

**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 JULY 2019

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, July 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**

July 16, 2019

Call to Order -

Review and approve June 18, 2019 CDC Board meeting minutes:

CDC Resolutions:

- CDC-2019-003 TCRA Contract

CDC Credit Policy Review/Discussion

- Credit Policy overview and timeline for updating.
- Review HUD policy guidance for homebuyer programs.
- Proposed changes to downpayment assistance credit policy.

Housing Resolutions:

- H-2019-031 Borrower A
- H-2019-032 Applicant A
- H-2019-033 Applicant B

General CDC Business:

- May 2019 Financials and Vouchers
- May Late Payment Report

Staff Updates:

- CDC Audit Update

Future Business:

- 2019 Affordable Housing Applications – September 2019

Recognition of Service on the Board (Colleen Walker)

Public Comment Period:

Adjourn

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

June 18, 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 8:08 a.m.

Those present were:

Directors Winship, Hawkinson, Velkers, Walker, Miller, Hansen, and Denbrook

Absent: Director Bell-Beals

Staff in attendance were:

Bryan Schmid, Shannon Shuman, Lucy Newman, Sheree Clark, and Robyn Lee

Guests: Hollie Johnson

UNFINISHED BUSINESS

Director Winship, Chair, requested CDC Board Members review the minutes of the May 21, 2019, meeting. With no questions, Director Velkers moved to approve the minutes, and the motion was seconded by Director Miller. The vote was unanimous, and the minutes were adopted.

NEW BUSINESS

CDC Housing Resolutions:

Resolution H-2019-028 was presented for approval for authorization to foreclose on a Neighborhood Stabilization Program loan under the first-time homebuyer program. The CDC Board commenced discussion and questions asked included: Will they contact the family to suggest a deed in lieu? Is there is enough value? If it is foreclosed on the CDC will own it and then sell it? Is the DSHS lien in 2nd? Staff responded: Staff has contacted the family. A deed in lieu is not feasible because of the DSHS lien. Yes, there is equity in the home. Depending on the offers at the trustee sale the CDC may or may not end up with the property. If someone does not bid up, the CDC would receive ownership, fix it up, and sell it. If someone bids the CDC's loan amount plus legal fees the CDC would be made whole. The family does not anticipate receiving any proceeds. With no further questions from the Board, the resolution was moved to approve by Director Miller and seconded by Director Walker. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-029 was presented for approval for a reduced payoff off on an existing CDBG loan under the home rehabilitation program. The CDC Board commenced discussion and questions asked included: Did they send a similar request to the senior lien holder? Was this home listed in the MLS? If so, how long? Do we have an opportunity to look at listing? How many agents are involved? The Board felt we had a responsibility to check, considering today's

market. Who did the market analysis? Why can't the CDC perform their own? Who has the second mortgage? Do we know if they took a reduced payoff? This was originally a rehab loan? If so, what did they have done as part of the rehab? Staff responded: The senior lienholder is not taking a reduced payoff. Yes, the house was listed; however, the CDC does not know the duration of listing. Staff did ask for a market analysis. Staff said an investor purchased it and is under contract. The listing agent is receiving 2.5% and selling is receiving 4.5% commission. One Main holds the second position and unsure if they took a reduced payoff. Yes, the borrower had a rehab loan which involved repairs on the septic, roof, and kitchen faucet. There were holes in the roof prior to rehab. Staff did this resolution with no recommendation on action. It was presented to the Board at the request of the parties involved in the transaction. The Board recommends a counter offer. Board felt the commission was very high and sold too fast. The Board would like to receive \$6K and felt that was fair. An amendment to the resolution requiring a minimum of \$6,000 payoff was offered by Director Hawkinson. With no further questions from the Board, the resolution was moved to approve an amended approval by Director Hawkinson and seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted. To amended approval is subject to reduced payment of \$6K and if they decline this will need to be presented to the Board.

Resolution H-2019-030 was presented for approval on a loan increase to \$50,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Do they know what the source of the leak is? Does the water come into the house? Is this protecting our initial \$15K? Why do we not ask for any payment? Staff responded: It was a plumbing leak. It's not coming into the house, it is underneath and effecting the beams which are structurally holding up the house. Yes, this is protecting our current loan. If the debt to income ratio is higher than 30%, then staff does not require a payment. With no further questions from the Board, the resolution was moved to approve by Director Denbrook and seconded by Director Walker. Vote was unanimous, motion carried, and resolution was adopted.

GENERAL CDC BUSINESS:

Staff reviewed the April 2019 Financials and Vouchers with the Board. With no questions from the Board, the April 2019 financial statements were moved to approve by Director Miller and seconded by Director Velkers. The vote was unanimous, motion carried, and adopted. The April 2019 disbursements were moved to approve as presented by Director Miller and seconded by Director Hawkinson. The vote was unanimous, motion carried, and adopted.

- May 2019 Late payment report was reviewed.

STAFF UPDATES:

- None

FUTURE BUSINESS:

- Affordable Housing NOFA Summer 2019 – discussed the funding, projects, workshops, reviewing committees, and presentations in September, and how applications are scored. The Board would like to have updates on the projects that were approved last year.

- Board asked about TCRA deals, staff noted that the CDC is eligible to use HOME funds inside the City of Tacoma only under certain circumstances. The primary requirement is that the city would also have to provide HOME funds to the same project. The State Auditor started auditing this week and it should last a month.
- 2020-21 Budget and CDC Sustainability work – August 2019 Presentation
- Colleen’s Last meeting is July. Staff will recognize Colleen’s last meeting in July and Hollie Johnson’s first meeting in August

PUBLIC COMMENT:

- No public comments

ADJOURN:

There being no further business, the regular meeting was a motioned to adjourn by Director Miller and seconded by Director Velkers. The next meeting being Tuesday, July 16th, 2019. The meeting was adjourned at 9:20 am.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee