

**Bellville Economic Development Corporation  
22 May 2007 Regular Meeting Minutes**

David Ottmer called the Regular Meeting of the Bellville Economic Development Corporation to order at 3:34p.m., Tuesday, May 22, 2007, in the Council meeting room at City Hall, Bellville, Texas.

Warren Scott offered the invocation and led the Pledge of Allegiance and Pledge to the Texas Flag.

Present were: Warren Scott, David Ottmer, Angela Franks, and Denise Haugen. A quorum was certified. Executive Director Carolyn Gibson was present. Wayne Browning, Jim Freeman, Allene Schmitt were absent,

Motion was made by Warren Scott to accept the agenda. Motion was seconded by Denise Haugen. Motion carried unanimously.

**Agenda Item #5**

**Workshop on Affordable Housing presented by Southeast Texas Housing Finance Corporation**

Rhonda Young, Program Coordinator with Southeast Texas Housing Finance Corporation (SETH) presented information on the history, programs and financing assistance available through SETH. SETH is a nonprofit corporation funded 25 years ago. Over the past 25 years, SETH has issued \$1.5 billion of tax-exempt and taxable bonds which have provided low-interest mortgages and down payment assistance to first-time homebuyers, in addition to assisting for-profit and non-profit developers in the financing of affordable rental developments. The board was given copies of Homebuyer Assistance Program and Single Family Mortgage Revenue Bond Program brochures and the Star newsletter produced by SETH for their information. Rhonda reported that \$10,000.00 down payment assistance was available from SETH. Those applying for the assistance had to meet income eligibility requirements and be first time homebuyers. SETH works with any loan officer or lender, and ongoing counseling is offered throughout the process to insure that the purchaser can afford to purchase the home and then be able to stay in it. There is no maximum interest rate set by the program, but lender's fees are limited. The home must remain the principal place of resident of the Homebuyer for at least 10 years, and must pass a SETH inspection. Homebuyer's household gross income cannot exceed federal HUD guidelines and they must be able to get a loan within 30 days of qualifying for the program. All participants must complete a Homebuyer Course given by a HUD certified counselor. The home must be located within Austin, Chambers, Matagorda, Waller, Walker, Wharton, or Galveston County (except for cities of Galveston & Cleveland). The maximum income to qualify for a family of 4 in Austin County is \$44,950.00. The Single Family Mortgage Revenue Bond Program is designed to help low-to-moderate income homebuyers purchase a home. All mortgages are fixed rate 30-year loans, credit does not have to be perfect, and borrowers must occupy the purchased home as their principal residence. This program allows a savings of \$85- \$90 per month. The assistance is in the form of a 10 year, amortizing second lien mortgage at a rate of 6.49%. The second mortgage cannot exceed 8% of the first mortgage and be no less than \$500.00. In Austin County, borrowers must be first-time homebuyers who have not had a present ownership interest in their principal residence during the last 3 years. The maximum annual income limits are \$56,200.00 for 1-2 persons in the household and \$64,630.00 for 3 or more persons in the household. The maximum purchase price of the new or existing home is \$237,031.00. If the home is sold during the 1<sup>st</sup> full 9 years, the owner makes a profit and has an increase in income that exceeds 5% per year, then they may be subject to Recapture Tax.

David Ottmer asked is SETH maintained an inspection of the home and while construction was ongoing on new homes. Rhonda Young answered that was the responsibility of the lender, but SETH does random audits. SETH does inspect the house before move-in. Warren Scott asked if the 1/3 value of loan to income applied, Rhonda Young stated that they watched the process to make sure that everything involved is in line, and gave an example of a family with \$18,000.00 annual income can qualify for \$6,000.00 per year in homeownership debt service, or a \$500.00 per month payment. David Ottmer noted that assistance was needed with rural upgrades to infrastructure out in the county; especially septic assistance was needed by income restricted families. Vastene Olier asked if a First Time Homebuyer Class could be offered locally, and Mrs. Young stated that yes, they would like to offer it in Austin County.

It was noted that County Judge Carolyn Bilski was the Austin County representative on the Board of SETH. David Ottmer thanked Mrs. Young for taking the time to come to Bellville and speak to BEDC. Mrs. Young stated that SETH was very interested in assisting home-buyers in Austin County and that Benny Rodriguez, Community Development Director, was available to answer any other questions the board might have.

#### **Agenda Item # 6**

##### **Consideration and Action to Approve Minutes of the Previous Regular Meeting**

Motion was made by Angie Franks to accept the minutes of the previous regular meeting, March 20, 2007. Motion was seconded by Denise Haugen and carried unanimously.

#### **Agenda Item # 7**

##### **Consideration and Action to Approve Treasurer's Report, Payment of Outstanding Bills**

At Warren Scott's request, Carolyn Gibson gave the Treasurer's Report based on Balance Sheet, YTD and April Profit & Loss Statements, and Bank Reconciliations. Balance in FNB Checking Account as of April 30, 2007 was \$16,724.28. April Sales Tax Revenue of \$12,239.42 and Interest Income of \$65.00 resulted in total monthly deposits of \$12,304.42. Checks totaling \$7,156.68 were posted. Balance in Wells Fargo Money Market Account as of April 30, 2007 was \$51,184.40, with an interest payment of \$130.24. Balance Sheet showed the following current Certificates of Deposit: Guaranty Bank- \$91,369.09, Industry State Bank-(1) \$100,860.67 & (2) \$101,208.56, and Wells Fargo- \$30,606.00. Total Current Assets as of April 30, 2007 are \$391,953.00. Interest earned on CD's for April was \$1,257.89. Outstanding bills totaling \$12,376.96 were presented for payment to: Bellville Chamber of Commerce of \$3,500.00 for Contract of Services for May, The Bellville Times- \$33.90 for public hearing notice, Carolyn Gibson- \$403.50 for expense reimbursement, Bryan-College Station Eagle-\$2569.00 for advertising, Brown & Hofmeister- \$32.00 for legal fees on B&W Construction, and Jerry Olson Designs- \$1212.50 for advertising & web design. Bills for advertising were presented for payment to The Katy News- \$500.00, KTHT Radio- \$2500.00, Wallis News Review- \$126.00, Brenham Banner Press- \$412.65, Colorado County Citizen- \$193.73, Giddings Times & News- \$217.68, Navasota Examiner- \$181.13, Sealy News- \$204.75, New Ulm Enterprise- \$110.25, and Waller County News Citizen- \$179.87. Carolyn reported that the sales tax check of \$19,974.35 had been received for May. Warren Scott made a motion to approve the Treasurer's report and payment of bills. Motion was seconded by Denise Haugen and carried unanimously.

#### **Agenda Item # 8**

##### **Public Comment**

There were none.

#### **Agenda Item # 9**

##### **Acceptance of any Grant Requests**

There were none.

#### **Agenda Item # 10**

##### **Consideration & Any Related Action on Grant Request for the "Northwest Community Revitalization Project", by B&W Construction, owned by Gerry Williams of Bellville, In the Amount of \$68,719.00**

David Ottmer stated that, according to BEDC's attorney, the affordable housing project was not allowable according to statutes regarding HUD qualifications and restrictions. Gerry Williams, owner of B&W Construction asked why the project was not allowable. After discussion, during which David Ottmer asked Carolyn Gibson to reply with more information on statutes and other programs available for assistance to B&W Construction, Mr. Williams stated that HUD specifications were the same as the city's requirements and he did not understand why his project wasn't allowable. Angela Franks noted that Mr. Williams had stated in a previous BEDC meeting that he did not want to build HUD Affordable Housing. Denise Haugen noted that BEDC could not determine HUD specifications. Mr. Williams stated that he still didn't understand why his project wasn't an allowable one, that it was impossible that it didn't meet the requirements. Mr. Ottmer responded that BEDC could not fund the project. Denise Haugen made the motion to deny the request of B&W Construction on the basis that the grant was not an allowable project

according to Development Corporation Statutes and the BEDC attorney's opinion. Motion was seconded by Angela Franks and carried unanimously.

#### **Agenda Item # 11**

##### **Consideration & Any Related Action on Grant Request for Matching Funds for "Job Transportation Grant for Austin County" by Colorado Valley Transit District**

Vastene Olier, Executive Director of Colorado Valley Transit District was present for questions from the board, and stated that \$15,000.00 of the \$25,000.00 was committed by other entities in Austin County, and was requesting support of \$10,000.00 from BEDC. She was meeting with the Transportation Commission that Thursday, and should have a contract by the end of the following week. David Ottmer clarified that BEDC funds would have to be spent in Bellville - on items such as bus stops, signs, maps, etc. and not on salaries for drivers. Mrs. Olier agreed and stated that she would be back at a future meeting with maps of transportation routes. She also announced that Colorado Valley Transit had applied for another grant to expand the routes to include connections to Houston Metro, probably at the Katy Station. David Ottmer thanked Colorado Valley Transit for providing shuttles during the Bellville Heritage Gathering, complimenting them on the friendliness and helpfulness of the drivers during the event. Angela Franks asked what age had been determined for children using the service. Mrs. Olier replied the allowable age would probably be "school age" children. Mrs. Olier thanked the board for their support.

Denise Haugen made a motion to fund the Job Transportation Grant for Austin County in the amount of \$10,000.00. Motion was seconded by Warren Scott and carried unanimously.

#### **Agenda Item # 12**

##### **Committee Reports and Any Related Action**

Copies of the April 11<sup>th</sup> BODFLAC Committee meeting report, given at the April 17<sup>th</sup> BEDC meeting by Jerome Peters, were presented to the board for their information.

#### **Agenda Item # 13**

##### **Executive Director's Comments and Any Related Action**

Carolyn Gibson presented a copy of "Insite Brazos Valley" magazine's article listing Bellville and Austin County in the "Simple Summer Getaways" feature story, the Key Economic Indicators for Texas and "The State of the Texas Economy" newsletter from Texas Comptroller Susan Combs- stating that sales taxes are the state's biggest single source of revenue. She presented an advertising opportunity for Area Development Magazine's "Location Texas Special Edition", designed to promote the state and its local economic development organizations through a high-quality editorial special section emphasizing the global investment potential to growth-oriented companies offered by Texas. If purchasing an ad, she reported, the BEDC would also have a self-contained editorial report, an ad & editorial profile in Location Texas, and listing in the Texas Sponsor Directory, in addition to editorial profile and links to BEDC's website on the Area Development webpage. Angela Franks made a motion to fund a 1/8<sup>th</sup> page ad for \$1460.00. Motion was seconded by Denise Haugen and carried unanimously.

Carolyn also gave the board information on upcoming LCRA/TLI seminars, a TAB meeting on "The Immigration Issue" June 26<sup>th</sup> in Houston, and summer jobs available with AT&T. Also presented to the board were a congratulatory letter from H-GAC's Gulf Coast Small Business Finance Corporation welcoming Carolyn as an elected member of the Loan Committee for SBA loans for the H-GAC's 13 county region, information on SB1485 which established a Texas Rural Development Fund and contact information for House Economic Development Committee members for the board to contact showing their support of the action, and an advertising opportunity with the Bryan/College Station Eagle for the "Aggieland Moving in Guide". By consensus, BEDC will not advertise in the Guide. Finally, Carolyn urged the board to look over the 80<sup>th</sup> Texas Legislature Rural Bill Tracking Chart included in their packets, stating that ARCIT had compiled the information and there were several bills that affected economic development in Texas. She encouraged the board members to contact the law-makers in support of those bills.

#### **Agenda Item # 14**

##### **Questions and Comments from Board Members**

Copies of the BEDC By-laws were in the board packets. Angela Franks suggested the board review the by-laws and make suggestions to improve them. This will be addressed at a future BEDC meeting.

**Adjournment**

There being no further business to come before the Board, Angie Franks made a motion to adjourn which was seconded by Denise Haugen. President Ottmer adjourned the meeting at 4:59p.m.

Carolyn Gibson, Recording Secretary