



Date: 12/07/20

Item: III.1

## 2nd Story Associates

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### MINUTES

2nd Story Associates

706 Laguna Street, Santa Barbara CA 93101

### **Zoom Meeting**

2:00 P.M. – Monday, September 14, 2020

#### I. Call to Order/Roll Call: 2:04 PM

Board Members Present: Skip Szymanski, Veronica Loza, Rob Fredericks, Zahra Nahar-Moore, Kathleen Baushke, Laurel Sykes, Gary Linker (arrived at 2:10pm)

**QUORUM MET**

Board Members Absent: Annmarie Cameron

Others Present: Tim Waaler, Celia Wright

#### II. Public Comment: Public comment period open. No comments.

#### III. Consideration of Minutes

1. **Subject:** Minutes of the June 8, 2020 Regular Board Meeting

**Recommendation:** That the Board approve Minutes of the Regular Board meeting of June 8, 2020.

MOTION: M/S Loza/Nahar-Moore

Ayes: 6      Nays: 0      Abstain: 0

#### IV. Financial Report

1. **Subject:** Financials for the Quarter ended June 30, 2020

**Recommendation:** That the Board review and order filed 2nd Story Associates financials for the Quarter ended June 30, 2020.

Tim presented financials and noted the organization is in good position, and there were not many expenditures this period due to COVID-19.

MOTION: M/S Baushke/Sykes

Ayes: 7      Nays: 0      Abstain: 0

2. **Subject:** Review of Grant Fund Balances (strike Balance Sheet) as of June 30, 2020.

**Recommendation:** That the Board receive an update on the balances of 2nd Story grants.

Tim presented the Grant Fund Balances. No action.

V. **Communications:** No communication.

VI. **Old Business**

1. **Subject:** Grants and Programs Update

**Recommendation:** That the Board receive an oral report on 2nd Story programs and grants.

No updates were made.

2. **Subject:** Gardens on Hope Apartments

**Recommendation:** That the Board receive an oral report on the status of The Gardens on Hope.

Skip commented that the project is physically complete. Veronica stated that the property is almost 100% leased up, pending approximately 4 vacancies. Added that it has been a struggle to fill vacancies due to COVID-19. Rob stated that we are now in a financially stable position with property.

3. **Subject:** Review and Update 2nd Story Associate's Mission and Vision statement

**Recommendation:** That the Board continue the discussion to approve the amended mission statement and vision statement.

Celia presented the amended mission and vision statements for Board approval.

MOTION: M/S Fredericks/Sykes

Ayes: 7            Nays: 0            Abstain: 0

4. **Subject:** Grace Housing Inc. Emergency Assistance Fund

**Recommendation:** That the Board continue the discussion to limit the Emergency Assistance Fund to Housing Authority of the City of Santa Barbara clients.

Skip discussed concerns with verifying who is being helped through this fund. Asked for motion to limit Grace Housing Inc. Emergency Assistance Fund to Housing Authority clients or residents with verifiable low income sources with the goal of homeless prevention.

MOTION: M/S: Fredericks/Baushke

Ayes: 7            Nays: 0            Abstain: 0

5. **Subject:** Carrillo/Castillo Commuter Parking Lot

**Recommendation:** That the Board continue the discussion to approve a partnership for a new affordable housing development at the Carrillo/Castillo commuter parking lot.

Skip stated that Garden Court Inc. and Santa Barbara Affordable Housing Group are current placeholders. Santa Barbara City Council would prefer that this location be developed for moderate income housing, however it is difficult to do without subsidies, and the potential investors are looking for a 5% yield return. Kathleen motioned that if the Housing Authority is required to build low income housing with tax credits at this location, 2<sup>nd</sup> Story Associates agrees to partner.

MOTON: M/S Baushke/Fredericks

Ayes: 7            Nays: 0            Abstain:

**VI. New Business**

1. **Subject:** 116 E. Cota Street General Partnership Resolution

**Recommendation:** That the Board receive an update on development efforts for 116 E Cota Street and ratify the participation of 2<sup>nd</sup> Story Associates as a general partner in a limited partnership that will ultimately own the property.

Skip stated that the current project of 15 two-bedroom units has been approved through the AUD program, and the Housing Authority proposal is to build 28 studios for the formerly homeless and a 2 bedroom manager's unit. 2<sup>nd</sup> Story is currently a placeholder partner. Escrow closed in August and the Housing Authority is the property owner. A partnership needed to be created to start the cash flow for architectural/engineering services. The Housing Authority has approved loan to the partnership for \$500,000 for predevelopment expenses. Because the partnership was created prior to this meeting, the motion is requested as a ratification for 2<sup>nd</sup> Story's participation in the partnership

MOTION: M/S Baushke/Loza

Ayes: 7            Nays: 0            Abstain: 0

1. **Adjournment**

Meeting adjourned at 2:55pm.

Minutes Reviewed and Approved:

*Skip Szymanski*

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Skip Szymanski, President

Dec 2, 2020

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Date