

MINUTES
GAINESVILLE NON-PROFIT DEVELOPMENT FOUNDATION, INC.
March 10, 2011

A meeting of the Gainesville Non-Profit Development Foundation, Inc. was held in the Community Development Conference Room, 311 Henry Ward Way 2nd Floor.

Members present: Broughton Cochran, Leroy Summerour, Dick Young, and Audrey Simmons.

Staff Present: Chris Davis, Housing Programs Manager.

CALL TO ORDER

The meeting was called to order at 4:30 p.m.

CITIZEN ISSUES

None.

APPROVAL OF MINUTES

Mr. Cochran made a motion to approve the minutes of January 27, 2011; seconded by Mr. Young. Minutes were unanimously approved.

OLD BUSINESS

Outstanding Loans

Mr. Davis updated the Board on the status of the outstanding loans. There are currently 9 open loans funded by the Gainesville Nonprofit Development Foundation. Of the 9 loans, 3 are currently in default. Details regarding the 3 loans were discussed as follows:

A loan provided to Ms. Viola Damon of 510 Hunter Street was set to expire this year however Ms. Damon passed away in February of 2009. As a result, the balance of the loan, \$13,000, is now due. Staff is currently working with the City Attorney to recapture these funds.

A loan in the amount of \$26,887 was provided to Ms. Annie Alexander and Teresa Nicely. The current balance of the loan is \$19,667. The loan is severely delinquent and the owner was sent a letter concerning the delinquency from the City Attorney. In response, the owner made a payment and submitted a request to allow them to catch up the loan by agreeing to pay the monthly payment and an additional \$160 to catch the loan up. The board is willing to consider the arrangement however require that the owner sign a written agreement which states that this agreement does not mean that the loan is current; Balance of the loan will be due if any payment is more than 10 days late (due on the first of each month); Owner must provide proof of insurance on the home annually; Home must be properly maintained. Mr. Davis stated staff will work with the City Attorney to draw up an agreement.

A demolition loan was made to Ms. Clara McCrary in the amount of \$4,995. The current balance of the loan is \$2,295. Staff mailed a family representative a letter regarding the delinquency. Payment on the loan is required each month however; the owner has been making payments every other month. Prior to the meeting, a payment was made to address the

delinquency and the owner has assured staff an additional payment would be made in March and the loan will be brought current in April. The board agreed to work with the owner to catch up the loan.

All other loans are current and staff provided a spreadsheet with balances in addition to the terms associated with each loan. The Board requested that staff keep a check on homeowners insurance and to make sure the owner is still living in the home.

Demolition Loan

Staff updated the Board on the status of the demolition loan to St. Paul United Methodist Church for the demolition of a dilapidated structure located on property owned by the church. Mr. Davis explained to the committee that we are currently awaiting estimates to improve the property when the home has been demolished. Mr. Davis requested the option of proceeding with demolition and addressing the improvements at a later time however the board felt that the project should be turnkey and preferred to wait until costs for the total project have been supplied and an agreement can be entered into with the nonprofit and the church.

Changes/Updates to Articles of Incorporation and By-laws

Mr. Davis provided written detail of the amendments to the Articles of Incorporation which had been discussed at the January 27, 2011 meeting. After some discussion and several minor changes to the wording, Mr. Cochran moved to accept the changes as amended and submit to the Gainesville City Council for approval. Mr. Summerour seconded the motion. All members were in favor of sumitting the following revisions to City Council for approval:

Amendment 1: Revision of Section III

Proposed Version of Section III.

The purposes of this corporation are to eliminate slums, combat community deterioration, secure adequate housing, purchase land and/or develop land, improve living conditions in the City of Gainesville and engage in all lawful activities directly or indirectly related thereto.

Current Version of Section III.

The purposes of this corporation are to eliminate slums, combat community deterioration, secure adequate housing and improve the conditions of living in the City of Gainesville, including a land purchase and development project, and to engage in all lawful activities directly or indirectly related thereto.

Amendment 2: Revisions to Section IV Paragraph A.

Proposed Version of Section IV., Paragraph A

The affairs of the corporation shall be managed by a Board of Directors of seven (7) members to be appointed by the City Council of the City of Gainesville, Georgia. Board Members are appointed for indefinite terms. Any vacancy in a directorship will be filled

by appointment by the Gainesville City Council.

Current Version of Section IV., Paragraph A

The affairs of the corporation shall be managed by a Board of Directors of nine (9) members to be appointed by the Commissioners of the City of Gainesville, Georgia. Three (3) directors initially will be appointed for one (1) year; three (3) directors initially will be appointed for two (2) years; and three (3) directors initially will be appointed for three (3) years. Thereafter, directors will be appointed for regular terms of three (3) years. Any vacancy in a directorship will be filled by appointment by the City Commissioners for the remainder of the unexpired term.

Amendment 3: Revisions to Section IV Paragraph B.

Proposed Version of Section IV., Paragraph B

Membership on the Board of Directors shall be representative of a cross-section of the citizens of Gainesville, as far as is practicable. Board members will be appointed to represent each of the five (5) wards and two (2) members will be appointed at-large.

Current Version of Section IV., Paragraph B

Membership on the Board of Directors shall be representative of a cross-section of the citizens of Gainesville as far as is practicable, and shall consist of at least two (2) persons who, at the time of their appointment, live or work in the Model Cities Neighborhood, as defined in the original City of Gainesville Model Cities Demonstration Program Application of 1967.

NEW BUSINESS

Review of FY 2010 Annual Audit

Mr. Davis explained to the board that this was the annual audit year ending June 30, 2010. The board reviewed the audit and asked several questions with regards to line item descriptions and amounts expended. Staff addressed several of the questions and stated that additional information would be obtained to share with the board at our next meeting. The board discussed having the auditor come to a meeting to review the audit and stated that would be an option if necessary.

Preliminary Budget Discussions

Mr. Davis reported to the board that he had begun working on the budget for the 2012 fiscal year and asked the committee to provide any guidance or suggestions for activities they would like to see carried out over the next year. Mr. Davis stated he would like to consider purchasing homes to rehabilitate and sale to owner occupants to aide with securing declining property and neighborhoods. Board members were open to staffs proposal and were willing to support such activities. Mr. Davis notified the board that he would bring a preliminary budget to the Board at the regularly scheduled April meeting.

Proposed Loan Collection Policy

Mr. Davis brought a Loan Collection Policy to the board for consideration. The policy is an effort to address loans that have been deemed delinquent due to missed payments. The board reviewed the policy and recommended deleting a portion of one sentence. Mr. Summerour made a motion to approve the policy with the changes; Mr. Cochran seconded the motion. All members were in favor of implementing the Loan Collection Policy as follows:

LOAN COLLECTION POLICY

1. If we fail to receive the full amount of the payment within 15 days of the due date, we reserve the right to add a 5% service charge. We will add this service charge automatically to the Loan Account balance.
2. Each month the loan payment is overdue, a 5% service charge will be automatically added to the Loan Account balance.
3. If the full payment due, is not made within 30 days, a letter will be sent by the City of Gainesville Community Development Department reminding the borrower of the overdue payment and warning them of actions to be taken for nonpayment.
4. If the full payment due is not made within 60 days, a letter will be sent by the City Attorney informing the borrower that they are in default and immediate payment must be made.
5. If the full payment due is not made within 90 days, the borrower's Loan Account will be processed through the court system for default.

*For those borrowers who are consistently late in making payments to the City of Gainesville, the Housing Programs Manager may deviate from the policy set forth above. On the third instance within a one-year period where the borrower has not made full payment in 30 days, the Housing Programs Manager may immediately request the City Attorney to inform the borrower that he or she is in default and immediate payment must be made. Any additional instances where the borrower is 30 days or more late, they may be immediately referred to the City Attorney to inform the borrower that he or she is in default and immediate payment must be made.

RETURN CHECK FEE:

To the extent permitted by law, if the check or other instrument sent to us in partial or full payment on the Loan Account is not honored upon first presentment, we reserve the right to charge you a return check fee of \$30.00, even if the check or instrument is later honored. We will add this fee to your Loan Account balance. We do not impose a returned check fee for the same returned check more than once.

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OTHER

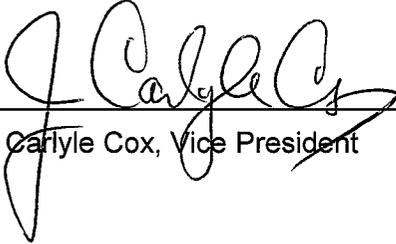
Meeting

The next regularly scheduled board meeting will be held on Wednesday, April 13, 2011 at 4:30 p.m.

ADJOURNMENT

The meeting was adjourned at 6:25 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Carlyle Cox", is written over a horizontal line. The signature is stylized and cursive.

J. Carlyle Cox, Vice President