

**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
Ray Velkers
Gar Hansen

FROM: Bryan Schmid

CDC BOARD MEETING FOR AUGUST 2019

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, August 20th, 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**

August 20, 2019

Call to Order -

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

CDC Resolutions:

- CDC-2019-004 Washington State Housing Finance Commission Contract
- CDC-2019-005 Homebuyer Credit Policy Amendments

General CDC Business:

- June 2019 Financials and Vouchers
- May Late Payment Report

Staff Updates:

- CDC Audit Update – Exit Conference August 22
- Hollie Johnson – County Council - confirmation scheduled for September 3

Future Business:

- 2019 Affordable Housing Applications – September 2019
- 2020 Budget Review – November 2019

Public Comment Period:

Adjourn

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

July 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, Velkers, Miller, Hansen, Walker, and Denbrook

Absent: Bell-Beals and Hawkinson

Staff in attendance were:

Bryan Schmid, Shannon Shuman, Laura Charbonneau, Lucy Newman, Stacie Killmer and Robyn Lee

Guests: Hollie Johnson; Carrie Wickstrom, City of Tacoma; and Diedrich Schmit w/Washington State Housing Finance Commission.

UNFINISHED BUSINESS

Director Winship, Chair, requested CDC Board Members review the minutes of the June 18, 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 CDC-2019-003 was presented for approval to renew a sub-recipient contract with Tacoma Community Redevelopment Authority (TCRA) to operate a CDBG funded owner rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Do we have any other expenses such as salary? When the construction is done, the file is sent to TCRA to administer the loan going forward? We did this last year? How much does it cost us, per loan? Is there a profit? It is covering all the costs? All these homes are within the Tacoma City Limits? Is there a reason why flat reimbursement rather than hourly rate? How can you forecast? There was concern raised that hourly time can not be forecasted to the penny. Did we exceed our cap last year? Contract runs when? Staff responded: The CDC has a fund to cover all time and costs associated with TCRA projects. Yes, the file would be closed out on the CDC end and delivered to TCRA to administer going forward. Yes, we did this last year. The contract is renewed annually. The cost varies per loan. Some may be for \$10K and some may be for \$35K. The CDC is not allowed to receive a profit. We can charge a rate, that is our administrative cost. It is allocated accordingly on staff timecards. The rate is expected to cover all costs. Yes. The City is outside the limits of Pierce County. Although the loans vary with time, the staff allocates TCRA time on timecard. No, we did not exceed our time last year. Staff will

work with TCRA staff and review in six months to evaluate expenditures. The contract runs from July 1st, 2019 through June 30th, 2020. Board would like to reevaluate the contract in six months to monitor expenses. 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 with the condition that this is brought back to the board in six months to revisit the expenditures and flat rate.

CDC Credit Policy Review/Discussion

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

Staff reviewed the various DPA programs, such as Washington State Housing Finance Commission (WSHFC) and Habitat for Humanity. Staff noted this was discussion and not requesting action at this time. Dietrich, of WSHFC, was in attendance to answer any questions of the Board. The CDC Board commenced discussion and questions asked included: How do you determine eligibility? Who do you use for FTHB class? If the 1st mortgage is in bad standing, we can't help? Will these standards affect the audit? Are we approving these changes? How is this program is working with the property values increasing? Responses: HUD has guidelines and we need to be sure not to exceed HUD subsidy layering parameters. The amount of assistance to each borrower varies based on underlying factors and conditions. Staff will have a budget worksheet for the first-time homebuyer class. There are several agencies that participate in this program, such as PC2 and other groups. It can also be done online, over the phone, and in person. No, these will not affect the audit. There will be approval of WSHFC contract and changes next month. Right now, staff welcomes feedback on the changes. Dietrich expressed that the 80% limitation has been problematic with the economics today. However, in the long haul when economy mellows out and housing stalk increases, the program will become more appealing. Pierce County is the largest county of activity currently, more so than King County.

CDC Housing Resolutions:

Resolution H-2019-031 was presented for approval for payment modification on a Neighborhood Stabilization Program loan under the first-time homebuyer program. The CDC Board commenced discussion and questions asked included: The installment loan would decrease, to be in line with payment? How much will the tax exemption be reduced? How many others are in this situation and do you advertise tax reductions? Staff responded: Yes, staff would refinance part of the installment loan to the deferred loan. It is based on a sliding scale. When the escrow analysis occurs each year, that is one variable that is reviewed. With no further questions from the Board, the resolution was moved to approve by Director Walker and seconded by Director Velkers. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-032 was presented for approval of a loan increase to \$50,000. This is a CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Why replace the chimney? Was it an insert? Wouldn't it be more cost efficient to use another heating source? Staff responded: They had to move it. Yes, it is their heating source. Director Hansen confirmed that it may be more expensive to use another source. Staff shared photos of the chimney and work that needed to be done. With no further questions from the Board, the resolution was moved to approve an amended approval by

Director Walker and seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-033 was presented for approval on a \$60,000 HOME loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Is there a concern with asbestos? Staff noted: HUD regulations do not address Asbestos. With no further questions from the Board, the resolution was moved to approve an amended approval by Director Walker and seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted.

GENERAL CDC BUSINESS:

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

- June 2019 Late payment report was reviewed.

STAFF UPDATES:

- CDC Audit Update – The auditor will be reviewing CDC until end of July.

FUTURE BUSINESS:

- 2019 Affordable Housing Applications – Applications out and due July 17th with presentations to the Board in September 2019

Recognition of Service on the Board (Colleen Walker)

PUBLIC COMMENT:

- No public comments

ADJOURN:

There being no further business, the regular meeting was a motioned to adjourn by Director Velkers and seconded by Director. The next meeting being Tuesday, August 20th, 2019. The meeting was adjourned at 9:27 am.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee