? In renovation world, the LTV can go up to 97%. Staff Responded: The borrower is 62 and receives social security and child support that is in arrears; and the 21-year-old son receives social security. The statement does not disclose information as to terms of child support distribution. Yes, eventually borrower's only income will be social security \$2,173 per month. With no further questions from the Board, the resolution was moved to approve by Director Hawkinson and seconded by Director Velkers. Vote was unanimous, motion carried, and resolution was adopted.

GENERAL CDC BUSINESS:

- Staff reviewed the December 2018 Financials and Vouchers with the Board. The CDC Board commenced discussion and questions asked included: It is unusual to pay prepaid expenses? Staff, this is for insurance. We pay the whole expenditure up front then allocate. With no further questions from the Board, the December 2018 financial statements and

vouchers were moved to approve by Director Velkers and seconded by Director Hawkinson. The vote was unanimous, motion carried, and adopted.

- Staff reviewed the January 2019 Financials and Vouchers with the Board. The CDC Board commenced discussion and questions asked included: What is (roughly) \$5,000 in prepaid expenses? Are we required to pay annually? Why did we change the method? We should be allocating. In the accounting policy, is there a threshold as to what is prepaid and expensed? Staff noted this was for management liability insurance which will allocate monthly. Annual premium payment is not required. There should be verbiage noting, anything under \$1,000 should be expensed. It should be in procedures as to what is expensed and allocated. The Board expressed that sometimes prepaid can be a hassle to allocate monthly. A \$20 expense should not be in prepaid expenses. With no further questions from the Board, the January 2019 financial statements and vouchers were moved to approve by Director Velkers and seconded by Director Denbrook. The vote was unanimous, motion carried, and adopted.
- Staff discussed a transfer in Housing Preservation Funds to Pierce County for the Town of Eatonville Food Bank CDBG project. The County billed staff time direct to the project. The project cancelled and the \$1,000+ of staff time incurred must be repaid to HUD since no CDBG project happened. The CDC has Housing Preservation dollars, State dollars, to cover the expense. The County would reimburse the funds to the CDC by increasing the CDBG owner rehab RLF contract. The CDC requested approval to use Housing Preservation funds to transfer to the County, so the County can repay HUD, which is an eligible cost. With no further questions from the Board, the authorization of payment to the County with Housing Preservation funds was moved to approve by Director Velkers and seconded by Director Hawkinson. The vote was unanimous, motion carried, and adopted. With this in mind, and the understanding that future projects may fail, what plan would you have in place to cover costs? From the CDC standpoint, this was a one-time deal to help the County and maintain a relationship. With CDC rehab projects, we can bill directly to project costs, if that project fails, the staff time can be expensed to rehab admin.
- February 2019 Late payment report was not reviewed by staff – tabled to April.
- Staff noted there are a couple of prospective replacements for Director Walker, who's term will expire in July.

STAFF UPDATES:

- New staff, Moses McCart was hired on January 28th, 2019 and off to a good start!

FUTURE BUSINESS:

- Field Trip – April 30th field trip in the afternoon. Board requested before/after picture for mobile home replacements and budgets.
- Budget and Sustainability work Spring/Summer 2019.

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 Hansen. The next meeting being Tuesday, April 16th, 2019. The meeting was adjourned at 9:17 am.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee