

**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, Affordable Housing Supervisor  
Pierce County Human Services

**CDC BOARD MEETING FOR November 17, 2020**

A regular meeting of the Community Development Corporation will be held **TUESDAY, November 17, 2020 at 8:00 A.M.**

The 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: **November 17, 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**

**November 17, 2020**

**Call to Order -**

**Review and approve November 7, 2020 CDC Board meeting minutes:**

**CDC Resolutions:**

- CDC-2020-006      NSP Transfer

**Housing Resolutions:**

- H-2020-016      Homeownership Center NW
- H-2020-017      Applicant A
- H-2020-018      Applicant B

**Budget Overview:**

- Staff Presentation

**Future Business:**

- 2021 Budget Approval – December 2020

**Public Comment Period:**

**Adjourn**

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

November 3, 2020  
3:00 pm

A special 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/97021600466>

The meeting was called to order by Director Winship, Chair, at 3:03 p.m.

Those present were: Directors Winship, Miller, Hawkinson, Velkers, Johnson, Hansen, Bell-Beals, and Denbrook,

Absent: none

Staff in attendance: Bryan Schmid, Laura Charbonneau, Shannon Shuman, Lucy Newman, Robyn Lee, Linda Donley and Vy Yun

Guests: none

**UNFINISHED BUSINESS**

Director Winship, Chair, requested CDC Board Members review the minutes of the September 15<sup>th</sup>, 2020, 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.

Staff provided an overview of the Affordable Housing Notice of Funds Availability (NOFA) process. The NOFA was published in June 2020. Applications were received in early August 2020. An evaluation committee rated the applications and determined which applications came to the CDC for approval of a HOME loan and which applications went to the 2060 Steering Committee for approval of a 2060 loan. The HOME program allows households up to 80% of AMI to be served. This means homeownership projects and rental projects proposing to serve households above 50% of AMI will come to the CDC Board for approval. The geographical location, time sensitivity, the underwriting and feasibility are also considerations when determining if the project should be HOME funded. 2060 projects can only serve households with income below 50% of median.

Questions pertaining funding Process:

Director Winship: The 2060 funding is only available for projects for households with a cap of 50% AMI? Staff: Correct. These are local dollars generated by document recording fees. The program is operated by the County in accordance with interlocal agreements with the Cities and Towns in Pierce County. HOME can invest in cities of Tacoma and Lakewood, only if the cities are funding the projects as well.

## **NEW BUSINESS**

### **CDC Housing Presentations and Resolutions:**

**Korean Women's Association (KWA):** KWA is proposing to develop 82 units of new affordable housing for seniors. The building will include studio and 1-bedroom units near downtown Tacoma. Of the 82 units, 29 will be reserved as HUD 202, the targeted population being disabled seniors, veterans, and frail elderly.

**Resolution H-2020-015 KWA** the CDC staff presented the resolution and financial exhibit to support the request for approval for a \$650,000 HOME Loan under the HOME Affordable Housing Funding. The application was received in response to the Affordable Housing Notice of Fund Availability (NOFA) issued by the Department of Human Services in June of 2020. The CDC Board commenced discussion. Questions asked and staff responses included:

- Director Miller: Why don't we have the 2019 tax return or the auditor's statement for 2019? Can we get it? Staff: We have the auditor's statements for 2020. Considering everything was submitted online, the 2019 information was not included. The information on the financial analysis was based on the 2020 numbers. The 990 was not included at the time of submission. It is more than likely done, and we can obtain this information. The financial information used was from the audit, not the tax returns.
- Director Miller: This is a pretty big project to undertake. Staff: This is a big project; however, they have also done the Olympus Hotel and Salishan Projects, to name a few.
- Director Miller: Expressed concern that their debt servicing is tight. Staff: The HUD 202 subsidy will help. The restrictive covenants would be in superior lien position to the Deeds of Trust. Although the CDC is in subordinate lien position the superior liens also require affordability.
- Director Miller: Noted the financials show 8.9 million in cash and 8.7 million in short term liabilities. This is a concern.
- Director Velkers: Unsure of the CDC role, do we judge on financial restraint or give the benefit of the doubt? Staff: One requirement by HUD is to have 10% cash on hand and this requirement has been met.
- Director Miller: If they don't receive this money, then do they have to rethink the other financial resources? Staff: When we get closer to the final dollar amount from the other resources. They need to show secured funding from local HOME funds in order for them to obtain other State and Federal financing.
- Director Hansen: What is their timeline for this project? When are they expecting us to commit? Staff: We conditionally approve a HOME loan; however, it is not formally committed until all funding is committed and secured to complete the project. Underwriting is an ongoing process to confirm all funding is committed to move forward. As a point of reference; it is typical for these agencies to address their local

jurisdictions to secure funding first, then secure additional funding. We can give the Board an update in 6 months when all the resources have been met.

- Director Hansen: Expressed concern that it is a lot of money to tie up on preliminary projects. Staff: We can make a final decision in April. Some other applications for financing are due within the next few months; however, for now we should provide a conditional approval. We wouldn't reallocate these dollars until next Spring.
- Director Winship: So, we have already committed 1.5 million to this project? Staff: Correct.
- Director Miller: Why is it taking so long to get the money committed? Staff: All financing has to line up which takes 12-18 months to do. All the local funds need to line up prior to leveraging public dollars.
- Director Hawkinson: We've already committed 1.5 million, now \$650k. Are we using funds that are to be allocated for individual families that we are holding up? And if a better project comes along, can we pull out? Staff: No, unless they cannot meet specific deadlines. Then we can void the commitment.
- Director Winship: Are they looking to get all the financing in place and begin construction in Fall 2021? Staff: Yes, if everything lines up ideally.

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. Contingent upon: To include the condition of approval: operating reserves budget to be included, 2019 audit statements, and return in April 2021 to report updates.

On a side note, the Board noted that there was a website to review non-profit agency projects. The name is believed to be Guide Star.

**Foundation for the Challenged (FFC):**

The targeted population is adults with developmental disabilities. This home will be located in Pierce County and serve three extremely low-income individuals with a developmental disability.

**Resolution H-2020-016 Foundation for The Challenged** the CDC staff presented the resolution and financial exhibit to support the request for approval for a \$150,000 HOME Loan under the HOME Affordable Housing Funding. The application was received in response to the Affordable Housing Notice of Fund Availability (NOFA) issued by the Department of Human Services in June of 2020. The CDC Board commenced discussion. Questions asked staff responses included:

- Director Denbrook: Is their budget higher than it needs to be? Staff: Part of it is that they are looking at homes with a price range of up to \$500,000. They also do extensive rehab on the house to make it ADA compliant.
- Director Miller: How much have we funded in the past? Staff: We have done three loans for FFC in the past.

- Director Miller: Are the other three loans all the same? Staff: Yes. Deinstitutionalizing these folks from the State is ongoing and these agencies are stepping up to provide housing for these individuals.
- Director Miller: Has their equity always been this low? Staff: yes. That is the model of how they operate. It doesn't make sense to put a lot of skin in the game if they do get funding from DSHS for in-home care. Operating is primarily for lights, services, etc. This is not designated as a cash-flow project, it is mission driven.
- Director Winship: So supportive services are funded from DSHS? Staff: Yes.
- Director Miller: The cash flow dipped to a million and went back up to two million? Staff: We will research and get back to you.
- Director Hawkinson: Each unit is stand alone, so they don't borrow from one to fund another? Staff: No, they don't. That is correct.
- Director Winship: Is each house single occupancy? Staff: There are 3-4 bedrooms: One for on-site rep and three others are tenants.
- Director Miller: Your net operating isn't done yet? Staff: Yes, there is a typo.

With no further questions from the Board, the resolution was moved to approve by Director Hawkinson and seconded by Director Miller. Vote was unanimous, motion carried, and resolution was adopted.

**Resolution H-2020-017 Homeownership Center of Tacoma/NW** is being tabled.

**GENERAL CDC BUSINESS:**

Staff reviewed the July and August 2020 Financials and Vouchers with the Board. The CDC Board question and staff responses included:

- Director Denbrook questioned the negative balance in SRLG and TCRA on pg. 12 of 21. Staff: This is due to expenses paid and not reimbursements. These are prepaid projects that are billed to City of Tacoma and/or Public Works. SRLG, we are overstating liabilities, the third grant is not refundable back to Public Works.
- Staff will look into the negative balances in the SRLG and will provide information to Board.

With no further questions from the Board, Director Denbrook moved to approve the July and August 2020 financial statements and vouchers, and this was seconded by Director Velkers. The vote was unanimous, motion carried, and adopted.

**STAFF UPDATES:**

- None to report

**FUTURE BUSINESS:**

- Will have another Housing Affordability Project to present at the next meeting
- 2020 Budget Review – November 2020
- 2021 Budget Approval – December 2020

**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 Bell-Beals. The next meeting being Tuesday, November 17<sup>th</sup>, 2020. The meeting was adjourned at 4:43 pm.

Certified by:

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

Prepared by:

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Robyn Lee