**Tonight’s CHEA Board Meeting took place at 6pm at La Reunion on April 17th, 2018.**

**Agenda:**

D&O Insurance Update

ARNL Update

CDC Recommendations (UT Law School)

Community Board Rep Position

Maintenance at La Reunion

Staff Update

**Barak moves to approve last time’s minutes, Gatlin seconds.**

**Barak moves to table everything on our agenda besides the ARNL Update as Mary O’Hara and people from BASTA and ARNL were at the meeting.**

***In Attendance:***

**Barak Bullock, Chair of the Board**

**Gatlin Johnson, Treasurer of the Board**

**Indya Flanagan, Secretary of the Board**

**Natalie San Luis, CHEA Staff**

**Mary O’Hara from ROC USA**

**Jennifer Salazar from BASTA**

**Andy Escobar from BASTA**

**Overview**: Mary asks Natalie for an overview of what work has been completed so far. Mary wants to get a sense for if CHEA can really become a CTAP. There are professional servies and governance services that need to be provided, NASCO may be able to provide high level professional services and CHEA may be able to provide governance and communication with ARNL and BASTA at a local level.

**Mary O’Hara**: It’s more than communication with a local resident group that wants to purchase. Becoming a CTAP with ROC USA is essentially a decision to start a business. The first part is the market development aspect. There’s a database of mobile home parks in the 5 local counties, the staff person would work with the person in the acquisition department of ROC USA to develop a strategy of bringing those properties in. The second aspect is when a community comes up for sale, you have to speak with the community owner and get their willingness to sell to the residents, and their permission to meet with the residents about a purpose. In this instance ARNL is already ready to go, and BASTA would be able to help with the community organizing piece. ROC USA has a conversion checklist built into Salesforce, do training for new technical assistance providers when they come into the network. There’s a very structured process to walk through during resident purchase that includes real estate transaction and steps to purchase. These steps include hiring an attorney, doing a conditions report to know what the capital assets are and what issues need to be fixed. They walk through the sales price and what that means for the residents to purchase - can they do it with current rents, do the rents need to go up or vacancies be filled? Developing and training the interim board around governance, taking them through to the closing of the community. For the life of the loan you need to provide ongoing technical assistance and support. ROC USA helps pay for that assistance over the 10-year life of the loan. The business model for a technical assistance provider is based on transacting 2-4 resident communities a year. While the entity that takes this on in Texas would focus on local geography, but would be available to do this anywhere in the state. Perhaps NASCO could make their staff available to work on a project with the staff person that’s here in-person. For the real estate transaction someone from NASCO could come out and help, assist with the negotiation with the seller and provide supervision and direction along with the CHEA Board for this effort.

**Who will do the wor**k: The way that other affiliates have done this staffing piece is to give the project to someone already on staff to handle the project until enough work develops for it to become full-time. The cooperative development centers part of the ROC USA network start out with a part-time staff person and have contractors who do cooperative development work available on a contract or freelance basis. The money they’ve earned doing cooperative development work helps them to expand. In many cases these groups started with a part-time person and then expanded to a full 10-person staff. CHEA has no experience in starting a real business, the idea is that NASCO would help with the serious staff piece. ROC USA would commit to take some of their operational budget to invest in this start-up operation, and we could get funds from JP Morgan Chase.

**Barak**: Thinks that we all know it would be a huge undertaking. We would probably have to outsource to professionals who work in the CTAP area or hire our own staff. NASCO prepared to help us along the way with staff time and capital. They are prepared to help us write job descriptions to solicit professionals who already work in the CTAP area, prepared to draft documents, prepared to survey the sites of mobile home communities on occasion. We are prepared to figure it out and do it!

**Mary**: What is NASCO prepared to do?

**Barak**: They will help us draft job descriptions so we can put out postings for professional CTAP staff so we can hire them and/or relocate them into the Austin area into our own office space. CHEA needs a more official space to work in anyways. If we are to be a real organization we need to rent office space and have people work from there. It would be impossible for one person to do this, we need more than one person to do this efficiently and correctly. NASCO prepared to help us with hiring staff and finding a place to work.

**Gatlin**: As an aside, Austin is fortunate in that we have a large college cooperative organization. They have significant experience in from the ground-up real estate development. Gatlin is on the board of College Houses. It is worth it note as a footnote that there are experienced people around us. If there is some capability that is necessary, we know exactly where to go. Very interested in learning about what’s going on at ARNL!

**Barak**: important to restate the fact that none of this ought to happen without the consent and criteria of residents at ARNL.

**Jennifer**: we haven’t had an official meeting to discuss CHEA’s renewed interest, have had conversations with new management. There has been turnover at the property management level. Waiting to see if demands on property upkeep are met, some demands include maintaining dying trees, fences, and mailboxes. Lights also need to be installed around the community, have been at least 3 cases of violence or robberies. Some of these needs still have not been met and have not heard back from the property managers. Were waiting on this meeting with CHEA and ROC USA before bringing it back to the ARNL meeting as a whole. They haven’t talked about it with the whole community for a year at this point, the person who was spearheading it has dropped off of the project.

**Andy**: momentum has fallen, thinks that bringing this opportunity back to the community could renew energy at the community.

**Barak**: thinks that CHEA’s lack of momentum on this project has been due to a change in leadership at the CHEA Board level.

**Natalie**: Matt Dietrichson had been in contact with Greg Casar’s office about a potential funding source. Might be worthwhile to check in on that.

**Barak**: the ability to pay these staff members a livable salary is something that we have to achieve.

**Natalie**: it seems like there’s a lot of loose strings of resources that need to be pulled together. Sure that if we went to the Austin Cooperative Business Association we could make some headway. Could be useful to start a conversation among co ops in Austin that would be willing to participate in the conversation. The funding issue was the main thing that we were running up against last year. Having some sort of roundtable with all involved would help. Could be useful to garner momentum among the co op community by putting it out there that we want to make this ARNL project happen.

**Andy asks Mary for updates on JP Morgan Chase**: Market analysis complete, can definitely demonstrate that there are communities not yet owned by big whigs, may be interested in selling to ROC USA. For this budget year a JP Morgan executive has it on her budget to fund the start-up of a CTAP in this area. In a recent study they suggested that the ROC USA model would be a way to preserve these kinds of communities in the Austin area. The city is talking about re-zoning anything that is currently a mobile home park as part of Code NEXT. Right now mobile home parks are zoned as businesses, want to move to make them their own thing. If Austin changes zoning it would take the pressure off of mobile home communities re: selling out to development. In terms of people who are out there, College Housing is one of the groups that we originally met with. Originally they were interested in expanding their mission to low-income and moderate income families and go beyond college students. This is what Mary would like to hear from NASCO as well. Mary sent the information of a number of cooperative development people around the city. **The idea is that people from these organizations would be available to be contractors initially working part-time on a project until enough work develops for them to work full-time.**

Steps:

1. Get commitment from NASCO to help
2. Create a budget for staff and office
3. Decide whether or not it’s a joint venture with NASCO

**Mary** thinks that if ROC USA had something to really go with as a local affiliate, the foundation support plus help from NASCO and maybe a go fund me from the cooperatives would get us to our operating funding. For it to be real in this budget cycle we have to have something on the table by June.

**Natalie**: what exactly do we need to hand over to JP Morgan Chase?

**Mary**: you would need approval from ROC USA, i.e. the application that Barak has.

Action Items:

1. Finish application and become member of ROC USA network
2. Draft MOU with NASCO on how they will help
3. Make a budget (also part of ROC USA)
4. Talking to folks at ARNL to make sure they are still on board

**Mary** thinks that we should actually do our homework first and then go back to ARNL and ask them. Of course ARNL would be the first project. We are up to 219 resident-owned communities across the country, have had 5 transact in the first quarter of this year. Of those, only 1 needed grant money in order to make it work (directly to the project itself, not operations to the CTAP). JP Morgan Chase has funded this work on the national level. The local Houston, San Antonio, El Paso chapter would be assisting. Mary met with 9 bankers from the local Chase bank and did not know what the national bank had done for ROC USA. In the case of ARNL, the community essentially leveraged the community owner to the point that they would agree to sell to the residents, but they would make the residents work with a ROC USA affiliate. They are a tough group! The current owners of ARNL actually host trainings for other people to buy mobile home communities, jack up the rents, and do no work and sell out.

**Andy**: if ARNL does not want to become a co op, would CHEA be okay with that? The thing to remember is that there are so many educational pieces that are missing in the community due to education and demographic levels. It won’t just be ARNL that is like that given the demographics of other mobile home communities in Austin.

**Gatlin**: itching to start doing budgets. A bit of a missing piece - the goal is to apply to become an affiliate and to do that we must meet certain criteria. To get started to show good faith that we can grow into this role in terms of money and employees/staff, what would inspire that confidence?

**Mary** sent the excel sheet business model. That would be the thing to take a look at, would be happy to walk through it with whoever is taking that on. Would share the market research and have a conversation about how many communities we can do in the first year. Maybe one, maybe two. What will that mean in terms of income? What would it cost if we were simply hiring somebody? We do have a number of hours of staff time/ contractor time? What do we really need to have on the ground if we have this many hours and NASCO can contribute x amount?

**Barak**: before we even get to the point of soliciting money we need to know how much money we would need.

**Mary**: one major component of the application is a business plan, and thinks that NASCO should help with that. It’s not something that Mary can help with.

**Barak**: in order to demonstrate that we need something by June, what did you mean?

**Mary**: foundations don’t want to wait around. JP Morgan Chase have let us know that we need to give her something to put in front of her committee by June (no specific date).

**Barak**: if we can have a list of action items and a due date, they will all be done by that date.

**Indya**: asks Natalie if she can help.

**Natalie**: wants to dig in and see how much work it would be, couldn’t do it all by herself.

**Barak**: thinks that we should leverage NASCO to do a lot of this work.

**Mary would like there to be an application submitted by June 1st.**

**Mary** notes that there are a lot of things that CHEA already has in place like bylaws, articles of incorporation, etc that we can send in.

**Barak**: wonders about the specific order in which things should occur. When should reaching out to ARNL occur?

**Andy**: probably after everything is set up. Need to regather the leaders and have a general meeting. Mary brought up an important point that this is year 3 and we don’t need to string the along.

**Mary** thinks that we should wait to bring it up to the ARNL community until the application is submitted.

**Jennifer**: agrees, thinks that after CHEA sends application in we can have a meeting where some CHEA members come and introduce themselves. It’s important to the community to know who would be working with them.

**Mary**: at that meeting we would invite the people from Pasadena Trails to be there for that first meeting to really talk about their experience working with a CTAP and ROC USA. Pasadena Trails is the resident owned community outside of Houston, have been resident owned since 2009. An all Latinx board, have done excellent work. Recently refinanced their loans with ROC USA and got money elsewhere for capital improvements including drainage. They finished the drainage improvement 2 weeks before Harvey hit - there was not a drop of standing water during Hurricane Harvey because of it. Those people were out in the broader neighborhood bringing relief to their surrounding neighbors. They would answer everyone’s questions and be totally honest. And they need a certified technical assistance provider to continue to support them! They are also very excited to have other resident owned communities in TX.

**Barak**: Matt Dietrichson very instrumental in getting this project up and running. Put us in contact with Andy, and been in contact with folks in other states. He also has some contact with someone at Greg Casar’s office.

**Mary**: Greg Casar’s office actually brought ROC USA down. Brayden brought him down was Matt D’s teacher at UT.

**Barak**: what kind of attributes do we need to hire for?

**Jennifer**: definitely Spanish-speaking.

**Mary**: CTAPs need experience and skill in community organizing, experience in real estate transactions, etc. There are 5 benchmarks for certification. Remember, CHEA doesn’t have to have all of it, they can leverage partners.

**Gatlin**: CHEA’s membership doesn’t have to vote on this subject as it would not affect the houses.

**Barak**: the general membership elects the Board.

**Mary**: it’s easy to say that we want to help ARNL. But to sign a contract that obligates us to this degree is a significant piece and we would not want the membership to revolt and throw out the board. For groups that partner with ROC USA, they elect their own board of directors who would be separately incorporated and self-governed under a particular Texas statute. We have a set of template bylaws and articles of incorporation that are revised state by state, and a management guide for resident-owned communities that is a 300-page operating manual that has templates, tools, and information. Each of those is reviewed by a state attorney to make sure they meet criteria. CHEA would not have to change bylaws at all, but looking at bylaws would be part of the application process. Could be that CHEA and NASCO create an entity that is jointly governed by CHEA and NASCO that governs CTAP stuff. Available, don’t hesitate to reach out.

**The next meeting of the Board will take place on May 1st at 6pm at Sasona.**