

Meeting Minutes

June 15, 2017
Golden Hill Rec Center

PUBLIC ITEMS

Call to Order: 6:36pm

Present: Allison Hjelle, Robert Yackley, Rebeca Elliott, Cristiane Asiano, Christie Kong

Absent: Jon Hall (phoned in), Brian Beevers, Donald Ingrassi

Treasurer, Rob Yackely, was nominated to chair the meeting in Jon and Brian's absences. All in favor.

Question regarding whether Donald is still on the board. Need to follow up to make a determination

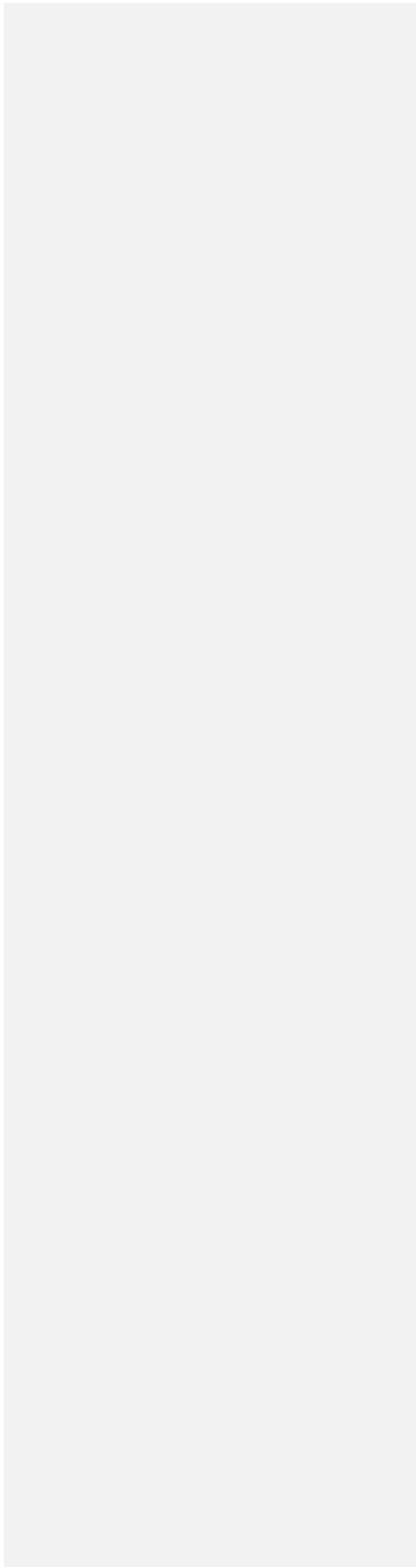
Agenda Modifications: None.

Item	Discussion	Action(s)
Approval of April minutes	Christie provided a revised/corrected copy	Approved. (Those who were not at the April meeting abstained from voting)
Approval of May minutes		Approved. (Those who were not at the May meeting abstained from voting)
Question from Cristiane	Cristiane asked for clarification about excused vs unexcused absences	Need to clarify excused vs unexcused absences
PUBLIC COMMENTS		
Jessie Navarro, Director of Community Affairs for the San Diego District Attorney's Office	Came to provide general information about crime prevention. Touched on topics on attached document. Can bring someone in from his office to provide a more in-depth presentation on any of these topics, as requested.	Follow up with Jessie to request more in-depth presentations
Tyler Renner, Representative from Councilmember Chris Ward's office	Updates: 1) \$5 million was cut from CPPS (Community Projects, Programs, & Services) funding in Districts 1 & 3 to provide for a TOT measure (hotel tax increase that would pay for convention center expansion) special	Cocktails with your Councilmember

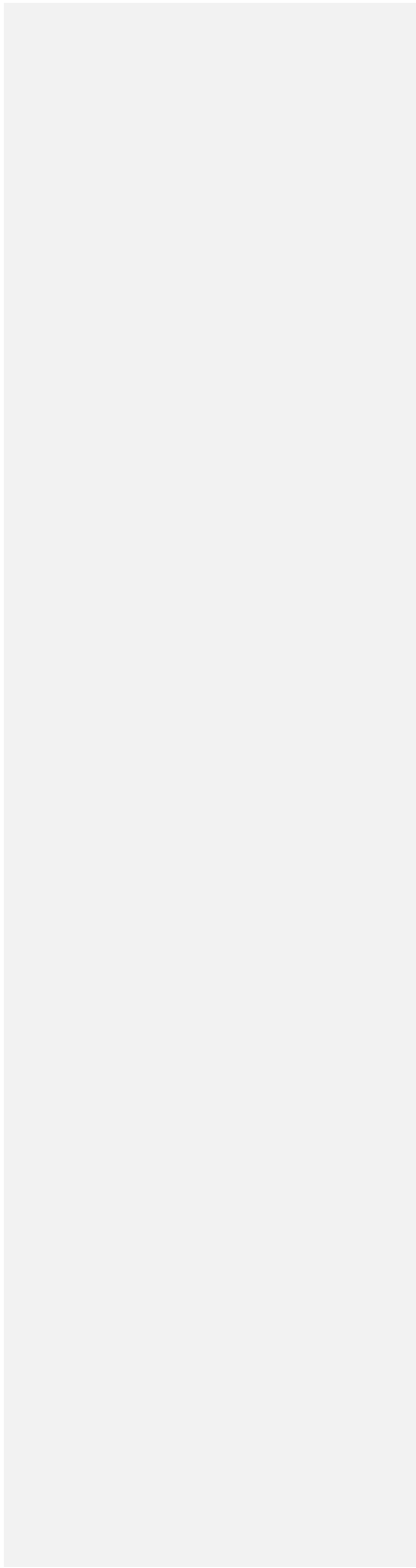
Rebeca Elliott 6/16/2017 12:18 PM
Comment [1]: +crasiano@gmail.com
Assigned to Cristiane Asiano

	<p>election. The special election was not approved. As of now the \$5 million cut from CPPS is frozen and will be reappropriated during the next budget cycle. (Side note: Pergolas will still be purchased for the GH Rec Center.)</p> <p>2) Next Monday's Soccer City Initiative vote. Will either be adopted or, more likely, put on the June primary or next election's ballot. Councilman Ward's office thinks it "checks a lot of the boxes" but the process on how it got where it is isn't transparent, it's long, and it's not quite clear as to whether we'll get an MLS team. Would like to see something more collaborative with SDSU. See good components, but needs a lot of work.</p> <p>3) The Mayor cut funding that would have been use to hire a policy advisor or staff member for the Homeless Select Committee. The committee will still be holding meetings.</p> <p>4) \$3 million from Prop 47 will hopefully reduce homelessness by addressing a root problem of addiction.</p> <p>5) City can provide the board with Brown Act training</p>	<p>Board members signed up to receive follow-up information</p>
PRESENTATIONS		
<p>Trestle Development: David Allen</p>	<p>Presentation documents attached. Provided background on how he came to be involved. Started working with the CDC to find out how to "unwind" the current partnership. Trestle's partner, Shelter Resources Inc has experience with Boston</p>	<p>No action taken yet</p>

	<p>Financial. Gave examples of other projects. History of the Golden Villas property: in 2013 the GGHCDC stopped getting paid a management fee despite managing the property. There was an option to purchase the property from Boston Financial, but it expired in January 2014. Spelled out the financial incentives:</p> <ol style="list-style-type: none"> 1) For tax reasons, the CDC might have some rights to some or all of the \$250K in reserves. Trestle would hire a CPA to analyze the options. 2) A \$50K management fee to be paid upfront instead of \$5K per year over 10 years. 3) By renegotiating rents with HCD, Trestle would be able to generate a new appraised value of the property, potentially generating sale proceeds to CDC. 4) Trestle would look into revenue potential from duplexes. May be more advantageous for the CDC to sell the duplexes rather than roll them into the Villas resyndication because our equity would be lost. 5) Trestle would be paid out of the tax credits that get reallocated for managing the renovation and acquisition. 6) Trestle's next step would be to call Boston Financial directly. If their assumptions are true, then they could then do the physical due diligence and then start the buy-out and refinance process. <p>Follow up questions:</p> <ol style="list-style-type: none"> 1) How tenants would be taken care of during renovation. David spelled out various options, including: 1) extended hotel stay at Trestle's expense, 2) incentive payment if someone is willing to stay in their unit, 3) cash option if someone wants 	
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	<p>to stay with a friend, 4) on-site hospitality units (usually only an option with more units with vacancies)</p> <p>2) Taking City Heights CDC recommendation to hire a tax credit consultant. David doesn't think it's necessary for this small of a project.</p> <p>3) How the CDC would receive money outside of asset management and/or development fees. David explained the process of selling a property with equity and getting the sale proceeds. In this scenario the CDC would be both the seller and the buyer (in the new partnership). By negotiating the rent increases with HCD, the appraisal and annual income goes up. Other way: negotiating well with Boston Financial.</p> <p>4) Would we receive a development fee based on an agreed ratio?. David says they can structure it that way, but that may not be the best way for us because the development fee is an unknown. They are promising a \$50K upfront asset management fee and then money from the sale. Open to negotiating. If HCD says no to raising the rents, then they would work on getting the LP buyout right.</p> <p>5) Effect of rising interest rates? David responded that the rising rates have a negative effect, which is why it's time to take action. Our position gets worse with time. The \$50K offer is a fixed number so would not be affected by the interest rates.</p> <p>6) How does it work to sell the duplexes when there are restrictions? David explained that it happens all the time and that the buyer knows there is an ongoing deed restriction when they make the purchase. That will lower the value of the properties, but there is still probably a lot of</p>	
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	equity in them.	
Climate Action Campaign: Sebastian	Sebastian is a volunteer with Climate Action Campaign. The city is looking at moving forward with Community Choice Energy. The Climate Action Campaign has a very ambitious climate action plan that has won various accolades. One of the goals is to get to 100% clean energy by 2035. Explained the attached Community Choice Energy proposal and asked the CDC to provide a letter of support.	Allison made a motion that the board formally receive the template and provide a letter of support to Sebastian for this initiative. All present were in favor.
BOARD BUSINESS		
Housing Committee Update: Christie Kong	<ol style="list-style-type: none"> 1) The duplexes have their annual inspection by SDHC. Solari reported back that they are completed. Christie sent files to Rebeca to file. 2) Rob & Christie met with the Executive Director of the City Heights CDC and got a good understanding of how their CDC is set up and how they manage their properties. 3) Waiting for 2017 operating budget from Solari. 	Rebeca: file reports
Treasurer's Report: Rob Yackley	<ol style="list-style-type: none"> 1) Account balances: Gregory: \$14,286 Felton: \$10,731 Operating: \$19,324 2) The IRS abated all penalties, saving us over \$9K 	No action
Community Engagement: Allison Hjelle	<p>Update on the survey. We're up to 98 unique ideas. We've had 6,775 votes cast by 151 unique users. There is still opportunity to get input from a broader spectrum. Top 4 ideas, as of now:</p> <ol style="list-style-type: none"> 1) More public trash cans 2) Personal enrichment classes at the Rec Center 	<p>Add to next meeting agenda:</p> <ol style="list-style-type: none"> 1) Choosing (a) project(s) to start taking action on to get the community involved 2) Coming up with ways to promote the survey even more, particularly

Rebeca Elliott 6/16/2017 12:19 PM
Comment [2]: +jonerichall@gmail.com
 Assigned to jon hall

	3) Preservation of trees in Golden Hill Park 4) More public art in the 25th Street corridor	in the latino community
Changing Board Meeting Day: Rob Yackley	Found out minutes before the meeting that Wednesday nights in the clubhouse are now booked.	Vote was tabled. Rob will talk to Joshua about options.

ADJOURNMENT: 8:06pm

Future meetings

GGHCDC Board Meeting July 20, 2017 @ 6:30pm

[Golden Hill Recreation Center](#). 2600 Golf Course Dr, San Diego, CA 92102

Rebeca Elliott 6/17/2017 1:04 AM
Comment [3]: +robertyackley@gmail.com
 Assigned to Rob Yackley

Rob Yackley 6/17/2017 1:03 AM
Comment [4]: _Marked as done_

Rob Yackley 6/17/2017 1:04 AM
Comment [5]: _Re-opened_