

**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
Colleen Walker
Ray Velkers
Gar Hansen

FROM: Bryan Schmid

CDC BOARD MEETING FOR MARCH 2019

A Regular Board meeting of the Community Development Corporation will be held **TUESDAY, March 19th, 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**

March 19, 2019

Call to Order -

Review and approve February 19, 2019 CDC Board meeting minutes:

Staff Presentations:

- One Year Action Plan for HUD Program Year 2019 - (Proposed CDC HOME/CDBG Funding)
- Mobile Home Replacement Program Updates

Housing Resolutions:

- H-2019-011 Borrower A (write off)
- H-2019-012 Borrower B (foreclosure)
- H-2019-013 Applicant A (new loan)
- H-2019-014 Borrower C (loan increase)
- H-2019-015 Borrower D (loan assumption)
- H-2019-016 Applicant B (new loan)
- H-2019-017 Applicant C (new loan)

General CDC Business:

- December 2018 Financials and Vouchers
- January 2019 Financials and Vouchers
- February Late payment report
- CDBG Owner Rehab RLF / Eatonville Repayment

Staff Updates:

- N/A

Future Business:

- Field Trip April 30, 2019
- Budget and Sustainability work Spring/Summer 2019

Public Comment Period:

Adjourn

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

February 19, 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 Bell-Beals, Vice-Chair, at 8:10 a.m.

Those present were:

Directors Walker, Miller, Denbrook, Hawkinson, Velkers, and Bell-Beals

Absent: Director Winship and Director Hansen

Staff in attendance were:

Bryan Schmid, Shannon Shuman, Laura Charbonneau, Sheree Clark, and Robyn Lee

Guests: None

UNFINISHED BUSINESS

Director Bell-Beals, Vice Chair, requested CDC Board Members review the minutes of the January 15, 2019, meeting. With no questions, Director Miller moved to approve the minutes, and the motion was seconded by Director Velkers. The vote was unanimous, and the minutes were adopted.

NEW BUSINESS

CDC Resolutions:

Resolution CDC-2019-002 was presented to approve an amendment to the credit policy for means testing for the homeowner rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Do you want it to be policy or procedure? Is this everything we previously discussed? Staff responded: This will be policy. If there needs to be an exception, it will be presented to the Board for mitigation. Yes, the redlined version is based on recommendations from the board at the January 2019 meeting. With no further questions from the Board, Director Velkers moved to approve this resolution and was seconded by Director Hawkinson. Vote was unanimous, motion carried, and resolution was adopted.

CDC Housing Resolutions:

Resolution H-2019-004 was presented for approval for authorization to foreclose on a Neighborhood Stabilization Program loan. The CDC Board commenced discussion and questions asked included: Is there a time limit for a refinance, two years or 90 days? How did we find out about the non-owner occupancy? Staff responded: We did not give a time frame and borrower is already acting on refinance. Staff found out about non-owner occupancy from returned mail with a forwarding address out of state. 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-2019-005 was presented for a loan approval on a \$150,000 HOME loan under the mobile home replacement loan program. The CDC Board commenced discussion and questions asked included: How does she live on \$988 a month? What is the age of the borrower? Staff Responded: She has no debt and no mortgage. Borrower is over 65. With no further questions from the Board, the resolution was moved to approve by Director Walker and seconded by Director Hawkinson. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-006 was presented for a loan approval on a \$150,000 HOME loan under the mobile home replacement loan program. The CDC Board commenced discussion and questions asked included: Is there any rhyme or reason the difference between Applicant A and B with ratio's and payment needed? Is this the same home as the one previously? What is square footage? How many times do you run across a borrower with someone without a credit score? Staff Responded: Staff discussed how ratios are calculated and what the borrower is comfortable with. The manufactured home dealers have a base model with some variations. Most models are a standard 3 bedroom/2 bath. They range from 1,300 to 1,700. It is common with borrowers who have no credit score due to lack of credit lines. The Board requested to see past 12-month history of utility payments to show consistency, considering no credit report was provided. With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Walker. Vote was unanimous, motion carried, and resolution was adopted.

Resolution H-2019-007 was presented for a loan approval on a \$60,000 HOME loan under the housing rehabilitation loan program. The CDC Board commenced discussion and questions asked included: Is this a daughter or son? The revolving loan payments of \$490, is that the balance or payment? How much are revolving balances and how far in debt is she? How long are you anticipating it taking to get bids? How long has the borrower lived at this property? Was it built in 1900? The Board questioned the foundation repairs, staff did not have information on the type of foundation. Staff responded: It is a son. The \$490 is the total payment for revolving loans. As of the last reporting date of 12/2018, the total balance of all revolving loans is \$8,924. To date, one account should be paid, reducing the monthly payment to \$343. Bid invitations will be sent out within the week, allowing two weeks for contractors to submit bids. Borrower has lived there since May 2016. Yes, it was built in 1900. With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Hawkinson. Vote was passed by majority, motion carried, and resolution was adopted.

Resolution H-2019-008 was presented for approval for authorization to foreclose on a homeowner rehab loan. The CDC Board commenced discussion and questions asked included: Do we know what the lien is for DSHS? Do they (DSHS) ever bid against us? Staff responded: No, we do not have that information, but the lien is junior to the CDC lien. No, they receive what they can. 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-2019-009 – Tabled

Resolution H-2019-010 was presented for approval on a \$211,337 loan increase for a Community Housing Development Organization (CHDO) project thru the HOME investment partnership program. The CDC Board commenced discussion and questions asked included: How many organizations are in the pool? What happens if they do not spend all the money or do they draw on that money first? What happens at the end when all four homes are spent? What is 3rd mortgage that will be paid will cover first mortgage, on first resolution? Staff responded: There are only two active CHDO's currently in Pierce County. They will draw on the grant money first. The grant money will be spent first then the sale (CHDO) proceeds. Once approved then agreements will be updated. We will hold the down payment assistance loans with the low-income buyers that purchase. The affordability restriction will transfer from CHDO to homeowner and when home owners sells. The CDC downpayment assistance will hold the second lien and Homeownership Center of Tacoma will carry the third. With no further questions from the Board, the resolution was moved to approve by Director Velkers and seconded by Director Walker. Vote was passed by majority, motion carried, and resolution was adopted. Discussion carried, the Board asked if there is no CHDO, then what happens? If there is no CHDO, the funds would be returned to HUD.

GENERAL CDC BUSINESS:

- December Financials and Vouchers were tabled for March Board meeting.
- January 2019 Late payment report was reviewed by staff.
- Staff noted there are a couple of prospective replacements for Director Walker, who's term will expire in July.
- Field Trip – April 30th field trip in the afternoon. Board requested before/after picture for mobile home replacements and budgets.

STAFF UPDATES:

- New staff, Moses McCart was hired on January 28th, 2019 and off to a good start!

FUTURE BUSINESS:

- Budget and Sustainability work March/April 2019. Staff shared on the new two-year budget plan and expectation.

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 Hawkinson. The next meeting being Tuesday, March 19th, 2019. The meeting was adjourned at 9:05 a.m.

Certified by:

Board Chair

Date

Secretary

Date

Prepared by:

Robyn Lee