



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, May 24, 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 12:06 once a quorum was reached.

Board members present: Nick Birck, Stephen Boggs, Marni Brook, Nancy Conk, Mary Ann Krause, Peter Lyons, Christy Madden, David Moe, Sean Morreale, Lynn Oshita, Mark Pettit, Greg Regier, Alex Russell, Donna Sepulveda- Weber, Ralph Velarde

Board members absent: Jennie Buckingham, Dawn Dyer, Sal Gonzalez

Staff Present: Linda Braunschweiger, Karen Fraser

Guests Present: Jackie Lee, City of Camarillo

2. PUBLIC COMMENT - none

3. CONSENT – Minutes of the April 26, 2017 Board meeting were distributed and reviewed. Mary Ann K. moved ***to accept the minutes as corrected***; Marni B. seconded. Motion carried with unanimous vote.

4. GENERAL BUSINESS

- a. **Executive Committee Report** (Steve): The Executive Committee met last week and discussed reclassifying the CEO position to an employee. Linda and Karen left the room while the Board conferred. Marni B. moved ***to establish the CEO as an employee position beginning June 1st***. Peter L. seconded. Motion carried with unanimous vote. The Committee also discussed placing the ***Dedicated Source committee on hold temporarily until there is a meaningful direction to pursue***. Too many items with potential impact are unknown because of State and Federal political changes. Dawn D. is Chair of this committee; Marni B. stepped in as Chair while Dawn was/is away.
- b. **Financial Report** (Nancy): Financial statements as of April 30, 2017 were distributed, reviewed and summarized by the Board Treasurer. There was an operating deficit for the month with income from BOD dues and loan fees/interest. There was no Restricted Account activity. The Unrestricted cash position is healthy with \$1.2M funds for available for lending. The entire \$2M of HCD grant funds has been drawn. New loans funded in 2017 is \$1.125M with Loan Receivables just under \$1.8M. ***Staff is directed to update the ratios report at the end of 1st quarter due to some adjustments made in April***. There is \$2.645M of Restricted net-assets. Our auditor/CPA, David Keller, is ***looking into how the HCD funds are allocated***; in the recent 2016 audit and our 2017 QuickBooks entries, the treatment of HCD funds were kept the same as in prior years: not recorded as ordinary income, but as increased account receivable assets with the corresponding project loans. Mary Ann K. moved ***to approve the April 30, 2017 financial statements as presented***; Sean M. seconded. Motion carried with unanimous vote and no abstentions.



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c. **CEO Update** (Linda)

- i. 2016 Audit and Tax Returns – The BOD reviewed the 2016 Audit and 2016 Tax Return prepared by David Keller, CPA. These documents need to be submitted asap for COIN recertification. After discussion, Sean M. moved **to approve both the audit and tax return as prepared**. Peter L. seconded. Motion carried unanimously with Jennie B. voting via email. **Karen was directed to research using BoardMax to send documents to the BOD** (see Patti Mullins at Make-a-Wish).
- ii. COIN Recertification – We need to annually submit an application with documentation for recertification; there is a more in-depth process every 3 years. Legislation has been proposed to re-fund the COIN program, but has not yet passed the State legislature.
- iii. AHEAD Grant for Cal Lutheran Project – Previously we received \$25K in an AHEAD Grant to help with the Federal CDFI certification process. We intend to apply again to help with the CLU viability and long-term strategy project. Application is due early June. The grant will fund up to \$50/K but our project budget is most likely \$30-\$40K. MB&T will sponsor us again. Nancy C. moved **to prepare an AHEAD Grant application up to \$50K**. Alex R. seconded. Motion carried with unanimous vote. Linda would like to do some focus groups as part of the project and will continue to coordinate with Matthew Fienup, the CLU CERF director.
- iv. Land Trust Exploratory Committee – Mary Ann and Linda attended a small group meeting, coordinated by Habitat for Humanity, at CLU to discuss affordable housing land trust models. A report of this meeting dated 5/23/17 was disseminated. Included by telephone was a consultant that helped put together the Sonoma County Housing Land Trust. This particular land trust supports a broad spectrum including single-family, rental housing, condo, and coop housing . It is a partnership with local government, developers and the Land Trust. Typically a project begins by a developer with a market rate project identifying the number of affordable homes. They then donate the land for the affordable units to the land trust. The developer pre-qualifies the new affordable housing owners. Their 30-year fixed mortgage is just for the building cost, not the land, plus a small fee for their 99-year lease on the land to the Land Trust. Property taxes are assessed separately for the house and land (impounded through the owner's mortgage payment), but is considerably lower than normal. Re-sale restrictions are in place (e.g. must qualify under low-income parameters). Appreciation and a resale price is calculated based on changes in income, not housing prices. There are other land trust models that deal more with rental housing. **Alex R. to send notes on a breakout session he attended**. Land trusts can accept all donated land from a developer, city, special district, and private legacy gifts. The land doesn't necessarily have to be suitable or zoned for housing . Can resell to fund the operations of the land trust. The Sonoma model is a separate non-profit organization with a structure similar to ours. Some include on their board people that live in a land-trust home. Linda proposed to the BOD that we continue to research being a part of a Ventura County Housing Land Trust, and it could possibly fit as one of our legs as a federal CDFI. The cities would need to be on-board. The process is currently being driven by Habitat for Humanity, with CLU, VCCDC and Area Housing Authority participating. Comments: Matthew Fienup thinks the group should think big and long-term; a Housing Land Trust could be in cooperation with an Environmental Land Trust. Nancy noted this can be a



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long process with significant responsibilities to manage; concern that our involvement would take energy and time away from our primary goal. Alex questioned the value since this is already done by land donations to affordable housing non-profits such as Many Mansions (e.g. Simi senior veteran project) and HA-Ventura. David thinks the idea has value and would be a way to maintain affordable housing restrictions beyond the 30 or 55 year initial period on market-rate developments where affordable units are offered as part of a mandated requirement or density bonus. Mark is interested to learn more about land trust models in multi-family developments. The BOD elected to ***continue to be a part of a local land trust exploratory group.***

- v. Private Investor Update – We are waiting for a potential investment from Boston Private Bank (end of June), as well as Rabobank and Pacific Western Bank (late summer). Looking at \$250K under an EQ2 or similar program.
- vi. Municipal Investments Update – Last night the City of Fillmore approved a \$50K one-installment donation with 15% unrestricted administrative allocation. Vote was 5-0 with many good positive comments. On June 5th Linda will make her first presentation to the Port Hueneme city council. On June 6th the Oxnard City Council will vote; a \$200K one-time donation is included in the housing budget.
- vii. Oakwood Court loan (\$250,000 maturing 7/21/2017) – The Santa Paula Housing Authority has requested a delayed payment schedule for this loan due to cash shortfalls because of overruns on the Citricos project. They are proposing paying \$50K in July 2017, \$100K in July 2018, and the final \$100K in July 2019. ***Will discuss in the Underwriting Committee.***
- d. **Underwriting Committee Report** (Marni B) – Karen Flock has joined the UW Committee and did attend the meeting. The Committee had a few questions for both applicants; they have since responded.
 - i. Habitat for Humanity SF Construction Loan - \$500,000 is requested for this 6 single-family, for-sale project in Oxnard. Repayment would be 20% of the loan from the sale of each of the first 5 homes. They requested a 15-month term; the UW Committee recommends an 18-month term. The City is requiring the project to be done by 9/2018. Interest would accrue quarterly. Nancy C. moved ***to approve the loan to Habitat for Humanity as outlined.*** Mary Ann K. seconded. Motion carried with unanimous vote.
 - ii. Cabrillo GAP Loan - \$450,000 is requested for the Camino Esperanza due to a delay in HOME funds payment. VCHTF previously loaned \$500K for predevelopment on this project and was repaid Dec 2015. There is a 10% holdback (\$450K) on the HOME funds, allocated but waiting for completion of permanent financing. CEDC needs to pay subcontractors before they get the HOME funds. Expect within the next 6 months; UW Committee recommends a longer 12-month term to account for any unforeseen circumstances with HOME funds. Peter stated that the City of Simi Valley will loan additional funds to CEDC at 0% for cost over-runs. Our loan repayment would be through escrow at permanent financing. We are ***waiting for HCD approval*** to put an additional lien on the property at this point. Would require quarterly monitoring, and quarterly interest payments at 4%. Mary Ann K. moved ***to approve the Gap loan to CEDC as outlined.*** Donna S-W seconded. Motion carried with unanimous vote.
 - iii. Pipeline Discussion - We are becoming tight on funds available to lend. Will have a more in-depth discussion at a later time.



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

The theme of this year's event will be Farmworker Housing, emphasizing economic and labor stabilization thru housing to be held on September 21st at the Camarillo Ranch. Hector Lujan, President/CEO of Reiter Affiliated Companies has agreed to be our keynote speaker. Linda will meet with him tomorrow. Reiter has worked hard for housing in both Mexico and here locally. Still need to arrange one or two personal testimonials. Joe Mendoza at VCOE, is great speaker with an inspirational story and would love to assist in this capacity. Tim Kilcoyne has agreed to organize the field to plate portion. The final Save-the-Date card, sponsorship letter and reply form was previously distributed. These packets are expected to be mailed out within the next week or two. ***The Board is asked to review the 400+ names on the potential sponsor list for any personal connections. The next committee meeting is June 7th at noon.*** Ralph will try to loop back into the committee.

6. **ADJOURNMENT** – The meeting was adjourned at 1:31 pm.

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

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