

**PROVIDENCE BUSINESS LOAN FUND, INC.**

**WEDNESDAY, MAY 13, 2020**

**DRAFT BOARD OF DIRECTORS REMOTE MEETING MINUTES**

Pursuant to Rhode Island Governor Gina Raimondo's Executive Order No. 20-05, dated March 16, 2020 and the State of Emergency declared in the State of Rhode Island and the City of Providence, a virtual meeting of the Providence Business Loan Fund, Inc. (PBLF) Board of Directors was held remotely in Zoom webinar format on May 13, 2020 in order to minimize any possible transmission of COVID-19. The Board of Directors meeting was called to order at 2:03 P.M., with Theresa Agonia, Vice-Chairperson presiding. Roll call of the members and legal counsel was conducted. A quorum was present.

**MEMBERS IN ATTENDANCE**

Members in attendance included Nicole Pollock, Chief of Staff, Office of Mayor Jorge O. Elorza (Chairperson, Mayor's Elorza's Designee), Theresa Agonia, Deputy Chief of Staff, Office of Mayor Jorge O. Elorza (Vice-Chairperson), Doris Blanchard (Treasurer), Daniel Murphy (Secretary), Allyson Cote and David Piccerelli.

**MEMBERS ABSENT**

Members not in attendance were John (Jack) Bentz, Stephen DelSesto, Esq. and Peter Quattromani.

**STAFF MEMBERS IN ATTENDANCE**

Staff members in attendance included Kathy Abbate and Jonathan Hernandez.

**OTHERS IN ATTENDANCE**

Others in attendance were Stephen A. Izzi, Esq., Moses Ryan Ltd., PBLF legal counsel; Sally Brito, Director of Fiscal Operations, City of Providence Department of Planning and Development; Thomas Hoagland, Executive Director, PBLF; and Angel Subervi, Office of Economic Opportunity, City of Providence.

**NEW LOAN REQUESTS / PROGRAMS – FOR CONSIDERATION AND ACTION**

The first agenda item entertained by the Board of Directors was New Loan Requests/Programs for Consideration and Action. Mr. Hoagland presented the request.

The agenda item entertained by the Board of Directors was the emergency loan request of Reyes, LLC d/b/a Reyes Liquors, Luis and Diana Reyes, 1187 Westminster Street, Providence, Rhode Island, 02907, in the amount of \$70,000.00. Mr. Hoagland presented the loan request. Mr. Hoagland provided a brief history and overview of the business. The business has been profitable. Mr. Hoagland recommends approval of the loan. The applicant is pledging the commercial real estate as collateral for the loan. Mr. Hoagland is sensitive to the issues raised by the board with regard to the financials of the business. The 2019 tax returns are not completed yet. However, Mr. Hoagland thinks that the business will be more profitable in 2019. Angel Subervi spoke on behalf of the applicant. Mr. Subervi has known Reyes Liquors for some time and has been helping them through city processes. Mr. Subervi stated that they have not had access to loan opportunities in the past because of profitability. They are becoming more profitable. Mr. Subervi stated that he supports Mr. Hoagland's recommendation that they access this opportunity. Questions of the board were raised and answered with regard to whether the business applied for the Paycheck Protection Program (PPP) funds, the use of the loan funds for the PBLF loan and whether the board is satisfied with the response to the issues raised with regard to the financials of the business. Mr. Hoagland believes that the business applied for PPP funding and that it has not heard back yet. In connection with the issue of the financials of the business, the board responded that these are tough times and that we have to be sensitive to this situation.

Upon a motion made by Daniel Murphy and seconded by David Piccerelli, it was voted to approve the emergency loan request of Reyes, LLC d/b/a Reyes Liquors in the amount of \$70,000.00 as presented. None of the directors were opposed to the motion and none of the directors abstained from the vote on this loan request. Motion passed by unanimous vote.

### NEW BUSINESS FOR CONSIDERATION AND ACTION

The next agenda item entertained by the Board of Directors was New Business for Consideration and Action. The agenda item entertained by the Board of Directors was that discussion and vote for approval for PBLF to submit an application to the Economic Development Administration (EDA) to receive a CARES Act Grant. Mr. Hoagland presented the agenda item. Mr. Hoagland noted that PBLF has been invited to apply for a grant under EDA's CARES Act Recovery Assistance initiative. The EDA Grant would be a supplemental RLF award to help respond to the unusual and compelling urgency of the coronavirus pandemic. PBLF qualifies to apply for \$760,000.00 in supplemental funding plus an additional ten percent (10%) to defray administrative costs. Mr. Hoagland thinks that we should take advantage of this invitation if we are able to. Mr. Hoagland noted that this will also allow PBLF to temporarily amend our RLF Plan to add micro-loans to the plan. In other times it would take three (3) to four (4) months to get through the process to amend the RLF Plan to accomplish the amendment. Mr. Hoagland strongly supports approval to apply for the supplemental funding.

The board questioned whether a letter of support was needed for the application. Mr. Hoagland responded in the negative and that the board approval will just be included in PBLF's EDA application. If approved, the timing of the receipt of the funds was questioned. Mr. Hoagland and Ms. Brito responded that EDA has thirty (30) days to accept the application and they have sixty (60) days to amend the application and RLF Plan. Mr. Hoagland also responded that he thinks that there will be a lot of need in two (2), four (4) and six (6) months down the line. The board questioned whether the EDA funding has different guidelines from the HUD funding. Mr. Hoagland responded that the guidelines are similar but do not have the low-to-moderate income requirements that HUD has.

At 2:14 P.M. Nicole Pollock, Chairperson joined the Zoom meeting.

The board questioned whether these funds will be loans and not grants. Mr. Hoagland responded in the affirmative, that the funds will be loans. The board noted that there is an urgent need for these funds. Mr. Hoagland added that this will be another tool in our tool belt. Mr. Hoagland also added that Sally Brito will take the brunt of this application process and that she has agreed to do so.

A motion was then made by Nicole Pollock and seconded by David Piccerelli to authorize PBLF staff to apply for the EDA grant. There were no directors opposed to the motion and no directors abstained from the vote on this motion. Motion passed by unanimous vote.

### EXECUTIVE SESSION

The next item on the meeting agenda was Executive Session. There were no matters for discussion in Executive Session.

### REPORT ON ACTION TAKEN IN EXECUTIVE SESSION

Executive Session was not convened and therefore there was no report.

### MOTION AND VOTE TO SEAL MINUTES OF EXECUTIVE SESSION

Executive Session was not convened and therefore there was not a motion and vote to seal the minutes of Executive Session.

A motion to adjourn was made by David Piccerelli and seconded by Doris Blanchard and the meeting was adjourned at 2:17 P.M.