

MINUTES
GAINESVILLE NON-PROFIT DEVELOPMENT FOUNDATION, INC.
April 13, 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, J. Carlyle Cox, 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. Summerour made a motion to approve the minutes of March 10, 2011; seconded by Mr. Cochran. Minutes were unanimously approved.

OLD BUSINESS

Outstanding Loans

Mr. Davis updated the Board on the status of the outstanding loans. He explained that staff continues to work on recapturing funds associated with the loan provided to Ms. Viola Damon and that the City Attorney is assisting with the process. The Board requested that staff also pursue evicting the squatters that are residing in the home.

Mr. Davis also informed the Board on the progress being made to catch up the delinquent demolition loan. He stated that the borrower is working diligently to catch the loan up and that the loan should be current by the end of April.

Another issue brought to the Board's attention by Mr. Davis was the outstanding rehabilitation loan on 735 Harvey Street. At the March 10, 2011 board meeting, members reviewed and approved a request by the borrower to address the delinquent loan by making additional loan payments. The borrower was notified by staff of the approved amendment. Since that time, the borrower has failed to make any payments. Mr. Davis asked the Board how to proceed. Members requested that staff take the appropriate measures to call the note due and payable in full.

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 CDBG funds were available to carry out the project therefore the applicant would not need assistance from the nonprofit. Mr. Davis said that the home would

be demolished within the next 3 weeks.

Changes/Updates to Articles of Incorporation and By-laws

Mr. Davis explained that one minor alteration to the amendments approved at the March 10, 2011 board meeting had been made. The alteration includes the addition of terminology regarding term limits. The following change was discussed:

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. Appointments thereafter shall be for a term of two (2) years. An individual may be appointed to successive terms and shall continue to serve if their term expires until a successor is appointed. Any vacancy in a directorship will be filled by appointment by the Gainesville City Council.

Upon review, Mr. Summerour made a motion to approve the amendment. Mr. Cochran seconded the motion. All members voted to approve the change.

Follow up on 2010 Annual Audit

At the March 10, 2011 meeting, board members had questions concerning expenses included under contractual services. Mr. Davis explained that the contractual expenses during the 2010 fiscal year included rehabilitation activities funded by through the CHIP program and several expenses involving the nonprofit's property on Wood Avenue. No other questions were asked.

NEW BUSINESS

FY 2012 Budget

Mr. Davis presented the Board a draft budget for the upcoming 2012 fiscal year. He explained that there were administrative fees budgeted totaling \$112,185. The administrative costs include salaries, benefits, dues, supplies and other expenditures necessary to support the nonprofit. The total budget for administrative costs was lower than the budget for 2011. Other activities that were funded include Vacant Properties (property acquisition) totaling \$100,000 and Notes Receivable (housing rehabilitation) in the amount of \$100,000. Mr. Davis explained that those funds could be used to acquire vacant homes for renovation and sale to owner occupants. The Board discussed the activities and stated that these funds could be used to further efforts being carried out with CDBG funds and follow the mission of the nonprofit. Upon discussion, Mr. Cochran made a motion to approve the budget. Mr. Summerour seconded the motion. All members were in favor of approving the 2012 budget as presented.

Acquisition of Vacant Properties

Mr. Davis asked the Board for some direction as to how to handle acquiring properties that become available through local auction or for sale by owners. Mr. Cox explained that when

properties are being auction, it would be in the best interest of the Board to handle the purchase of such properties through a third party. Other acquisition could be handled by staff. Mr. Davis explained to the Board, if a property becomes available, staff would consider all factors including the cost to acquire, rehabilitation costs and expected resale value all of which would be brought before the Board for consideration before any action was taken. Mr. Davis also explained that he would work to tie CDBG downpayment assistance to the units to help with the sale of the properties to owner occupants.

OTHER

Loan Collection Procedures

Ms. Simmons brought to staff's attention several grammatical errors on the Loan Collection Policy the board had adopted at the March 10, 2011 meeting. Staff acknowledged the errors and noted that the corrections would be made.

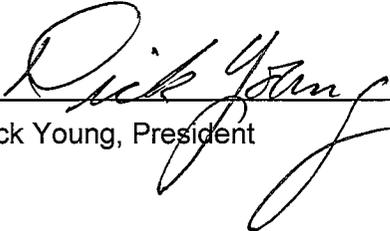
Meeting

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

ADJOURNMENT

The meeting was adjourned at 5:30 p.m.

Respectfully submitted,



Dick Young, President