

**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 MAY 2019

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, May 21st, 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**

May 21, 2019

Call to Order -

Review and approve April 16, 2019 CDC Board meeting minutes:

Housing Resolutions:

- H-2019-023 Borrower A
- H-2019-024 Borrower B
- H-2019-025 Applicant A
- H-2019-026 Applicant B

General CDC Business:

- Financial Presentation Discussion
- March 2019 Financials and Vouchers
- April payment report

Staff Updates:

- Human Services Study
- New Board Member Appointment

Future Business:

- 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**

April 16, 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 Winship, Chair, at 8:10 a.m.

Those present were:

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

Absent: Director Hansen and Director Denbrook

Staff in attendance were:

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

Guests: None

UNFINISHED BUSINESS

Director Winship, Chair, requested CDC Board Members review the minutes of the March 19, 2019, meeting. With no questions, Director Velkers moved to approve the minutes, and the motion was seconded by Director Hawkinson. The vote was unanimous, and the minutes were adopted.

STAFF PRESENTATIONS

Staff presented the One-Year Action Plan for HUD Program Year 2019, which runs from July 1st – June 30th. This is part of the Five-Year HUD Consolidated Plan to address housing, homeless, and community development needs. Staff emphasized the HOME, CDBG, and ESG funds and identified the resources and outcomes for each fund respectively. The Board questioned: What is program income? How does it compare to last year? Do you have an example of a CHDO? Are the NSP funds also HUD funds? The program year is July 1, 2019 to June 30, 2020? Have we ever exceeded the amount requested? The Board requested copy of the PowerPoint. Staff responded: Program income is generated from loan payments and loan payoffs. It is about the same as last year. The Homeownership Center of Tacoma is a CHDO and is currently working on a project. They purchase homes, rehabilitate them, and resell them to First Time Home Buyers. The program year runs from July 1 to June 30. Staff explained that the County converts the NSP funds to CDBG. Those CDBG funds are then used for the CDC's owner rehab RLF. The CDBG program funds multiple programs. The CDC owner rehab program is one of those programs. There is CDBG funds for minor home repair, and other public services and facilities. Staff monitors funding so we do not overspend.

Staff presented an update on the 19 Mobile Home Replacement Program accomplishments. The Board questioned: Is the quality better? Do they come with appliances? Do you provide any maintenance education? Who is does the demo of the old home? The haul-away must be

expensive. Staff responded: Yes, warranty with the manufacturer, weatherized and cost effective. Yes, some appliances are included. Yes, the dealer and the staff do a walk-through of the home. The demo is done by the dealer. Yes, they haul the demolished mobile home to Oregon.

NEW BUSINESS

CDC Housing Resolutions:

Resolution H-2019-018 was presented for approval for authorization to foreclose on a HOME loan under the home rehabilitation loan program. With no questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Walker. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-019 was presented for approval to accept payments on a defaulted HOME loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: The borrower has a been deceased for five years? Is there any requirement that the payee be income qualified? Could the credit union payoff the CDC? What is the difference between the previous resolution just presented and this one? Staff responded: The borrower is deceased. This was a deferred loan and the family did not notify the CDC. No, because they are not assuming the loan and due to the short time before maturity we are allowing the payee to pay off the loan over time. If it was a larger amount, we may consider an assumption. The difference is loan amount and maturity date. Additionally, Borrower A does not want to stay and wants to sell it. Borrower B wants to keep the home. The reservation of rights disclosure that was signed by Estate Rep, allows CDC to move forward with foreclosure, if the payment plan is not met. It would be more cost effective to not proceed with foreclosure and accept payments. With no further 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.

Resolution H-2019-020 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: What is the balance of the outstanding mortgage? A question was asked about the ADA portion of the loan. Staff responded: The outstanding mortgage is \$145,372. We can forgive up to \$7,500 of the loan for ADA repairs. 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.

Resolution H-2019-021 was presented for a loan approval modification on a \$150,000 HOME loan under the mobile home replacement loan program. The CDC Board commenced discussion and questions asked included: Is the monthly payment based on income? Assuming they stay 30 years and payoff loan, what happens then? Have we done this before? Staff Responded: Yes, payment should not exceed 30% of gross income. The installment would be paid, the deferred loans would be paid off or rolled over to 0% and the term of the deferred loan would be extended. Yes, we have done this before. With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Hawkinson. Vote was passed by majority, motion carried, and resolution was adopted.

Resolution H-2019-022 was presented for a loan approval modification on a \$150,000 HOME loan under the mobile home replacement loan program. The CDC Board commenced discussion

and questions asked included: Board asked if \$90 a month was sufficient for escrow? Staff noted that after reviewing insurance and tax exemption on new mobile, the \$90 would be sufficient. With no further questions from the Board, the resolution was moved to approve by Director Hawkinson and seconded by Director Velkers. Vote was passed by majority, motion carried, and resolution was adopted.

GENERAL CDC BUSINESS:

- Staff reviewed the February 2019 Financials and Vouchers with the Board. The CDC Board commenced discussion and questions asked included: On page 8, Is the Y-T-D mismatching of numbers? No this possibly relates to how the date falls. With no further questions from the Board, the February 2019 financial statements and vouchers were moved to approve by Director Miller and seconded by Director Velkers. The vote was unanimous, motion carried, and adopted. Director Velkers suggested a financial summary as opposed to going through the detailed financials. Majority of the Board gets lost during the presentation. A summary highlighting the positives and negatives would be more helpful. Not being accountants, the current financials are too complicated and confusing. Staff noted the challenges due to 14 different funds with different rules, different revenues, relationship between government and public, etc. Board requested to pinpoint the differentials and help to understand the big picture. They felt it would be more helpful and efficient. Staff highlighted P&L, comparative to previous year and budget. Board will meet with staff to review how the financial are presented.
- February and March 2019 Late payment report was reviewed.

STAFF UPDATES:

- Human Services Study for efficiencies and savings by outside consultant has started with the interview process. By end of June we should have draft report. The report will go to the County Council in September. Have they done this before? No. This is not related to compensation study, also done by outside consultant.
- Department is continuing search for a Director.
- Holly Johnson has applied to replace Colleen's position on the Board. Hopeful to have her approved by end of July.

FUTURE BUSINESS:

- Field Trip – April 30th field trip in the afternoon and will meet at Sound View at 12:30. Staff will provide three vehicles. The goal is to be back by 4:30. Tallentire, Sunset Meadows, Mobile Home Project in Bonney Lake. Staff will send out agenda. Board requested before/after picture for mobile home replacements and budgets.
- Budget and Sustainability work Spring/Summer 2019.
- Affordable Housing NOFA 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 Walker. The next meeting being Tuesday, May 21st, 2019. The meeting was adjourned at 9:36 am.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee