

**Board of Directors Meeting Minutes  
Wednesday, July 24, 2019**

Ventura Investment Building, 1601 Carmen Ave, Camarillo, CA 93010

- I. **WELCOME & INTRODUCTIONS:** Meeting was called to order at 11:40 am with a quorum of directors present.
- II. **PUBLIC COMMENT:** none
- III. **CONSENT ITEMS:**
  - A. **Minutes of June Board Meeting – *Motion to approve the minutes of the June 26, 2019 board meeting as presented.*** Moved by Stephen; seconded Karen. Approved unanimously.
  - B. **Financial Reports (Marni) –** Second quarter financial statements as of June 30, 2019 were presented and discussed, including the funding capital available for lending and healthy financial ratios. ***Motion to approve the financial reports as of June 30, 2019 as presented.*** Moved by Cathi; seconded by Dawn. Approved unanimously.
  - C. **2018 Audit –** The audit prepared by Mitchell & Associates was reviewed. Linda noted that categorization of staff expenses for fundraising was changed after discussion with the CPA. Fundraising efforts are typically delineated only for operating, not program, purposes. Since Linda’s time with potential donors are for program lending capital, only 10% of her time is allocated for operational fundraising. Karen’s time will be allocated 65% toward operational fundraising. The Auditor will provide a management letter as part of the audit. There were no concerns found by the auditor. ***Motion to approve the 2018 Audit prepared by Mitchell & Associates.*** Moved by Marni; seconded by Mary Ann. Approved unanimously.
- IV. **GENERAL BUSINESS:**
  - A. **CEO’s Report**
    1. **Citricos –** HCD has funded. There was a minor delay with another investor, but all will be resolved soon; Expect repayment of \$300,000 loan next week.
    2. **New Loans Funded –** Both El Portal Mixed Use loan for \$700,000 and the Willett Ranch acquisition loan for \$1.4M was signed and funded last Thursday. Both loans are in Ventura and with Ventura’s Housing Authority (or nonprofit arm Triad Properties). The Mountain View, Fillmore loan to Many Mansions for \$1.26+M will sign documents tomorrow with funding on Monday 7/29.
    3. **Habitat for Humanity, Camarillo –** A problem with our lien on the Camarillo loan site was brought to Linda’s attention last week; Loan approved in 2018 for \$500,000 with \$300,000 dispersed in early 2019. The City had never officially transferred the property title to Habitat and thus need us to reconvey our lien before they can transfer the deed. Attorney and Board member Greg Regier was consulted regarding the options securing the loan in the interim with subsequent discussion with the Habitat director. H4H was given the option of providing another piece of land to be secured or a cash CD for

\$300,000 as collateral. **Motion to have Habitat for Humanity secure the loan with a CD in the amount of the current \$300,000 balance along with a provision that additional funds cannot be drawn until the property title is transferred and our lien recorded.** Moved by Steve; seconded by Sean. Approved unanimously. The Board directs **the loan procedure policies be amended to include an escrow with a title report on all future loans.**

4. Habitat for Humanity, Santa Paula – They have submitted an application for \$500K to construct six for-sale, deed-restricted homes in Santa Paula. Our contract underwriter is currently analyzing the proposal; The HTF Underwriting Committee is expected to review it next month with recommendation at the September Board meeting. Habitat would like funding to be available as early as December.
  5. USA Properties – The large for-profit developer has inquired about a \$2M acquisition loan for a project in Ventura. The project contains two parcels owned by The Daly Group as part of their Citrus property. The project has inclusionary requirements on it now, but USA Properties is proposing 100% affordable. They are looking for a December funding if funds are available.
  6. County project - The Ventura County Behavioral Health agency is looking to partner with Turning Point Foundation to acquire and renovate an existing board and care facility. Preliminary ask is for short term funds. Additional details will be forthcoming. With the amount of potential loan activity and our dwindling available funds, it was advised to **revisit our NOFA and priority ranking policies.**
  7. Corporate/Foundation Loans – Rabobank renewed their loan and has submitted our increase request to their CRA committee. They probably will not move forward with any increase until the merger with Mechanics Bank is complete. **Linda will reach out to Mechanics Bank.** We are waiting to hear back from Pacific Western Bank and City National Bank regarding an increase to their loans. Linda has drawn funds from the CNB Line of Credit to fund the Mountain View loan. An additional \$150,000 was received yesterday from McCune Foundation @ 2% rate, along with a 5-year renewal of the original \$100,000.
  8. Lending Capital – It was noted that we are quickly running out of additional lending capital. The Board is urged to recommend to Linda companies and individuals to approach with the possibility of obtaining additional funds.
- B. Revised Marketing Budget (Linda)** – HTFVC has a window of opportunity to leverage our new branding with the Proposition 1 campaign. Lynette Coverley was hired to design and secure a full-page ad in Pacific Coast Business Times Giving Guide. She will also be putting together press release containing event afterglow, success, new branding, and fundraising campaign. The Board discussed the value of print ads vs. social media, obtaining free news story talking points, and our target market (wealthy donors, financial advisors, corporate) and how best to reach them. **The discussion is deferred back to the Branding/Marketing Committee. Committee will meet and come up with a recommended marketing strategy. Sean and Anthony asked to be added to the Committee. Based on new guidance, Lynette will be asked to revise her proposal for additional marketing and fundraising services. Motion to authorize spending up to \$5,000 beyond the budget for promotion and marketing, including the Giving Guide ad.** Moved by Dawn; seconded by Sal. Approved unanimously.

C. **Prop. 1 Match Fundraising** (Linda)

1. Update - Linda is working with the directors of the other HTFs in the State submitting recommendations for Prop. 1 implementation. Current schedule from HCD is distribution of proposed guidelines in Sept., final guidelines in Dec., and a NOFA in Jan. Still unclear how the money is going to be divided; best scenario would be in equal thirds to 1) existing 501c3 HTFs (only 7 in state including us), 2) existing municipal HTFs, and 3) new HTFs. Also uncertain what raised funds will be counted (2019+, include 2018, or back to end of Prop 1c) and how long we will have to raise the money. HCD will probably not allow us to raise funds as we go because of the high demand for this money. Board also questioned if all of our 2019 loans will qualify considering HCD's prevailing wage requirement.
2. Fundraising Goal & Strategy - Internal goal is to raise a total of \$5M by January, 2020. ***Karen and Linda are directed to compile a comprehensive list of committed, potential, and in discussion contributors. Board Directors are asked to think of at least two people (foundations, companies, individuals) that might be interested in the Prop. 1 campaign and make the necessary introduction to Linda. Linda to develop a sample letter for BOD to use in their initial contact. Also suggested was hosting small CEO events "friend-raisers"; need to start this soon. Staff is also directed to send out a year-end donation appeal to past and potential donors as early as first of November.*** Further details of the Fundraising strategy will be discussed with Lynnette Coverley and the Branding/Marketing committee.

D. **Land Trust** (Jennie/Linda)

1. Update – Mary Ann is stepping down as Chair of this Committee, but will remain as a committee member. ***Linda to ask John to chair.*** Board affirmed their desire to establish a Community Land Trust and ***directs Linda to continue to move forward*** determining: a) the structure of the CLT (choices include forming an LLC, forming a supporting nonprofit under HTFVC, and forming a separate nonprofit); b) if and how donated land qualifies under the Prop. 1 match; c) the impact, if any, to our CDFI status; d) level of exposure, liability and risk in operating a CLT; e) what Habitat will do regarding Port Hueneme property and future property.
2. Port Hueneme Property - Following up from last meeting, HTFVC's contract attorney concurred that a LOI sent to the City Port Hueneme and Habitat for Humanity would be appropriate. Linda subsequently sent a letter and had follow-up conversations. The City gave Habitat the choice to accept land themselves, or donate to a Community Land Trust. Discussion will be on the City's September meeting agenda. Earlier today, Linda received a new communication from our contract attorney.
3. Action – ***Linda to solicit a contract proposal from a consultant to assist with establishing a CLT with discussion occurring at the August Executive Committee meeting. Linda is instructed to send to all Board members a copies of the recent memo from our contract attorney and the letter sent to Port Hueneme regarding their potential land donation.***

- E. **Announcements** – There will not be a HFTVC board of directors meeting in August. There WILL be some committee meetings including: Executive, Underwriting, and Marketing/Branding/Fundraising.

- V. **ADJOURNMENT:** Meeting was adjourned at 1:40 pm.

*Board meeting schedule: 4<sup>th</sup> Wednesday, 11:30 am to 1:30 pm*

*Aug Dark, Sept 25, Oct 23, Nov. 20, Dec. Dark*