



Downtown Stockton Enterprise Loan Fund Board Meeting Minutes

Date: Wednesday, July 1, 2020

Time: 12:00 p.m.

Place: Online, via Zoom Meetings

Join via meeting link:

<https://us02web.zoom.us/j/82012024139?pwd=a2JVb2xya0twS3JHVm1oT083cGxDbz09>

Via one-tap mobile:

+16699006833,,82012024139#,,,0#,,717376# US (San Jose)

+14086380968,,82012024139#,,,0#,,717376# US (San Jose)

Or by dialing in: +1 408 638 0968 US (San Jose); or +1 669 900 6833 US (San Jose); or find your local

number here: <https://us02web.zoom.us/j/82012024139?pwd=a2JVb2xya0twS3JHVm1oT083cGxDbz09>

Meeting ID: 820 1202 4139

Password: 717376

Board Members Present: Aaron Edwards, Nicole Snyder, Robert Oakes

Board Members Absent: Steve Lantsberger, Luis Duarte, Laurence Held, Patricia Palacios

Staff: Mike Huber, Courtney Wood

Agenda

1. Call to Order/Roll Call
 - The meeting was called to order at 12:05 PM
2. Public Comments
 - There were no public comments
3. Approval of June Minutes – Action Item
 - A motion was made (N. Snyder/A. Edwards) to approve the June minutes. The motion passed unanimously.
 - The votes were as follows:
 - A. Edwards: Aye
 - R. Oakes: Aye
 - N. Snyder: Aye
4. Loan Performance Updates/Loan Delinquencies/New Applications – Informational Item
 - C. Wood provided an update on the FED loan, sharing that S. Lantsberger has looked over the FED's pre-approval documents and asked the FED to resubmit their financial projections to take COVID-19 into effect. C. Wood also shared that S. Lantsberger noted the collateral items pledged by the FED did not meet requirements typically preferred by the Revolving Loan Fund, which is the impetus for agenda item #5 below.
5. DSELF Collateral Policy – Discussion & Action Item
 - C. Wood explained that after reviewing the FED's submitted proposal of pledged collateral, S. Lantsberger noted that the pledge included no real property, included vehicles, and was primarily made up of personal property. He shared with C. Wood that the Revolving Loan Fund typically does not



consider loans with no real property as collateral, does not accept vehicles as collateral, and discounts personal property by 50%. C. Wood shared that DSELF has been modeled after the RLF, but S. Lantsberger wanted to ask the Board whether DSELF will abide by the RLF's same standards in regards to collateral or whether DSELF may want to make some modifications.

- Discussion occurred regarding potential difficulties with the FED's proposed collateral. Issues that arose included:
 - Most of the collateral property items listed were items which significantly depreciate over time
 - Concerns about verifying ownership of the proposed items
 - Concerns about whether or not the listed vehicles were fully paid for/paid off
 - Legal issues which might arise in trying to obtain this equipment from the restaurant location, if a landlord was uncooperative/if the FED owed the landlord money upon defaulting
 - Whether the vehicles might need repairs/whether they are running
 - Where collateral items would be stored, should DSELF acquire them
 - Whether DSELF wants to be responsible for buying and selling personal property acquired
 - Whether requiring real property collateral will limit some businesses who need assistance from getting a loan
 - Whether the discount rate for personal property should be higher than 50%
- It was mentioned that the liquor license was the strongest proposed asset listed by the FED
- A motion was made (R. Oakes/A. Edwards) to:
 - retain the RLF policy of requiring real property collateral
 - discount personal property to 20% of their listed valuation
 - deny cars as a source of collateral unless valued at over \$100,000
 - consider elimination of real property collateral as a requirement for smaller loan requests, with a threshold to be reviewed and determined at a future DSELF meeting (upon revision of historical loan requests and collateral submissions)

The motion passed unanimously.

- The votes were as follows:
 - A. Edwards: Aye
 - R. Oakes: Aye
 - N. Snyder: Aye

6. DSELF Pre-Approval 30-Day Review Timeframe – Action Item

- C. Wood explained that this item arose from a previous Board discussion during which it was suggested that a 30-day turnaround time limit be implemented during the pre-approval process. C. Wood noted that she spoke



- with S. Lantsberger who said that the timeframe was reasonable provided all materials are submitted.
- A motion was made (N. Snyder/A. Edwards) to implement a 30 day time frame for pre-approval of loans. The motion passed unanimously.
 - The votes were as follows:
 - A. Edwards: Aye
 - R. Oakes: Aye
 - N. Snyder: Aye
7. Additional 60-day Deferral of DSELF Recipient Payments and Interest – Action Item
- C. Wood shared that the 2nd 60 day deferral period of DSELF would be expiring at the end of July, so this item has been brought to the board to consider whether they would like to implement an additional period of deferment.
 - A motion was made (R. Oakes/N. Snyder) to grant a 120-day additional period of deferral for existing DSELF recipients. The motion passed unanimously.
 - The votes were as follows:
 - A. Edwards: Aye
 - R. Oakes: Aye
 - N. Snyder: Aye
8. Business Survey Results – Informational Item
- C. Wood discussed the results of the business survey which had been distributed to businesses online.
 - R. Oakes requested that a pdf version of the results be sent out to the board to review.
9. Discussion of Further COVID-19 Actions to Be Taken By DSELF – Discussion & Action Item
- C. Wood went over the details of a proposed COVID-19 program modeled after changes being made to other programs like the City of Stockton's Microloan program and the RLF's new program.
 - A motion was made (A. Edwards/R. Oakes) to table the item until the next DSELF meeting and for board members to send their suggestions or comments to C. Wood to compile. The motion passed unanimously.
 - The votes were as follows:
 - A. Edwards: Aye
 - R. Oakes: Aye
 - N. Snyder: Aye
10. Items for Future Consideration
- There were no items for future consideration
11. Adjourn
- A motion was made (A. Edwards/R. Oakes) to adjourn. The motion passed unanimously and the meeting was adjourned at 1:12 PM.
 - The votes were as follows:



- A. Edwards: Aye
- R. Oakes: Aye
- N. Snyder: Aye

General Meeting Requirements:

Public Comments: The law provides the opportunity for the public to be heard on any item within the subject matter jurisdiction of the Board, before or during the consideration of that item by the Board. For all items, including items *not* on the agenda, the public comment time at the start of each meeting is appropriate. The person addressing the Board is limited to five (5) minutes unless the Chairman of the Board grants a longer period of time as appropriate to manage the Agenda. State law does not allow action to be taken on any item not on the Agenda. The Conference Room is handicapped accessible.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Executive Director of the Downtown Stockton Alliance at 209-464-5246, during regular business hours, at least twenty-four hours prior to the time of the meeting.

Pursuant to the Brown Act as codified in Government Code Section 54957.5, any documents pertaining to a non-closed agenda item distributed to a majority of the Board of Directors in less than 72 hours before a Board meeting shall be available for public inspection. Said documents shall be available for inspection at the office of the Downtown Stockton Alliance, 125 Bridge Place, 3rd Floor, Stockton, California, Monday through Friday, except Holidays, between the hours of 8:30 a.m. and 4:30 p.m.