

**Board of Directors Meeting Minutes
Wednesday, Sept. 25, 2019**

Conference Room @ Ventura Investment Building
1601 Carmen Ave, 2nd floor conference room, Camarillo, CA 93010

I. WELCOME/GENERAL UPDATES

- a. Meeting was called to order at 11:40 am with a quorum of directors present.
- b. Board members present: Marni Brook, Jennie Buckingham, Dawn Dyer, Karen Flock, John Fowler, Tracy McAulay, Anthony Mireles, Sean Morreale, Cathi Nye, Lynn Oshita, Stratis Perros, Mark Pettit, Alex Russell, Donna Sepulveda-Weber
- c. Board Members Absent: Stephen Boggs, Sal Gonzalez, Mary Ann Krause, David Moe, Greg Regier
- d. Annual HOME Housing Conference is Oct. 22, 2019. HTFVC as a sponsor has 2 tickets available and will have an exhibit table. **Anthony and Dawn will attend with the comp tickets. HTF will submit an announcement regarding Prop. 1 to be read from the podium and included on the PowerPoint slide presentation. Dawn suggested that a) the announcement be made by a HTFVC representative rather than HOME, b) HTFVC should have a representative on conference committee moving forward, and c) flyers regarding the Prop. 1 campaign be distributed to on all tables at the conference. Karen Fraser will follow up with the HOME Board.**

II. CONSENT ITEMS: The following items were made available for review and discussion by the full board and recommended for approval by the Executive Committee. **Motion to approve all Consent items** made by Marni, seconded by Cathi. Motion approved with unanimous vote with abstention by Sean and Dawn.

- a. Minutes of July BOD meeting
- b. Financial statements as of July 31, 2019 and August 31, 2019
- c. 2018 Federal and State Tax Return prepared by Mitchell and Associates
- d. Board Resolution to borrow \$1MM from Pacific Western Bank
- e. Board Resolution authorizing Montecito Bank & Trust to change the fee structure for the operating account
- f. Revised Board Member Responsibilities, Conflict of Interest Policy, and Code of Ethics and Whistleblower Policy

III. LAND TRUST (John)

- a. John and Linda provided an update on the land trust. The committee has had several productive meetings, including reviewing legal advice and meeting with a mediator to address conflicts with a third party group.
- b. The Land Trust Committee recommends establishing a supporting nonprofit instead of an LLC for several reasons; mortgages with FHA, access to HOME funds, and tax deductions for donated land require a nonprofit structure. Board composition requirements and degree of control over the new entity also differs. **Committee to seek information if there is a difference between affiliating and supporting?**
- c. The Committee recommends seeking ways to minimize a higher liability exposure with the supporting nonprofit structure. Since land ownership carries risks, the Board is concerned about loan fund exposure. **Further research will be done before deciding to accept land/property.** Approval of formation of entity does not create added risk.

- d. An RFP was issued seeking a Land Trust Consultant to assist with determining policy, procedures, funding, budget, risks, risk management, etc. Applicants need to respond by Oct 4th. A three month project time was established for the consultant.
- e. Recommendation is to move forward with attorney to form supporting nonprofit. Total estimated cost is around \$20,000, of which we have already partially incurred.
- f. **Motion made to form a supporting nonprofit housing land trust called Housing Land Trust Ventura County.** Moved by Anthony; seconded by Sean. Approved with unanimous vote.

IV. **UNDERWRITING COMMITTEE** (Marni)

- a. Habitat For Humanity, Santa Paula Project Application – The Underwriting Committee met yesterday to discuss the loan application. Habitat is proposing constructing 6 single-family, for-sale, affordable deed-restricted homes in Santa Paula. Estimated construction start in early 2020 with completion in early 2021. Committee members are in agreement in their desire to support this applicant and this project. However the application is lacking in detail and info necessary to get a clear picture of the project and applicant, information required by other applicants and the lending industry in general. Habitat replied with more detail, but still insufficient. The Committee recommends: a) obtaining a commitment letter from the applicant’s CEO pledging/committing sources to this project, and b) HTF directors meet with the applicant to convey why this information is necessary and guide them through the process. Board is in agreement that part of our mission is to help applicants understand project financing and that this is an opportunity to help the organization grow and ensure they are successful. The project already has the required zoning with applicant in legal control of the land. They are in process of entitlements. **Motion made to approve a \$500,000 construction loan at 3¼% for a 12 month term on the conditions of receiving a commitment letter pledging funds, an updated sources-and-uses in an acceptable format, subject to completion of construction closing check-list, with loan repayment and release at \$120,000 per home.** Moved by Karen; seconded by Cathi. Approved with unanimous vote and no abstentions.
- b. Priority List – The committee recommends amending HTFVC lending policy to include Extremely Low Income as a target population resulting in those projects receiving extra points in the application scoring process. **Need to determine the minimum ratio of priority units to the total to earn extra points.** We want to encourage projects that are serving this population. Priority designation is becoming more of an issue as funding requests and competition for our funds increase. **Topic referred back to the UWC with a motion deferred to the next meeting.**
- c. Citricos Loan Update – Subordination agreement by 2nd D/T was signed. We will resubmit our demand and release documents for HCD. Probable repayment on Oct. 4th or 5th. **Need to return to UWC for recommendation of a formalized fee structure guideline on all loans.**
- d. Habitat for Humanity, Camarillo Project Update – Habitat has received the Deed of Trust from City of Camarillo. New loan docs were signed 2 days ago and will be finalized with the recorder’s office tomorrow.
- e. Potential Project Pipeline and Funding – A Community of Friends has inquired about a \$1.5MM to \$2MM predevelopment loan for the Ventura veterans home project. They don’t have site control yet because of flood plain issues and historic discharge of storm water on-site. The site plan is not yet finalized because of issues to be resolved between City and State. However, our pre-development loans are not typically secured with a D/T. The next likely application will be early next year from Habitat on their Port Heuneme project. The USA Property project is now under Vince Daly and will be primarily market with inclusionary AH units. Willett Ranch repayment is expected by end of year and El Portal repayment early next year, bringing funds back into availability for lending.

- V. EXECUTIVE COMMITTEE REPORT (Jennie)
- a. Revisions to Organizational Documents - The **ExC will be reviewing and recommending revisions to By-Laws as part of our maturation. Will make this a 2020 goal** with possible contract to Roy Schneider for review. One issue in particular to review is board terms (staggered with possible 3-year term), term limits, and transition process, especially municipal seats. Need to address other opportunities for municipal participation other than board seat.
 - b. Nomination of 2020 Officers, Board Term Renewals, and New BODs – There are two expiring City terms (Simi and Camarillo), and several at-large directors. **Linda will reach out to those with expiring terms to discuss continuing. Nominating committee: Cathi, Sean, Dawn; Linda to ask Sal if he wants to continue on the committee.**
- VI. CEO'S REPORT (Linda)
- a. Prop.1 Update: CDFI Technical Assistance Grant was approved for \$125,000 to be used for capacity building, operations, and staffing. **Linda will send out a description of what the funds can be used as well as a proposal. Will need additional training for compliance and reporting.**
 - b. Prop 1 Match Meetings – Amgen: Had a good meeting with progress being made; VC/SB Funders' Forum: made a presentation of the need for affordable housing and Prop. 1; VCEDA: presentation and financial match request made; City: meetings and requests have been made to Thousand Oaks, Oxnard, and Santa Paula (city manager position is currently vacant). Board suggested approaching income-receiving groups such as Airbnb, etc.) for investment of their funds. Also discussed possible management of Santa Paula in lieu fees.
 - c. Advertising Update – We have placed ads and/or articles in: Star, Acorn, VC Reporter, CLU Radio, Online e versions, PacCoastBizTimes, and will be doing more press releases, and social media out-reach in the next 3 months.
 - d. CDFI DC Conference – Linda and Marni will be gone Oct. 18-23 attending this conference and will thus miss the HOME Housing Conference and the October BOD meeting.
- VII. ANNOUNCEMENT – Dawn remind the Directors to come up with **at least one company to approach regarding the Prop. 1 match.**
- VIII. ADJOURN – Meeting was adjourned at 1:35 pm.

Board meeting schedule: 4th Wednesday, 11:30 am to 1:30 pm

Oct 23, Nov. 20, Dec. Dark