



To support more housing choices, by generating and leveraging financial resources,
working in partnership with the public, private, and non-profit sectors throughout Ventura County.

**Board of Directors Meeting Minutes
Wednesday, April 26, 2017
VCCF Non-profit Center – Board Room
4001 Mission Oaks Blvd, Camarillo, CA 93012**

*Action items shown ***Bold and Italic***

1. WELCOME & INTRODUCTIONS

The meeting was called to order at 12:04 once a quorum was reached.

Board members present: Nick Birck, Stephen Boggs, Jennie Buckingham, Nancy Conk (via phone), Sal Gonzalez, Mary Ann Krause, Christy Madden, David Moe, Sean Morreale, Lynn Oshita, Mark Pettit, Greg Regier, Ralph Velarde

Board members absent: Marni Brook, Dawn Dyer, Peter Lyons, Alex Russell, Donna Sepulveda- Weber

Staff Present: Linda Braunschweiger, Karen Fraser

Guests Present: none

2. PUBLIC COMMENT - none

- 3. CONSENT** – Minutes of the March 22, 2017 Board meeting were distributed and reviewed. One correction was noted: pg. 2 correct typo “Raboback” to “Rabobank”. Mary Ann K. moved to ***accept the minutes as corrected***; Sean M. seconded. Motion carried with unanimous vote with Christy M. abstaining.

4. GENERAL BUSINESS

- a. **Executive Committee Report** (Steve): The Executive Committee met last week and discussed working with Cal. Lutheran University to develop a sustainable model for VCHTF, as well as reclassifying the CEO position to an employee.
- b. **February Financial Report** (Nancy): Financial statements as of March 31, 2017 were distributed, reviewed and summarized by the Board Treasurer. These statements, reflecting the first quarter of the year, show an operational shortfall for the quarter, but a surplus for the month, primarily from BOD dues and program income. There were additional bookkeeping fees last month for our HCD grant work. The balance of Prop 1C grant funds were drawn in March with the funding of the Walnut St. loans and were allocated in the P&L as an “Other Income” item. Increases in the Balance Sheet are due to the Walnut Street closing (\$1.125M in two loans with \$905.9K from HCD) and repayment of the \$500K Walnut Street pre-development loan. At month end, loans receivable stand at \$1.79M. For a few weeks in March the \$450K MB&T loan was drawn and then repaid by month end. The corresponding CD held at MB&T was reclassified from “Temporarily Restricted” to “Unrestricted”. At 3/31/17 there was \$1.2M available for future lending. Mary Ann K. moved to ***approve the March 31, 2017 financial statements as presented***; Jennie B. seconded. Motion carried with unanimous vote and no abstentions.



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c. **CEO Update** (Linda)

i. **Pipeline Update** – VCHTF received loan applications from both Cabrillo EDC and Habitat for Humanity. The Castillo farmworker housing loan application is expected by end of the week. Hope to complete the underwriting on all three application by next Friday.

- **Cabrillo EDC \$450,000 gap/bridge loan for 6 months, Camino Esperanza – Simi Valley:** The senior AH project is currently 66% leased and recently had their grand opening. This request would bridge the gap until their delayed federal Affordable Housing Program grant is received, most likely in mid-summer. Construction overruns are being financed with a \$190K loan from the City of Simi Valley. All permanent financing is expected in October.
- **Habitat for Humanity \$500,000 construction loan for 15 months, 6 Single-family, For-sale homes in La Colonia - Oxnard:** The construction loan will be paid from sale of the first two homes. Land was donated by the City of Oxnard. There is low risk in this loan and a huge demand for both the loan type and housing product. Habitat is changing their traditional self-financed model and seeking outside mortgages. Expect project completion in May-Aug 2018.
- **Lorenzo Castillo \$500,000 construction loan, Garden City farmworker housing in Oxnard:** Plans were submitted to the City for final approval; Lauterbach & Associates is the project architect. VCHTF did approve the preliminary application for funding. We are waiting for submittal and subsequent review of the full application Project calls for 30 units + dorm-style for additional 72 farmworkers.
- **Housing Authority San Buenaventura, Rancho Verde project for 24-farmworker units at the Hanson Trust property:** The HA was originally looking for \$250K mini-perm loan for 16 years. Linda told them that we didn't have the funds available for another long-term loan right now. They subsequently applied but did not receive the 9% tax credits. The HA wants to resubmit their tax credit application in July. But we will not know about most of our potential bank investments until late summer. VCHTF bank EQ2s will have shorter commitments e.g. 10 years rather than the 15-16 years on these mini-perm loans. The Snapdragon project would like some long-term VCHTF funding. More projects are facing this problem; the 9% tax credit is so tight that a local long-term portion is key. It was suggested that the Board review this situation on a philosophical basis as well; is it prudent to tie up funds for 15 years when we could turn the same funds over 3 to 4 times with shorter-term loans? ***Directors are asked to brainstorm methods to get additional investments.***
- **CDFI application:** Linda has placed this on hold until we know the future of the program in the Federal budget negotiations.
- **Housing Authority Santa Paula:** There are two potential applications from Santa Paula. One as a joint-venture with the City of Ventura's Housing Authority, and another with a private investor. At the moment if the Cabrillo, Habitat, and Castillo projects are funded, we would not have the capital to invest.
- **Many Mansions, senior veteran project in Simi Valley:** The project is moving forward. Funding this project could be a high leveraging point for VCHTF to encourage the City to reinvestment in the HTF.



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- **Other:** Christy advocated that the type of housing and population served should be weighed against actual need. For example, the local need for veteran housing may not be there even if the funds are. It is Sal's opinion that it is the young veterans just leaving active duty that really need the housing assistance. Another example was noted; the farmworker project in Santa Paula had a harder time leasing out because of a requirement that head of household be documented.
- ii. Private Investor Update – Rabobank will be waiting till September after their CRA review. Pac West Bank **may** evaluate our EQ2 application this summer. Boston Private Bank will be reviewing our application in May/June. Union Bank is not funding these types of products right now. Linda is looking for a CRA contact at Wells Fargo; there has been no response to the two contacts provided by Sean. **Directors are asked to forward Linda any contact information they may have at Wells Fargo or another bank institution.**
- iii. Municipal Investments Update
 - San Buenaventura: These requests now go through a new housing and homeless committee, just getting sworn in. Marni is on the committee. Jennie indicated that any reinvestment would most likely be a multi-year commitment.
 - Port Hueneme: Linda met with staff last Monday and had a very positive discussion. The ask is for \$50K. There may be funding in the successor housing RDA set asides.
 - Fillmore: Linda gave a presentation last night to Council after meeting with city staff prior. There is a very positive response. Ask is \$50K.
- iv. Oxnard: Linda will be meeting later today with Ruth Osuna, the Assistant City Manager (has a housing background) and Arturo, director of the Oxnard Housing Authority. Support of the City Manager's office is critical. Oxnard HA did receive Prop 1C funds, but Linda has not been able to get an accounting of how these funds were allocated.
- v. Economic Impact Assessment, Cal Lutheran Center for Economic Research and Forecasting: Linda and Steve met with Matthew Fienup, the CERF director, discussing an assessment quantifying our value to the County. Graduate students may be used to keep down costs. **Karen and Linda will look into possible outside grant funding for this project.** They would like us to let them know: what assumptions we want them to look at? Identifying the real need? Identifying actions to address this need? Any quantifiable cost savings to cities/County to fund support services that would be provided by an affordable housing project? Quantifiable impact to property taxes as a result of a welfare exception? CEDC had a similar study done several years ago. **Directors were asked to let Linda know if they want to be involved in this process.** Sal wondered how much of this research has already been done. **Ralph suggested looking at other assessments that have been done for other HTFs.** Is this study purely specific to VCHTF or is it applicable to the region and cities as a whole? What is the expected impact of this study? It will help support VCHTF's long-term viability and long-range planning. Will it help move decision makers to invest? Christy M. suggested that in order for this report to have validity and maintain objectivity, **we need outside people involved in this process.** Mary Ann K. suggested partnering with the Civic Alliance since they publish a State of the Region report.



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- vi. Land Trust: Linda has been approached by several people about a Land Trust idea and Habitat for Humanity supports looking into it as well. Similar to the Sonoma County Land Trust, deeded land is retained in the Trust, with individual ownership only in the structures. Since land is so expensive in the County this would reduce the price of owning a home, making home-ownership much more affordable. **Directors should let Linda know if they want to help.** Christy and Sal are already involved in this effort.

5. **2017 EVENT DISCUSSION** (Steve/Linda)

The theme of this year's event will be Farmworker Housing, emphasizing economic and labor stabilization thru housing. We have not focused on this target population yet. Ellen Brokaw and John Krist (Farm Bureau) were contacted for their input and potential conflicts. They were very positive. Last November, the County electorate decided the preservation of agriculture is crucial. We need to address the economic viability and workforce stability of this industry in light of the need for affordable housing. Event will be held on September 21st at the Camarillo Ranch, selected for it's convenient location, low-cost, familiarity, and appropriateness to the theme. There are many really good personal stories that can be highlighted at the event. Look into a possible short documentary. The next committee meeting is this Wed. May 3rd at noon. Ralph will try to loop back into the committee.

6. **AFFORDABLE HOUSING FUNDING CHALLENGES** (Linda)

- a. HUD, CDBG and CDFI (Christy): Expected cuts in Federal HUD, CDBG and CDFI funding. The CA Housing Consortium published an online tool to estimate the impacts of the proposed budget. Ventura County would stand to lose \$12.8M in housing funding. The federal budget needs to be passed by Friday, or they can kick it down the road a bit with interim funding bills. About \$4.5M in housing voucher program (new vouchers only) is expected to be cut. Compounding the problem is the cuts do not address the additional costs to continue existing programs.
- b. State Legislation (Nancy): There are four pieces of legislation being considered at the State level. Two create a permanent source: SB2 is a reintroduction of past bills with some tweaking, and AB71 expands the state low-income housing tax credit by \$300M. This will help bridge the gap between Federal cuts and also the 4% tax credit program. Includes \$25M to fund the farmworker housing tax credit program. SB3 is an AH bond measure for \$3B to be placed on the 2018 state-wide ballot. It will need a 2/3 vote to pass. SB325 re-extends the COIN tax credits. Previously this measure had overwhelming support in both houses but the Governor vetoed the bill amidst heavy lobbying by the insurance industry. **Directors are urged to contact local legislators (e.g. Irwin, Jackson) to support these measures.**
- c. Local Impact: **The Board unanimously gave Linda the authority to draft letters in support of CDFI, HUD funding, and COIN.** Operationally VCHTF can advocate; direct political lobbying is not allowed. There is a higher level of scrutiny if more than 25% of time and money is spent in advocacy efforts.

7. **ADJOURNMENT** – The meeting was adjourned at 1:30 pm. Note: the Underwriting Committee is expected to meet soon to review new loan applications.

Meeting Schedule: 4th Wednesday of every month from 12 noon to 1:30 pm

Remaining 2017: May 24, Jun. 28, July 26, Aug. (dark), Sep. 27, Oct. 25, Nov. 29, Dec. (dark)