

**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
Hollie Johnson

FROM: Bryan Schmid

CDC BOARD MEETING FOR SEPTEMBER 2019

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, September 17th, 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**

September 17, 2019

Call to Order -

Review and approve August 20, 2019 CDC Board meeting minutes:

CDC Resolutions:

- CDC-2019-006 NSP Transfer

CDC Housing Resolutions:

- H-2019-037 Applicant A
- H-2019-038 Applicant B
- H-2019-039 Applicant C

General CDC Business:

- June 2019 Financials and Vouchers
- July/August Late Payment Report

Staff Updates:

- CDC Audit – Debrief / Report

Future Business:

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

Public Comment Period:

Adjourn

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

August 20, 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 8:07 a.m.

Those present were:

Directors Winship, Miller, Hansen, Bell-Beals, and Denbrook

Absent: Hawkinson, Velkers

Staff in attendance were:

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

Guests: Hollie Johnson

UNFINISHED BUSINESS

Director Winship, Chair, requested CDC Board Members review the minutes of the July 16, 2019, meeting. With no questions, Director Miller moved to approve the minutes, and the motion was seconded by Director Bell-Beals. The vote was unanimous, and the minutes were adopted.

NEW BUSINESS

CDC Housing Resolutions:

Resolution CDC-2019-004 was presented for approval to extend the sub-recipient contract with Washington State Housing Finance Commission (WSHFC) for the administration a HOPE funded downpayment assistance program for an additional year through June 30, 2020. The CDC Board commenced discussion and questions asked included: Is this funded by repayment of prior loans? Is the sanction on the HOME funds to repay HUD, if they are not used in a timely manner? The three loans were over what time period? Is there any area of the county that maximizes these loans? Is there any outreach? This program is not costing us, so there is no downside to this contract? Staff responded: Yes. HOME funds have timeliness requirements. If they are not committed and spent timely HUD would take the money back. Correct the HOPE funds are from loan payments. Three downpayment loans were obligated over a one-year period. The CDC can only serve outside the city limits of Tacoma, Lakewood, and Bonney Lake. The commission does an outreach online and the CDC does provide information on our webpage for down-payment assistance. No, it is not costing us any additional funds and no downside to this contract. The challenge is that the homes, in the price range of DPA buyers, typically need rehab and the DPA funds are not attached to rehab dollars. There was mention of HUD having MLS listings of properties in need of repair and restricting investors. Staff recommended contacting Homeownership Center of Tacoma to see if they were interested in looking into that opportunity. They have an acquisition/rehab/resale program and may be an

interested party in that market. With no further questions from the Board, the resolution was moved to approve by Director Bell-Beals and seconded by Director Denbrook. Vote was unanimous, motion carried, and resolution was adopted.

Resolution CDC-2019-005 was presented for approval on changes to the CDC's credit policy, in accordance with HUD's policy for homebuyer programs. The CDC Board commenced discussion and questions asked included: Who does the counseling? Is it done by non-profits? . Is it a cost the CDC pays? Staff responded: There are a few agencies around the State, some are through the Commission. That is a cost of the buyer. Director Bell-Beals outlined some content and formatting revisions for staff to update. With no further questions from the Board, the resolution was moved to approve by Director Bell-Beals and seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted, subject to the revisions discussed at meeting.

CDC Housing Resolutions:

Resolution H-2019-034 was presented for approval on a \$20,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: With a reverse mortgage, if he were to pass, what would be our position be? Is there an increasing balance on reverse mortgage? How does this fit into the Septic Repair program? How is he using bathroom? Is the problem a septic system? Staff responded: We would likely be made whole. Yes, a reverse mortgage increases over time. The ADA loan is forgiven over a 7 year-period. This is separate CDBG loan program. His caretaker assists him, and guests use facilities down the street. The system is functional, just need to treat repairs. With no further questions from the Board, the resolution was moved to approve an amended approval by Director Bell-Beals and seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-035 was presented for approval on a \$35,000 CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Why are we doing tie downs on 1974? What is our back-ratio limit? Staff responded: It is a code and HUD requirement and 50% is the limit, per CDC policy. The disposal is very limited, so no payment is recommended. With no further questions from the Board, the resolution was moved to approve an amended approval by Director Denbrook and seconded by Director Bell-Beals. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-036 was presented for approval for a payment modification on a CDBG loan under the home rehabilitation loan program. The CDC Board commenced discussion and questions asked included: How old is the borrower? Sounds like a budgeting issue? Is she receiving a monthly payment from the reverse mortgage? She has like 10 payments left? Why 6 months? Would we extend maturity date? Staff responded: She is 71. Initially borrower did not have an installment loan. No, she is not receiving monthly payments. Correct, she has a year of payments left. She has successfully made payments for two years. The borrower is only requesting 6 months so that she could try and get through the year with paying property taxes and address her car repairs. No, we will not extend the maturity date we are deferring it for 6 months. With no further questions from the Board, the resolution was moved to approve an amended approval by Director Denbrook and seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted.

GENERAL CDC BUSINESS:

The June 2019 Financials and Vouchers were tabled for September.

- June 2019 Late payment report was reviewed.

STAFF UPDATES:

- CDC Audit Update – The Exit Conference will be held August 22nd, 2019.
- Hollie Johnson – County Council – confirmation scheduled for September 3rd, 2019.
- Staff informed Board of New Human Services Director, Heather Moss.

FUTURE BUSINESS:

- 2019 Affordable Housing Applications – September 2019; 5 Applicants.
- 2020 Budget Review – November 2019 & power point presentation. The Board questioned if the CDC would be following suite of the bi-annual budgeting. Staff noted that it would all be based on assumptions. Some projections would be a challenge. This would be an option for the Board. The expenditures would be easier to budget as opposed to the revenues.
- There was a motion by Director Hanson to have Hollie Johnson- subject to council confirmation, Gary Hawkinson, and Mike Miller approved to have authorizing signature authority on CDC Columbia bank accounts and seconded by Director Bell-Beals. Vote was unanimous, motion carried, and resolution was adopted

PUBLIC COMMENT:

- No public comments

ADJOURN:

There being no further business, the regular meeting was a motioned to adjourn by Director Hanson and seconded by Director Denbrook. The next meeting being Tuesday, September 17th, 2019. The meeting was adjourned at 9:33 am.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee