

**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 JANUARY 2020

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, January 21st, 2020 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**

January 21, 2020

Call to Order -

Review and approve December 17, 2019 CDC Board meeting minutes:

Staff Presentation on CDC Liability Insurance:

- Kim Wilson – Brown and Brown Insurance
- Q&A

General CDC Business:

- October/November 2019 Financials and Vouchers
- Officer Elections

Staff Updates:

- HUD HOME Monitoring February 10-14

Future Business:

- TBD

Public Comment Period:

Adjourn

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

December 17, 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 Miller, Treasurer, at 8:14 a.m.

Those present were:

Directors Velkers, Miller, Johnson, Hawkinson, and Denbrook

Absent: Directors Hansen, Winship, and Bell-Beals

Staff in attendance were:

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

Guests: None

UNFINISHED BUSINESS

Director Miller, Treasurer, requested CDC Board Members review the minutes of the November 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.

NEW BUSINESS

CDC Resolutions:

Resolution CDC-2019-008 was presented for approval authorizing the Affordable Housing Supervisor and/or the CDC Accountant to register the CDC in the Federal System for Award Management (SAM) program. The CDC Board commenced discussion and questions asked included: We've been registered before, why again? Staff responded: It is a new requirement to have a governing body formally approve staff to register the organization in SAM. 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.

CDC Housing Resolutions:

Resolution H-2019-049 was presented for approval for authorization to foreclose on two CDBG loans under the housing rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Do we know much about the daughter, in terms if she qualifies? Does she live there? If we don't do this, she will continue to live there? Is she current on her first mortgage? What would the attorney fees be? Who is the first mortgage? Staff responded: No, we do not have any financial information on daughter. Daughter currently lives at residence, caring for her disabled child. Yes, this is just to motivate her to move forward with

loan assumption. We were unable to obtain information on the first from Wells Fargo. The attorney fees vary and are roughly \$5,000.00. This cost would be absorbed into the payoff. Wells Fargo currently holds first lien. 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 CDC-2019-050 was presented for approval for authorization to foreclose on HOME loan under the mobile home replacement loan program. With no 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-2019-051 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: This is a true foreclosure, not just a debt? Staff responded: Correct. 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-2019-052 was presented for approval to refinance on a homeowner rehabilitation installment loan under the HOME program. The CDC Board commenced discussion and questions asked included: She is making payments a bit more than the minimum? How long has she been making consistent payments? Staff responded: Yes, she is. She has been making payments for a year. With no further questions from the Board, the resolution was moved to approve by Director Johnson and seconded by Director Hawkinson. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-053 was presented for approval for a loan increase on a CDBG loan under the housing rehabilitation loan program. The CDC Board commenced discussion and questions asked included: We can do all that for under \$7,000? The gas fireplace insert, is that more of a luxury item? Staff noted: Yes, a few things arose along the way. It may have been a substandard and/or safety issue that is being addressed. With no further questions from the Board, the resolution was moved to approve an amended approval by Director Velkers and seconded by Director Denbrook. Vote was unanimous, motion carried, and resolution was adopted.

2020 CDC BUDGET:

Staff presented the 2020 budget. Staff reminded the Board that this budget is not broken out by fund. It is a roll up of all dollars in the CDC. The detail by fund we presented at the November meeting. The CDC Board commenced discussion over the 2020 CDC Budget and questions asked included: What is notification process for payoff? In revenue, it seems that the CDC should be taking a bigger hit and felt that it should be higher, felt that 2% is small? Board Director felt the interest is too high. This is numbers based on current loan portfolio? Is the CDC generally pretty close to budget? The expenses appear low? Why is rent lower than allocated? The big different in non-operating expenses, grant expense? What is the COLA? How much is in the account currently? Staff responded: Escrow companies call/email and request payoff to a specific date. The loan interest income is projecting out over the year based on past collection. If we receive more payoffs, revenue would increase. Correct. If the market turns south, then the figures would be much different. Yes, historically the CDC budget has been fairly close to actual numbers. The expenses have been low over the last three years, as the CDC has not been writing off as many loans. The County only charges direct and administrative hours to rent. The County has a different methodology to calculate rent which has benefited the operating cost to

the CDC. The difference in non-operating expenses is primarily due to the side-walk expense for the Tallentire project, which was billed in 2019. A one-time expense. The COLA for 2020 will be 2.08%, for Pierce County employees. Staff shared that there was roughly 4 million in the CDC bank account. Staff discussed the various funds that make up the 4 million and the strings attached to each fund. With no further questions from the Board, the 2020 CDC Budget was moved to be adopted by Director Velkers and seconded by Director Hawkinson. Vote was unanimous, motion carried, and 2020 CDC Budget was adopted.

GENERAL CDC BUSINESS:

Staff tabled the October 2019 Financials and Vouchers with the Board.

- November 2019 Late payment report was reviewed.
- Officer elections – CDC staff recognized the current 2019 CDC Board Officers:
Director Winship, Chair
Director Bell-Beals, Vice Chair
Director Hawkinson, Secretary
Director Miller, Treasurer – Treasurer (1st term to renew June 30, 2020)
- Considering three Directors were absent from December’s CDC Board meeting, the residing Directors agreed to table the 2020 Officer Nominations to the next Board meeting on January 21st, 2020. With no further discussion, this recommendation was moved for approval by Director Velkers and seconded by Director Hawkinson. The vote was unanimous, motion carries, and approved to have 2020 Officer Nominations at the January CDC Board meeting.

STAFF UPDATES:

- None

FUTURE BUSINESS:

- None

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 Velkers. The next meeting being Tuesday, January 21, 2020. The meeting was adjourned at 9:25 am.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee