



*Mid-Columbia Economic Development District*

**MCEDD Loan Administration Board Meeting  
Tuesday, December 21, 2021  
8:00am**

Remote only

<https://us06web.zoom.us/j/93765181888?pwd=bjVHektIZUZNSIcrTk1GODFnY1Uwdz09>

Or call 669-900-6833, Meeting ID: 937 6518 1888, Passcode: 889743

**AGENDA**

<b><u>Topic</u></b>	<b><u>Estimated Time</u></b>	<b><u>Item</u></b>
Call to Order, Introductions		
Loan Administration Board Minutes <i>December 7, 2021</i>	5 minutes	Approval
Loan Requests <i>Pharaoh's Family Farm</i>	30 minutes	Information
		<b><i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i></b>
		<b><i>Regular Session Reconvened</i></b>
Loan Actions	5 minutes	Approval
Funded Loan Updates	5 minutes	Information
		<b><i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i></b>
		<b><i>Regular Session Reconvened</i></b>
Staff Updates		
Adjourn		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services, or assistance, please contact us at (541) 296-2266; TTY 711 at least 48 hours before the meeting. MCEDD is an equal opportunity employer, lender, and provider.

## **Executive Session Protocol**

### **MCEDD Loan Administration Board**

After discussion agenda items are presented in open session by MCEDD staff, the LAB Chair will state the following: "Pursuant to ORS 192.660(f), Exempt Documents, I call the Executive session of the MCEDD Loan Administration Board to order".

LAB Chair asks all non-staff and non-LAB members to leave the meeting. Staff will explain to visitors where they can wait and that they will be invited into Executive Session when their agenda item will be discussed.

For each discussion item on the agenda for Executive Session, the LAB Chair will follow the following procedural steps:

1. Invite the loan applicant (or their representative) into the Executive Session for the presentation of their loan request. LAB Chair requests a brief presentation from MCEDD staff on a summary of the loan proposal or other discussion item.
2. After presentation of information by staff, the LAB Chair asks if there are any questions for the loan applicant or MCEDD staff.
3. Following questions and discussion by the LAB, the loan applicant (and/or their representative) is asked to leave Executive Session with instruction that they will be invited into the Open session when Executive Session is adjourned.
4. LAB Chair asks LAB members if there is any discussion related to loan request that needs to take place before inviting the next loan applicant or other persons into Executive Session for the next discussion item.
5. Additional discussion between the LAB members takes place then Steps 1-5 are repeated for each following discussion item for Executive Session.

At the end of discussion, the LAB chair will close the Executive Session. The LAB moves back to open session. At this point, the LAB Chair asks for a motion on the decision items in open session. Following a proper motion (motion and a second), the LAB chair requests discussion on the motion. Following any discussion, the LAB chair requests a vote ("all those in favor, signify by saying aye" "all opposed signify by saying nay" "any abstentions?"). Staff may ask for a roll-call vote, if the responses are unclear.

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## **MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT LOAN ADMINISTRATION BOARD MEETING MINUTES**

Tuesday, December 7, 2021

Virtual Only

### **ATTENDANCE**

BOARD: Scott Clements, Bob Hamlin, AJ Tarnasky, Steve Kramer, Dave Sauter, Joe Dabulskis

STAFF: Jessica Metta (Executive Director), Ami Beaver (Loan Fund Manager), Jill Brandt (Administrative Assistant)

### **CALL TO ORDER, INTRODUCTIONS**

Scott Clements called the meeting to order at 8:02 a.m. A quorum was present.

### **MINUTES**

AJ noted a clarification in the minutes. He had said the FSA lending limits maximum was “around a million.” He did some research and has found that the limit was actually \$1.82 million.

**Bob Hamlin motioned to approve** the minutes from November 2, 2021, meeting. Steve Kramer seconded the motion. All voted in favor, and the motion passed unanimously.

### **EXECUTIVE SESSION**

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:04 a.m. to discuss Pharaoh’s Farm Loan request and an update on funded loans to Full Circle.

*Regular session resumed at 8:07am.*

Pharaoh’s Farm request has been tabled to allow the client time to revise the proposal. There was no loan actions.

### **EDA REVOLVING LOAN FUND PLAN UPDATE**

Jessica introduced this topic as the next step in the process after the Board’s approval of the new microloan lending program. She noted that there have been other changes and additions to the existing RLF, and that all of these can be incorporated into a full update to the plan. Jessica has reviewed what the EDA currently requires, and all of the proposed changes fit under the requirements. Some of the changes were from actions on topics that the Loan Board has approved in meetings. Jessica used track changes to add all of these updates to the existing plan. She thanked AJ for his feedback to a first draft.

*Discussion: Steve Kramer brought up the issue of housing. The Loan Board’s purpose to grow business requires bringing more people into the area. Where will these new workers live? Steve stated that while he was not sure if this is appropriate to bring up here, this is a major challenge that needs to be addressed. Aside from this issue, Steve approved all of the changes that have been made in the proposal. Scott Clements agreed with Steve’s sentiments. Bob Hamlin asked if*

*there were housing loan programs available that would draw developers through commercial banks. Steve pointed out that MCEDD does have some funds for attainable housing in Oregon counties as noted on page 6.*

*Jessica stated that she was not sure if the EDA allows these funds to be used for housing development. After the last meeting's discussion on agricultural use, she confirmed with the EDA that the RLF funds can be used for agriculture. She offered to check with the EDA to see if they will allow use for attainable housing. Scott Clements pointed out that MCEDD has historically been involved with housing development, back in the 80s. Steve Kramer added that if EDA funds are earmarked for certain businesses and attainable housing development is a business, there should be a connection to be able to make it work.*

*Dave Sauter agreed on the clear need for housing and supported the idea that MCEDD explore to see if the EDA will allow funds to be utilized for this purpose. He also pointed out that this type of loan does not fit with most of our loan program because most of our loans are short-term. Housing projects are long-term, and this may be an issue for the EDA. Dave agreed that the Loan Board continues to work on business development and that the housing to support this is being ignored. Large employers cannot come into the region because there is no place for workers and their families to live. Business development and affordable housing development do need to be tied together.*

*Scott pointed out that the shorter-term element of housing loans is construction financing. While this is not terribly similar to the commercial lending that MCEDD's Loan Board does, construction financing is shorter term. Bob agreed that construction loans are one thing, but development of multi-family housing amortized over 30 years is totally different.*

*AJ added his banker's perspective, stating that his bank was very active in multifamily housing construction. He informed the Board that the State's decision to limit the ability to evict or collect rent during the pandemic has resulted in the demand for multi-family diminishing to zero. Developers are not interested in assuming debt for construction when rent payments cannot be guaranteed. AJ cautioned the Board not to jump into this market without clear parameters, stating that MCEDD does not want to become a spec housing lender. Any action forward on this requires significant thought: what the Board is looking to do would need to be clearly established.*

*Scott refocused the discussion by asking if the Board wished to add attainable housing lending into the proposed RLF. Jessica added that if the EDA gives approval that these funds can be used for housing, the options are to update this plan, or to update the attainable housing RLF to serve both sides of the river. Jessica agreed with AJ's suggestion to take more time to look into housing questions. AJ then suggested moving forward with the plan as presented in the packet to*

*get the microlending program online and available for the public, with all of the noted changes that are appropriate to update. He recommended that any update on housing lending be a separate subsequent action. Steve agreed, stating that it was not his intention to derail action on the lending program, only to be sure that this issue was not ignored. Scott summed up the discussion, stating that the Board will defer adding the housing piece to this RLF.*

**AJ Tarnasky moved** to approve this draft of the RLF to take to MCEDD's Board for approval. Dave Sauter seconded the motion. All present voted in favor, and the motion passed.

Jessica requested that the Loan Board members email any other comments to her, and that she planned to submit this RLF to MCEDD's Board at next week's meeting. AJ thanked Jessica for her hard work on the RLF update.

#### **STAFF UPDATES**

Jessica asked for a show of hands for availability to meet again on December 21st. She thought there would be a few client requests to be presented at that meeting.

#### **ADJOURN**

Scott Clements adjourned the meeting at 8:24 a.m.

*Respectfully submitted by Jill Brandt, Administrative Assistant*