

## SPECIAL BOARD MEETING MINUTES | OCTOBER 04, 2016

Start: 6:15pm

In attendance: Jon, Rob, Christie, Don, Cristiane, Rebeca, Allison, Brian

1. On-boarding new Board Members (40 min)  
(Get to know one another and bring new Board Members up to speed on key CDC issues)
  - a. Get to know you (went around and everyone shared a bit about themselves)
  - b. Finances (Rob)
    - i. 4 revenue streams:
      1. Grants
        - a. None for over a year
      2. Events - sponsor/host/partner (eg Burgers & Beer, Tacotopia, etc)
        - a. Sale of beer & alcohol
      3. 2 Duplexes (4 units) in South Park (Gregory & Felton)
        - a. Have not drawn revenue
        - b. Currently trying to understand and clean-up the financial structure to see if it makes sense to run/operate because they take work
        - c. Christie: How long have we owned? Rob: A long time
        - d. Cristiane: Pointed out that low-income housing is part of the mission statement
        - e. Small monthly payment, residuals received, 50% of which can be used
      4. Golden Villa (32 units) in South Park
        - a. Complicated partnership - we own 1% but are the managing partner
        - b. Primarily in it for the asset management fee: 10-12K per year
        - c. No income since 2012
        - d. In 2013 management contract expired
          - i. May not be able to get it back, but may be able to get \$11,300 in accrued management fees but have no legal claim after 2013
        - e. Brian: Does the 1% give us any income? Rob: No, because it's tied up by dept of housing. Money has to stay in the partnership in the form of replacement or operating reserves.
        - f. David Allen is the consultant we've hired to help us sort out the partnership



# GREATER GOLDEN HILL COMMUNITY DEVELOPMENT CORPORATION

- g. The reason we're not getting more than \$11,300 in asset management fees because we spent \$60,000 out of operating reserve instead of replacement reserve and the money can't be transferred
- h. David would like to present a path forward: Has been working with Boston Financial to get the management contract reinstated. Boston Financial is probably going to sell to another lender. We could keep getting passed along. David thinks this might be a good time to approach them about buying ourselves out or get a new partner. If the contract is done well, we are almost completely hands off and get a 10K annually
- i. Christie: Question about what would happen if we just stopped overseeing Solari
- j. Allison: Question about whether all the units are low-income
- k. Cristiane: New onsite manager started last month and is doing a good job
- l. Rob: We either have to get out or we have to get someone managing it who knows what they are doing
- m. Allison: Need to do a real financial analysis
- n. Don: Have we looked at the cost of selling?
- o. Cristiane: The CDC itself is not putting in our own money to run the Villas, just our time
- p. Allison: How many people are we serving with low-income housing given our time vs. spending our time in other things?
- q. Christie: Do we have a contract with David Allen? How is he involved and what does he get out of it?
  - i. Rob: He's paid hourly
  - r. Cristiane: Is he connected with Solari? Rob: No
  - s. Rob: David used to work for the SDHC. He would like to make a proposal to us
- ii. Who does the accounting?
  - 1. Golden Villas: Solari
  - 2. Duplexes: Golden Hill Property Management Co
    - a. Possibly move duplexes to Solari as well??
      - i. Red tape and regulations
- iii. Allison: suggests considering other pathways for bringing low-income housing if it turns out current property set-up is not bringing in resources
- c. Properties (Cristiane)
  - i. Duplexes:



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1. The fence needs to be redone. It's a liability issue. Will present the three estimates at the next board meeting.
  2. Felton: Need to have the landscaping fixed.
  3. Air-conditioning issue
  4. Every time Cristiane goes there's an issue between the tenants and the management company
  5. Rob and Cristiane will talk after the meeting regarding communication with Isabelle at the management company
  - ii. Jon made everyone aware that curb appeal is also something we need to work on at some point
  - d. Christie: indemnity/insurance: Wants to clarify that we're not responsible for actions of the previous board and are we insured?
    - i. Jon: We have a liability indemnification policy given to us by Blair, which has been confirmed and is on the shared google drive
      1. Not clear on where the limits go,
  - e. Audit (Rob)
    - i. We have a call out to Ethel
    - ii. Previous year's tax return was not done well and needs to be amended
    - iii. Would like to move forward with getting our taxes professionally done. Got a quote from folks who do our property tax reform. They were going to do this year's taxes for \$600-800 and then we realized we needed to redo last year's. Rob asked if they could do both for \$600-800 and they agreed
    - iv. After we get the tax return done, do we want an audit?
      1. Pro: It reveals all the things that were wrong/incomplete. Shows that we've done due diligence
      2. Con: Any foundation that wants an audited statement is going to see that our financial household is not in order. Doesn't think an audit of last year's return is going to get us grant money. An audit of this year (FY starting Sep 2016). An audit is expensive.
    - v. Cristiane: Have you shopped around to get other prices? Rob: Thinks it's a good price. It helps that it's the same firm that's doing the partnership returns, so they already have the information.
    - vi. Allison: Consider that there's some potential funders that would be willing and are trying to support a small CDC that's trying to correct the past. Could be a bottomless pit to try to fix.
    - vii. Can postpone question of audit
    - viii. Rob made a motion: Move forward with \$600-800 tax preparation
      1. Allison seconded
      2. All in favor
2. Officer Elections
    - a. Nominations in Oct, Elections in Nov



- b. Bylaws spell out procedures
- c. In Sep: a nominating committee of 3 members + chairperson defined by the president created at the
  - i. Doesn't define whether the members can or can't be on the board
  - ii. Side note: Need to review and disambiguate the bylaws
- d. To be an officer, must be a member in good-standing for 6 months - should we choose to waive it?
  - i. Brian: Motion, just for this year's election of officers, to waive the clause that states you must be a member in good standing for 6-months.
    - 1. Don & Jon seconded
    - 2. All in favor
  - ii. President = chair the meeting, Vice-president = chairs if the president isn't there
  - iii. Allison: Do we need to end the pro-tem right at this moment?
    - 1. Don: Best not to get too far off bylaws. And it's only a one-year nomination.
    - 2. Allison: Could be worth recruiting to get officers from within the community? Opportunity to pull in new people to hold officer positions
    - 3. Brian: We need to get the board completely on track and getting this election on track will help with that
- e. Between now and Oct meeting
  - i. Jon: has no big ambitions to be president, but is willing to serve. If someone more qualified comes on-board, willing to step out
- f. 3 person election committee:
  - i. Cristiane
  - ii. Don
  - iii. Brian
- 3. Meeting in December + having special meetings
- 4. Brian: farmer's market request
  - a. Motion to take votes over email. Cristiane is against it
    - i. Don: Make a decision via email specifically for this email
    - ii. Christie: Take the extra time
  - b. Able to use the city street through City of San Diego via permit. City requires that there is support from the community for the farmer's market which can 2 ways:
    - i. Signatures - more labor intensive
    - ii. Go to community representation and request a letter of endorsement. There's no liability or insurance.
  - c. Acknowledges there are critiques. When there's time in the future, would like there to be a committee in partnership and conjunction with the board
  - d. Requests the letter every year
  - e. Cristiane: I support the farmer's market and thinks it's good for the community



- f. Allison: The farmer's market even in it's current state is an asset
  - i. Motion: For the board to provide a letter of support to Brian's Farmer's Market
    - 1. Rob seconded
    - 2. Brian abstained, everyone else was in favor
- g. Don: Our CDC website states that there's a relationship with the farmers market and requested clarification on that.
  - i. Brian: yes, there is a free booth
- h. Christie: Cost of booth
  - i. Produce: 10% of sales
  - i. Has had bookkeeper prepare the books. Was not comfortable sharing the financials
- 5. Don: Will put up a proposal to set up a google group to organize discussions
- 6. Monthly meetings are public

End: 8:18pm