

**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 15, 2020

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, September 15, 2020 at 8:00 A.M.**

The September 2020 CDC Board Meeting will be conducted via Zoom. There is a link to join via app/web browser and there is also an option to call in. Please let us know if you run into any issues.

You are invited to a Zoom webinar.

When: **September 15, 2020 at 8:00 AM**
Topic: **CDC Board Meeting**

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://piercecountywa.zoom.us/j/99477035348>

Or join by phone:

(253) 215 8782 or
(877) 853 5247 (Toll Free) or
(888) 788 0099 (Toll Free)

Webinar ID: 994 7703 5348

**COMMUNITY DEVELOPMENT CORPORATION
MEETING AGENDA**

September 15, 2020

Call to Order -

Review and approve August 18, 2020 CDC Board meeting minutes:

CDC Resolutions:

- CDC-2020-005 Washington State Housing Finance Contract Extension

Housing Resolutions:

- H-2020-014

General CDC Business:

- June 2020 Financials and Vouchers
- Loan Servicing and Late Payment Report

Staff Updates:

- Human Services Department response to COVID / Staffing – Updates
- CDC Audit Updates

Future Business:

- Affordable Housing NOFA – October
- Sustainability Update – November
- 2021 Budget - December

Public Comment Period:

Adjourn

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

August 18, 2020
8:00 a.m.

The regular meeting of the Board of Directors of the Community Development Corporation was held virtually on Zoom. The link to join via app/web browser:
<https://piercecountywa.zoom.us/j/99477035348>

The meeting was called to order by Director Winship, Chair, at 8:08 a.m.

Those present were:

Directors Velkers, Winship, Hawkinson, Johnson, Miller, Denbrook, and Bell-Beals

Absent: Hanson

Guests: None

Staff in attendance: Bryan Schmid, Shannon Shuman, Laura Charbonneau, Robyn Lee, & Vy Yun

UNFINISHED BUSINESS

Director Winship, Chair, requested CDC Board Members review the minutes of the July 21st, 2020, meeting. With no questions, Director Hawkinson moved to approve the minutes, and the motion was seconded by Director Miller. The vote was unanimous, and the minutes were adopted.

Staff noted that the financials for June 2020 will be tabled and presented at the September meeting.

NEW BUSINESS

CDC Housing Resolutions:

Resolution H-2020-011 was presented for approval for a loan payment modification on a down payment assistance loan through the HOME program. The CDC Board commenced discussion and questions asked included: Why should we say yes? Can the daughter and/or grandchildren contribute? Does the Board have the authority to change the note? How did we find out she was no longer living at residence? What's her debt-to-income? Do you know what interest rate she is on her current note? Do you know how many years are left on her current note? What is 30-year deferred loan at 0%? If it is deferred why is she making payments? Staff responded: Health issues were a factor in the decision of moving out of home and allowing the daughter and grandchildren to reside in home. They are currently on State assistance. Yes, the CDC would modify the note through a promissory note modification that would be signed by the borrower. The HUD period of affordability has been met so no obligations to HUD and it is now based on the current CDC policy. The borrower does not have the means to pay the loan off; therefore, we are requesting to allow her the opportunity to repay the loan in monthly installment payments. Staff determine borrower was no longer living at the residence through insurance

being canceled; however, she has reinstated the insurance. She is helping with the mortgage payments, so her total ratio is at 51%. Staff does not know the current interest rate. She purchased in 2012. She has not refinanced since no subordination has ever been requested. She would make payments in lieu of default. With no further questions from the Board, Director Hawkinson moved to approve this resolution and was seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted. With the condition that there are no further note modification beyond this.

Resolution H-2020-012 - was presented for approval for a \$40,000 loan with the CDBG program for housing rehabilitation. The CDC Board commenced discussion and questions asked included: What is her debt-to-income just with social security, considering alimony may disappear? Who is the other adult living there? Has anyone looked at the mobile home? Is she capable of working? What is the \$580 in revolving debt? What is the balance on the car loan? Is the 48-year-old able to get disability? Staff responded: If her alimony stops her total debt ratio would go from 44% to 110% (if just calculating her part-time wages and social security). Her total bills are listed on the resolution at \$1,927.00 per month. The other adult living there is her daughter and she has health issues. Yes, as we understand the mobile home is in good shape, with the exception of the work that needs to be done. Yes, her plan is to continue working. The \$580 paid monthly is for revolving debt such as credit card payments. The remaining car loan is \$8,780.00. She can't prove income to the bank for the funding that is why she is seeking assistance through our program. No, she's not able to work right now and may be able to eventually. She will qualify based on her Social Security right now, being the banks will not finance her. Based on the information provided by our rehab specialists, this home will only deteriorate if we don't assist now. 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-2020-013 - was presented for approval for a \$35,000 loan with the CDBG program for housing rehabilitation and ADA modifications. The CDC Board commenced discussion and questions asked included: What was the date on the judgement? Do we have a title report that shows the judgement? Does title indicate to whom the judgement is to? What is case number? When did she try to get a hold of a lawyer? How about we send the lawyer a payoff request? The Board Director was able to obtain information, based on the case number and it was determined to be a default judgement, being she did not respond in time, by Citibank South Dakota. This is a balance owed on a credit card that got reduced to a judgement. It was for a Sears Mastercard, who used Citibank. CHCH, LLC is a debt collector who may have bought it at a discount. Are they adding interest? Should she contact Citibank? Does the borrower have a surname? Did you do an affidavit with the title company? The Board noted, if she could do a lump sum, they may take it. Has it been 5 years since the judgement? No action since? So, would our status be ahead of the judgment? If we did a note modification would it ensure the CDC to be ahead of the judgement? Staff responded: The judgement is from April 9, 2015. Yes, the judgement is listed on the title report. It states in favor of CHCH, LLC. and identifies a case number. She has tried multiple times to contact a lawyer when the CDC did the last loan and again more recently. She has left numerous voicemails with no response. This was back in February. We could try requesting a payoff for the judgement. They could; however, an interest amount is not disclosed. Citibank sold the obligation over to CHCH, LLC., a collection company,

and she will need to contact collection company. Easton was the sur name, however, that is not what is listed on the credit card. No affidavit; however, we could try that. Yes, it has been five years and no action has been taken. They are likely waiting for the house to sell for the debt to be paid. This CDC loan would be behind the judgement. If we did a note modification on the first CDC loan, only the original amount would supersede the judgement. With no further questions from the Board, the resolution was moved to approve by Director Miller and seconded by Director Velkers. Vote was unanimous, motion carried, and resolution was adopted.

GENERAL CDC BUSINESS:

- June financials are tabled until September 2020 Board meeting
- June late payment report was reviewed.

STAFF UPDATES:

- Human Services Department response to COVID / staffing updates. Out of office until next year. Staff will access office periodically for mail and files. Everything is pretty much done electronically.
- CDC audit update – Started a couple of weeks ago. Entrance conference is today at 2:00 if you would like to join. If we have more than 4 attending, then it would trigger an open public meetings act. Scott, Mike, and possibly Kyle will attend. Thursday will be a review of files at the Soundview office. Is this a HUD audit? No, this is the Washington State Auditor. The CDC is required to have a State audit performed annually. The HUD monitoring has been postponed until next year. Who is auditor this year? Gwendolyn Dain.

FUTURE BUSINESS:

- Affordable Housing and preservation projects - NOFA has been released. Applications due Aug 7th, 2020. These resolutions will be presented in October. CDC received some responses and the resolutions will be brought to the October meeting.

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 Bell-Beals. The next meeting being Tuesday, September 15th, 2020. The meeting was adjourned at 9:13 a.m.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee