

**THE MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS
OF DELTA COMMUNITY DEVELOPERS CORP.
HELD SEPTEMBER 2, 2020**

The Board of Directors of Delta Community Developers Corp. met in a Special Meeting at 2575 Grand Canal Blvd., Stockton, California, at 1:10 p.m. on September 2, 2020. Directors attended by teleconference as permitted by Govt. Code § 54953 and Executive Order N-29-20.

The Chairperson called the meeting to order, and upon roll call, those present and absent were as follows:

Present: Patricia Barrett, Second Vice Chairperson
Ryan Gresham, Chairperson
Lester Patrick, First Vice Chairperson
Rudy Willey, Director
Jon Mendelson, Director

Absent: None

The Chairperson declared a quorum present.

Also present were Peter W. Ragsdale, Executive Director; Gerald "Chip" Jones, Deputy Director; and Alan R. Coon, General Counsel.

The Chairperson called for the Pledge of Allegiance.

APPROVAL OF THE MINUTES:

No minutes were presented to the Board of Directors for approval during this special meeting held September 2, 2020.

EXECUTIVE DIRECTOR'S REPORT:

There were none.

REPORTS:

There were none.

ACTION ITEMS:

1) Following a discussion, Director Patrick moved, seconded by Director Mendelson, that the following Resolution be approved as read:

RESOLUTION NO. 20-17

AMENDED RESOLUTION OF DELTA COMMUNITY DEVELOPERS CORP. ("DCDC") CREATING DCDC SONORA SQUARE, LLC ("SONORA SQUARE"); AND AUTHORIZING ASSIGNMENT OF PURCHASE SALE AGREEMENTS FOR MARIANI PARCELS (APN No.s 149-062-10 and 149-062-15) TO DCDC; AND AUTHORIZING EXECUTION OF BRIDGE LOAN WITH DIGNITARY HEALTH FOR THE PURCHASE OF MARIANI PARCELS; AND AUTHORIZING EXECUTIVE STAFF TO APPLY ON BEHALF OF DCDC AND/OR SONORA SQUARE FOR ADDITIONAL FUNDING AND COMPLIMENTARY FINANCING FOR DEVELOPMENT OF MARIANI PARCELS

WHEREAS, San Joaquin County ("SJC") is in critical need of affordable housing, emergency housing and housing with mental health support services (collectively "MHS Housing"); and

WHEREAS, Housing Authority of the County of San Joaquin ("Authority") and San Joaquin County Behavioral Health Services ("BHS") executed an agreement ("BHS Agreement") to develop emergency and/or special needs housing; and

WHEREAS, Authority wholly owns and controls Delta Community Developers Corp., a nonprofit public benefit corporation (“DCDC”), which develops, manages and operates housing in San Joaquin County, California; and

WHEREAS, on or after September 3, 2020 DCDC Sonora Square, LLC (“Sonora Square”), will be organized and operated exclusively for charitable purposes as specified in Section 214 of the California Revenue and Taxation Code (entity number: 202026510884); and

WHEREAS, Sonora Square, will be hereafter created for the sole purpose of developing and maintain MHS Housing, was organized to further the following charitable purposes of its sole member, DCDC: (1) to provide housing for low income and/or special needs persons; and (2) may serve as a co-developer with DCDC and affiliated entities; and 3) to serve as a manager and/or general partner in a limited partnership which will own, operate and manage housing for the benefit of low income and/or persons with special needs who are in need of affordable, decent, safe and special housing with related services; and

WHEREAS, Articles of Organization Limited Liability Company (“Articles”) for Sonora Square, will be filed with the Secretary of the State of California on or after September 3, 2020; and

WHEREAS, an Operating Agreement for Sonora Square, was approved and adopted by the DCDC Board of Directors; and

WHEREAS, DCDC’s solely owned and controlled entity, DCDC Center Street, LLC (“Center Street”), entered into Purchase and Sale Agreements (“PSAs”) to purchase 2 E. Sonora Street (APN #149-062-100-000) and 401 S. El Dorado Street (APN #149-062-150-000) as locations for MHS Housing (“the Project”); and

WHEREAS, Center Street, as the current Buyer of the Mariani Parcels, has agreed to assign its interest in the PSAs to DCDC; and

WHEREAS, DCDC has agreed to assume the obligations and responsibilities set forth in the PSAs; and

WHEREAS, on December 12, 2019, Authority in conjunction with DCDC, were authorized by the Board, to seek additional NPLH funds for the balance of the construction costs for the Project and, if awarded, to execute all documents related to the NPLH Program funds; and

WHEREAS, on January 8, 2020, Authority submitted to the State of California in the competitive Round 2 of NPLH grant funding for an additional \$4,579,252; and

WHEREAS, Housing and Community Development ("HCD"), which administers the NPLH funding, has advised Authority and DCDC that both the non-competitive and competitive grant funding cannot be used to acquire and construct MHS Housing for the Project in the manner previously contemplated, rather said funds may be used to satisfy development and construction loans upon completion; and

WHEREAS, Authority and DCDC did not anticipate the need for short term, gap funding or complimentary financing in the acquisition of the Mariani Parcels; and

WHEREAS, DCDC has obtained a bridge loan commitment of \$1,130,000 from Dignitary Health (CommonSpirit) for the purchase of the Mariani Parcels; and

WHEREAS, additional funding and grants will be necessary for the development of the Project,

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Directors of DCDC, meeting in a Special Meeting this 2nd day of September, 2020, did authorize the creation of Sonora Square, adopt the Articles of Organization and Operating Agreement for Sonora Square, attached hereto and to be dated September 3, 2020, be, and the same hereby are, approved and adopted;

AND BE IT FURTHER RESOLVED AND ORDERED, by the Directors of Center Street, that the PSAs shall be assigned to DCDC;

AND BE IT FURTHER RESOLVED AND ORDERED, by the Directors of DCDC that all terms and conditions in the PSAs shall be assumed by DCDC;

AND BE IT FURTHER RESOLVED AND ORDERED, by the Directors of DCDC and Sonora Square that:

1. The Executive Director, Deputy Director, and Director of Finance (herein "Executive Staff") shall enter into a Loan Agreement of \$1,130,000 with Dignity Health (CommonSpirit) for the acquisition of Mariani parcels; and
2. The Executive Staff are authorized and directed to execute any and all related Dignity Health Loan documents; and
3. That the Executive Director has the authorization and direction to negotiate any and all terms and conditions of any ancillary and additional actions related to the Dignity Health Loan; and
4. That the Executive Staff to negotiate and execute any and all applications and documents related to CDBG, HOME, and similar funds and awards and, in addition, discretion and authority to negotiate all related documents; and

5. Authorize the Executive Director, Deputy Director and Director of Finance to execute any and all applicants and documents related to the LIHTC application and award and, in addition, discretion and authority to negotiate all related documents.

ROLL CALL:

AYES: Directors Barrett, Gresham, Mendelson, Patrick, and Willey

NOES: None

ABSTAIN: None

ABSENT: Director Moore

Upon Roll Call, the Chairperson declared the foregoing Resolution passed and adopted.

ACTION ITEMS:

2) Following a discussion, Director Willey moved, seconded by Director Patrick that the following Resolution be approved as read:

RESOLUTION NO. 20-18

RESOLUTION AUTHORIZING SUBMITTAL OF HOMELESS HOUSING, ASSISTANCE AND PREVENTION GRANT APPLICATION TO CITY OF STOCKTON AND SAN JOAQUIN COUTNY CONTINUUM OF CARE AND SAN JOAQUIN COUTY

WHEREAS, the Housing Authority of the County of San Joaquin (HACSJ) with its nonprofit subsidiary Delta Community Developers Corporation (DCDC) is committed to ending homelessness; and

WHEREAS, the City of Stockton, San Joaquin Continuum of Care, and San Joaquin County released a Notice of Funding Availability for Homeless Housing, Assistance and Prevention grant; and

WHEREAS, it is in the best interests of the Housing Authority of the County of San Joaquin (Authority), as sole member of Delta Community Developers Corporation (DCDC) to submit two applications for funding of landlord incentive and acquisition costs of 2 E. Sonora Street and 401 S. El Dorado Street; and

WHEREAS, the application for landlord incentives program seeks funds in the amount of \$445,000.00 to expand rental opportunities for voucher holders through Housing Authority of the County of San Joaquin's Housing Choice Voucher Program; and

WHEREAS, the application for acquisition cost of 2 E. Sonora Street and 401 S. El Dorado Street seeks funds in the amount of \$1,117,000.00 to develop Sonora Square Apartments (37 units) for supportive housing; and

WHEREAS, it is also in the best interests of Delta Community Developers Corporation to accept said funding to acquire the Mariani parcels and provide landlord incentives, if Delta Community Developers Corporation is a successful recipient of the grant award.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of Delta Community Developers Corporation meeting in a Special Meeting this 2nd day of September 2020 that the Executive Director be, and he hereby is authorized and directed to execute and submit the Homeless Housing, Assistance and Prevention grant application.

ROLL CALL:

AYES: Directors Barrett, Gresham, Mendelson, Patrick, and Willey
NOES: None
ABSTAIN: None
ABSENT: Director Moore

Upon Roll Call, the Chairperson declared the foregoing Resolution passed and adopted.

PUBLIC COMMENT:

There were none.

INFORMATION ITEMS:

There were none.

CONSENT ITEMS:

There were none.

CLOSED SESSION:

Conference with Real Property Negotiators. Government code §54956.8. **Property:** Addendum V to Purchase and Sales Agreements of Property APN No. 149-062-10 and 149-062-15. **Agency Negotiator:** Alan R. Coon. **Negotiating Parties:** Delta Community Developers Corporation and Lisa Dixon.

ADJOURNMENT:

There being no further business, upon motion, second and unanimously carried, the Board of Directors' meeting adjourned at 1:26 p.m.

ROLL CALL:

AYES: Directors Barrett, Gresham, Mendelson, Patrick, and Willey

NOES: None

ABSTAIN: None

ABSENT: Director Moore

Following Roll Call, the Chairperson declared the meeting adjourned at 1:26 p.m.



Peter W. Ragsdale, Secretary