



Downtown Stockton Enterprise Loan Fund Board Meeting Minutes

Date: Wednesday August 5, 2020

Time: 12:00 p.m.

Place: Online, via Zoom Meetings

Join Zoom Meeting

<https://us02web.zoom.us/j/86005775499?pwd=aFVwQzlhdm0hXR1hscjNzMkYyMDAyaE5wQT09>

Meeting ID: 860 0577 5499

Passcode: 898792

One tap mobile

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Meeting ID: 860 0577 5499

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Board Members Present: Aaron Edwards, Kari McNickle, Robert Oakes

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

Staff: Mike Huber, Courtney Wood

Agenda

1. Call to Order/Roll Call
 - The meeting was called to order at 12:03 PM
2. Public Comments
 - There were no public comments
3. Introduction of New Board Member Kari McNickle
 - K. McNickle introduced herself as the new Board chair of the DSA and now also of the DSELF Board.
4. Approval of June Financials – Action Item
 - A motion was made (A. Edwards/R. Oakes) to approve the June financial statements. The motion passed unanimously.
 - The votes were as follows:
 - K. McNickle – Aye
 - R. Oakes – Aye
 - A. Edwards - Aye
5. Approval of July Minutes – Action Item
 - A motion was made (A. Edwards/R. Oakes) to approve the July Minutes. This motion passed by majority vote.
 - The votes were as follows:
 - A. Edwards – Aye
 - R. Oakes – Aye



- K. McNickle – Abstained Due to Not Being in Attendance at the July Meeting
6. Loan Performance Updates/Loan Delinquencies/New Applications – Informational Item
- C. Wood shared that she had talked with the FED about the DSELF Board's requirement that all applicants must put up real property as collateral; they communicated to her that they had real property but it was already being used as collateral/dedicated to another debt. As an alternative, C. Wood shared that the FED could have a third party guarantee the loan/agree to put up collateral, but the FED indicated that they did not see this as a possibility for them at this time. The FED sent an email thanking the DSELF staff for the time spent trying to process the loan but indicated that it didn't seem like they would be able to move forward given the requirements.
 - C. Wood also shared that she had spoken with E. Smith from The Campus Downtown; she noted that he has continued to make payments throughout the deferment period but that he indicated his business would encounter significant difficulties if the current state of circumstances impacting demand for daycare is not resolved within the next 5 – 6 months.
7. DSELF Collateral Policy Revisited – Discussion & Action Item
- C. Wood noted that this item was a continuation of the motion approved at the last meeting, and noted she was looking for the Board to make a decision regarding whether real property collateral requirements would be waived for smaller loan and what that loan threshold amount would be.
 - As a part of this discussion, M. Huber noted that DSELF is intended to help businesses who might have trouble getting a loan from a traditional bank, and if the DSELF requirements are the same as a bank's requirements, then the DSELF isn't really assisting the businesses it is aimed at helping. Most of the past loans were given to property owners who had real property collateral and likely could have been funded through a traditional bank.
 - Discussion occurred regarding the possibility that DSELF could accept alternate forms of collateral in place of real property collateral, but that DSELF staff should talk with Steve to determine an official policy to be brought to the Board.
 - A motion was made to table the item (R. Oakes/K. McNickle) until the next meeting at which point DSELF staff would bring to the Board a proposal of the alternate collateral policy. The motion passed unanimously.
 - The votes were as follows:
 - A. Edwards – Aye
 - K. McNickle – Aye
 - R. Oakes – Aye
8. Discussion of Further COVID-19 Actions to Be Taken By DSELF – Discussion & Action Item



- C. Wood explained that this was the same COVID-19 program suggested at the previous meeting and asked for the Board's feedback, noting that this program had been adapted from the RLF's new COVID-19 EBSF Program.
 - R. Oakes shared that he would prefer that eligible businesses had been in operation for a year prior to the Shelter In Place Order.
 - A motion was made (A. Edwards/R. Oakes) to approve the proposed program with a modification requiring eligible businesses to have been in operation for at least one year prior to March 19th, 2020. The motion passed unanimously.
 - K. McNickle – Aye
 - R. Oakes – Aye
 - A. Edwards - Aye
9. DSELF Direction – Discussion Item
- M. Huber discussed the fact that the requirements of the DSELF might be too stringent and asked the Board to consider how they can help to loosen some of the requirements to make it easier to lend money to the businesses that need it; he mentioned that these applications take a lot of staff time and still sometimes don't get processed/result in money remaining in the DSELF bank account, rather than helping grow Downtown businesses.
 - The Board discussed the fact that there may be ways to adjust requirements, whether it is in the actual requirements, the credit score, or in the actual way points are allocated to each of the scoring categories.
 - It was suggested that the Board members look over the current DSELF requirements and to come back at the next meeting with ideas for modifications.
10. Items for Future Consideration
- A. Edwards noted that he would like to discuss processes to put in place in anticipation of the pandemic causing significant economic damage to existing DSELF recipients.
11. Adjourn
- A motion was made (A. Edwards/K. McNickle) to adjourn. The motion passed unanimously. The meeting was adjourned at 12:49 PM. (R. Oakes left the meeting prior to adjournment)
 - The votes were as follows:
 - A. Edwards – Aye
 - K. McNickle – 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.