

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS MEETING
Friday, September 18, 2015
10:00 a.m.

MINUTES

Board Members Present:

Creighton Cox, Beverly Evans, Debbie Fisher, Rachel Geilenfeld, Joe Gonzalez, Kathy Gray, Lance Henning, Izaah Knox, Steve Patterson, Sean Pelletier, Troy Thompson, Steve Van Oort, Linda Westergaard

Board Members Absent:

Angela Connolly, Christine Hensley, Elizabeth Presutti,

Guests:

Diana Deibler, Deibler & Company

Staff:

Eric Burmeister, Josh Hellyer, Lori Kauzlarich, Tracy Levine, Claire Richmond

Business Meeting

Call to Order

The Business Meeting was called to order by Debbie Fisher, Chair at 10:05 am.

Introductions

Board members introduced themselves to Rachel Geilenfeld.

Approve Agenda

Creighton Cox moved to approve the amended Agenda; seconded by Sean Pelletier. Carried unanimously.

2. Report of the Advancement Committee

Sean Pelletier, Chair told the board that one of the Committee goals for this year is to reach out to donors and prospects three times. Following up on this, postcards will be mailed to the business community inviting them to "board the bus" in the morning of October 16 and learn about the successes and challenges facing the area in providing more affordable housing. Directors are asked to personalize each card to their assigned companies and then follow up by phone by October 2 asking them personally to attend. This is an opportunity for business folks to see their dollars at work and hear stories about people whose lives have been impacted. The addressed cards and contact sheets were placed at each name tent. Sean encouraged everyone to act in the role of "host" by riding the bus or by greeting folks as they arrive.

An earlier invitation was mailed for the October 1 reception prior to the Strategic Planning session or a community engagement session on October 1, 4:30 – 6:30 pm.

Steve Patterson made a recommendation that companies who receive tax credit funds from PCHTF be solicited for campaign.

Special recognition was paid to Troy Thompson for his success in bringing in a (new) \$10,000 contributor.

3.1 Report of the Governance Committee

3.1 Ratification of Board Member District 1 – Rachel Geilenfeld

Sean Pelletier made a motion to ratify Rachel Geilenfeld's appointment to the board; seconded by Bev Evans. Carried unanimously.

3.2 Report on Strategic Planning work

Eric brought everyone up to date on the upcoming strategic planning work on October 1 and 2. The first day will be a late afternoon reception at the Des Moines Social Club to welcome stakeholders and gather their ideas and feedback on the future direction of the PCHF. Donors and potential donors received invitations as have other providers and partners. Four stations will be set up and staffed by board members as the questioners and note takers.

Michelle Winter will be the facilitator for the two day retreat. Michelle was a speaker on affordable housing and economic development at last April's "Affordable Housing Week" event. She has an extensive background in housing and community development.

The Strategic Planning session will be held the following day at the Cub Club. Eric reviewed the agenda and asked the board to fill out two preliminary surveys that Michelle will be e-mailing. The desired end product will be a document to guide activities over the next 3 – 5 years. From there a plan will be created and presented at the January meeting.

Report of the Development Committee

4.1 Habitat TA Contract Amendment

Greater DSM Habitat for Humanity was awarded a \$10,000.00 pre-development contact to cover costs to have one large lot subdivided and re-platted into five lots on E. Emma. The grant covered expenses for abstracts, title opinions, recording fees and permits totaling \$6,135.50.

Habitat is asking the remaining \$3,864.50 be transferred to a similar project on NE Aurora with an expiration date of November 1, 2016. The two parcels will be re-platted into four lots by the end of 2016.

Creighton Cox moved to approve the contract modification to include pre-development costs for the division and re-platting of 3090 and 3120 NE Aurora by November, 2016; seconded by Sean Pelletier. Carried unanimously.

4.2 City of Des Moines OOR Contract Amendment

The Development Committee reviewed requests for modifications from the City of Des Moines for Owner Occupied Repairs (OOR) contracts. The City of Des Moines is seeking permission to transfer \$75,000.00 from the DM 110212LEAD contract into the DM110212Minor contract for Owner Occupied Repairs. There is a waiting list for this program.

Thirty applications for Minor Repairs are pending and there are limited applications in the Lead program for the designated area. It is predicted the transfer will be ample monies to provide lead remediation in the designated area and the City would also secure the matching CDBG they have available for the Minor repairs. CDBG dollars are often reallocated if there are not matching funds available for OOR projects.

There was board discussion about the duplication of funds regarding other local organizations doing similar work. Lori K shared that she has the responsibility of keeping an internal master list to track repairs of five organizations that do Owner Occupied Repairs (OOR). This helps ensure the total dollars are being efficiently managed. Eric said there is discussion about creating an umbrella organization to deal with OOR by referring the homeowner to the appropriate organization for the work. This would create a centralized intake for OOR. There are many opportunities for centralize intake at many levels for home revitalization, community-wide.

Creighton Cox moved to approve the recommendation that the existing contract be modified to permit the money from being used for lead and minor repairs, seconded by Steve Patterson. Carried unanimously.

4.3 Amendment to Housing Allocation Plan Single Family

The current terms/conditions of the 2015/16 HAP require forgivable loans to be secured through a lien on the property for 10 years. Past practice has been to file that lien in the amount of the PCHTF's investment in the hard costs of the project only (not the overhead). With the recent changes in the organization's treatment of overhead for HOME, Inc that agency has raised a concern that includes the overhead allocation ofr HOME, Inc. In the lien it will make it impossible for their buyers to receive a first mortgage loan.

Steve Patterson moved to approve the Development Committee recommendation that the Board amend the Single Family Homeownership terms and conditions of the FY2016 HAP to specify in the first bullet point under terms/conditions that the amount of the lien will be for project hard costs, consistent with past PCHTF practice; seconded by Bev Evans. Carried unanimously.

4.4 Allocation of Prepaid Loan Funds

The PCHTF recently received an unexpected payoff of one loan and two grants made to Douglas Avenue Income Investors. The improvements were made.

Following the death of two partners, a decision was made to sell the property. For various reasons the Development Committee denied the prospective Buyers' request to assume the PCHTF obligations and the original grantor paid PCHTF the amount remaining due on the contract of \$95,870.00,

Troy Thompson moved to approve the Development Committee recommendation for the sum of \$95,870.00 be added to the 2015/16 Housing Allocation Plan in the category of Capital Improvements to Existing Rental Housing, making the total dollars available in this fiscal year \$170,870.00; seconded by Creighton Cox. Carried unanimously.

4.5 Loan to Hatch Development Group

Hatch Development Group, the partner in the project known as The Greystones, has requested a loan from the PCHTF to make emergency replacements of the roofs of all 26 units and repair any interior damage caused by the roof leaks. They are a low income housing tax credit project. The total cost of the replacement is \$652,000.00 with a contingency of \$98,000.00 to cover hidden defects and interior repairs. Hatch has requested a loan in the amount of \$150,000.00 from the PCHTF to apply toward the final cost.

Bev Evans moved to approve the Development Committee recommending a loan from the Capital Repair to existing rental housing under the terms below; seconded by Izaah Knox.

Borrower Hatch Development Group

Guarantor Jack Hatch, Ryan Galloway, jointly and severally

Loan Amount Up to \$150,000.00

Term 12 years. Full or partial prepayment required if proceeds of mediation and or litigation exceed \$450,000.00.

Interest rate 0% for first 2 years, 4% years 3 through 12

Payments Annual, 1/10th principal plus accrued interest beginning on the 3rd anniversary of disbursement

Security In proceeds of mediation or litigation over roofs.

Conditions Evidence of immediate availability of no less than \$550,000.00 of funds from other sources, including \$100,000.00 from the developer to cover final payment for repairs. Receipt of lien waiver from all contractors and suppliers.

Other Borrower responsible for PCHTF incurred fees associated with documenting loan and filing security instruments

There was further discussion about the terms of the loan, the percentage amount and the repayment risk. When asked about being in the best interest for the PCHTF to fund, Eric replied "yes" because it preserves existing affordable housing. There was additional action on the motion..

Steve Patterson moved to amend Bev's motion approving Capitol Repair to include 5% interest for year 1 – 12 on the loan; seconded the amendment by Creighton Cox. Carried unanimously.

New Business

5. Report of the Policy Committee

5.1 Recommendation of position on Des Moines Tax Abatement extension

The City of Des Moines residential tax abatement program expires on 12/13/15. The Council is reviewing options to modify the program beginning in 2016. While a number of specific proposals have been suggested, the suggestions have uniformly reduced or eliminated tax abatement available for new construction of single family and multi-family units in the general metro area. Some areas of the city or more or less are impacted depending on location. It would be difficult for PCHTF as an organization that is promoting affordable housing to stay silent or support anything that doesn't make housing more affordable to our community. Our position is to make statements to assist in affordable housing when we feel affordable housing is being threatened.

Steve Patterson moved to approve the Policy Committee's recommendation to the Des Moines City Council to renew its existing residential tax abatement program for three years beginning on 1/1/2016; seconded by Bev Evans. Carried unanimously.

Diana Deibler will be crafting a message and facts will be included.

Congratulations to the board on the Key Award from Greater Des Moines Habitat for Humanity.

With no more questions or any other business, the meeting was adjourned at 11:05 am.

The next meeting of the Polk County Housing Trust Fund is Friday, December 4, 2015 at 10 am (with a short meeting prior to October 2nd's retreat).

Respectfully submitted
Tracy Levine
Polk County Housing Trust Fund