



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, October 26, 2016
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 12:10 pm.

Board Members Present: Stephen Boggs, Marni Brook, Jennie Buckingham, Nancy Conk (phone), Dawn Dyer, Christy Madden, Sean Morreale, Lynn Oshita, Greg Regier, Ralph Velarde

Board Members Absent: Nick Birck, Sal Gonzalez, Mary Ann Krause, Peter Lyons, David Moe, Mark Pettit, Alex Russell, Donna Sepulveda-Weber

Guest Present: none

Staff Present: Linda Braunschweiger, Karen Fraser

2. PUBLIC COMMENT - none

3. CONSENT ITEMS - Minutes of September Board Meeting – *Motion to approve the minutes of the September 28, 2016 board meeting as presented.*** Moved by Ralph V; seconded by Steve B. Approved unanimously with no abstentions.**

4. GENERAL BUSINESS

A. Executive Committee Report (Marni B.) – The Executive Committee met Friday 10/21. They reviewed the June financials and resolved questions posed. The committee discussed the proposed modifications to the Walnut Street, Moorpark project, specifically the allocation of funds and repayment. They discussed the possibility of a City National Bank donation, additional donation requests made to cities, the importance of reestablishing the dedicated source committee, the upcoming retreat, the 2017 budget and the proposed review of employee and contract CEO.

B. Financial Reports (Nancy C.) – Financial reports as of June 30, 2016 and September 30, 2016 were distributed and reviewed.

1) **JUNE**: In July a question was raised regarding the wording of the “net asset” items on the Balance Sheet, Ratios and Summary. All the numbers are correct, but the same “net asset” label is used differently: 1) on the Balance Sheet “net asset” depicts “equity” or all assets minus all liabilities; 2) on the Ratio statement “unrestricted net asset” refers to more of a current position. This label should be changed to reflect more accurately what is included. ***Motion to approve the 6/30/2016 financial statements as presented.*** Moved by Sean M.; seconded by Christy M. Approved unanimously with no abstentions.



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2) **SEPTEMBER:** There was a question about the Summary page and the internal allocation of the Unrestricted Savings account. Net operating income has not been allocated correctly resulting in overstating the Unrestricted Loan Funds and understating Operating Savings. The totals dollar figure in this account is correct. Starting with October 2016, future statements will show a correct reallocation of funds. ***Motion to approve the financial statements as presented with the noted adjustments to be made beginning with the Oct. statements.*** Moved by Sean M.; seconded by Steve B. Approved unanimously with no abstentions.

C. **CEO's Report** (Linda B.)

1) **City National Bank Update** – Linda is continuing to work with the bank on some type of large investment. Since the COIN deadline has passed, the bank is contemplating a possible EQ2-type investment, likely around \$250K. They received additional documents from Linda and are reviewing the application. Not sure when this may be approved or funded.

2) **Capacity Building** – Five Board members filled out the capacity building survey. ***The rest are urged to complete this asap.*** This information will be used to prepare for the board retreat in February and will be helpful when applying for capacity building grants. The survey assesses capacity in four areas: Leadership, Adaptive, Management, and Operational. It asks what elements need to be strengthened, e.g.: fundraising, partnerships, revenue generating, etc. Linda will meet next week with Bank of Sierra to discuss a possible capacity-building investment opportunity and will also be meeting with McCune Foundation to receive any capacity-building fund suggestions they might have.

3) **Dedicated Source** – This committee will restart and Dawn agreed to continue to serve as committee chair. Goal is to meet and ***provide some ideas to discuss at February's retreat.*** The National Housing Trust Fund did a study looking at HTFs country-wide. There are only 12 county-based HTFs in the Country; we are really unique in our independent 501c3 regional structure. Funding sources for some HTF in the Country are a housing levy, development impact fees, real estate transfer taxes, and County recording fees. VCHTF needs a stable source of funds in order to expand our product. Offering additional products like longer-term loans can help projects get the needed tax credits e.g. Walnut St. Moorpark loan. VCHTF cannot rely on going back to cities for additional contributions each year. Suggestion was made to ***ask the County to match city donations.*** This should help with the CDFI application and funding by demonstrating long-term commitment to the mission, funding source and a longer track record. ***Christy M. to help facilitate someone from the County to be a part of the Dedicated Source committee.***

4) **Miscellaneous** – Karen Flock has accepted a position on the Underwriting Committee. It was recommended to build committee structure with people not on the VCHTF Board.

2015 Tax Return: Linda and Karen met with CPA Dave Keller this morning and completed the 2015 tax returns based on the Board-approved 2015 audit. There was a minor change to the audit, namely a reallocation of Unrestricted net income to Restricted, that does not impact the bottom line. Linda signed the tax return and it was submitted electronically. ***Karen will email the Board a copy.***



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5. UNDERWRITING COMMITTEE (Marni B.)

A. Estimate of available funds for lending – The Board reviewed and discussed the distributed table “Revolving Loan Fund: rev. 10/19”, a draft guesstimate of sources for loan funding and expected or anticipated output. The Sources does not include the two reserve accounts (part of unrestricted savings) nor the general operating account. A separate table shows this information spread out over a monthly cash flow. Potential investment sources were not included in the monthly estimate. Note: HCD matching funds will not be used for the Moorpark loan predevelopment draw of \$500K since VCHTF cannot secure a title. ***Steve B. offered to work on the monthly spreadsheet to provide greater clarification and details.***

B. Habitat SF Project, Oxnard – The Underwriting Committee reviewed Habitat for Humanity’s pre-application for \$500K to construct 6 single-family homes in Oxnard for extremely-low-income families that will be available for purchase. Committee voted to invite Habitat to submit a full application. Their national organization has approved this model in high cost areas.

C. Walnut St., Moorpark, Loan modification – In July the Board voted to loan Area Housing Authority \$1,625,000 (\$250K for 17-years, \$1,375,000 for 2-years). In a very competitive environment, the AHA application received the highest score for tax credits, influenced by VCHTF’s local long-term funding. The Underwriting Committee reviewed and recommends approval to modify the funding and terms of these loans as follows: Release \$500K in December for pre-development to be paid-off in March. This will be unsecured, with no match from HCD. Provide remaining funds in two additional loans: \$875K for 2-years used for predevelopment and \$250K for 17 years for construction to permanent financing. The total previously approved amount stays the same. ***Motion to approve the revised loan structure as stated.*** Moved by Steve B.; seconded by Sean M. Approved unanimously with no abstentions.

D. Loan Pipeline – There are many potential projects in the pipeline. If available monies to loan become short, VCHTF can look to additional city/County contributions (especially the local jurisdiction of the project) and/or large CDFI funds that do loan participation. Potential loans in the pipeline include:

- Lorenzo Castillo farmworker housing “Garden City” in Oxnard (\$500-1M) – Application is on-hold until the Oxnard Housing Element is approved (December).
- Habitat for Humanity (\$500K) – Will submit a full-application for \$500K to fund construction of 6 single family homes
- CEDC – Snapdragon II, Ventura – unexpected recent public scrutiny may delay funding application for an anticipated 10-year loan.
- Thomas Saffron & Associates – possible senior housing in Thousand Oaks.
- PK Housing Group – possible farmworker housing at the old Egg City property in Moorpark.
- 2 acre Veteran property in Ventura – Title to the property has been transferred from State VA back to the City for veteran housing.

6. HOUSING ISSUES UPDATE (Time Permitting) –

- Linda B. will extend an invitation to Kevin Zwick, the CEO of Housing Trust Silicon Valley to speak at the board retreat in February. HTSV was established in 1998 and currently have multiple loan and assistance programs, over \$70M in total assets, and \$49M in gross loans receivable.



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- Dawn D. announced that the VC Reporter will be spotlighting VCHTF in their November edition. ***Dawn to will provide draft of the article for Marni and Linda to review and edit.*** Final is due by Friday 10/28.
- Via email, Alex R. urged VCHTF board member ***support of a senior-veteran affordable housing project*** on Ave. Simi. The project is receiving resistance from surrounding neighbors. It will be reviewed by the Simi Valley Council in early December.
- Jennie B. informed that the Housing Authority/Cabrillo EDC Snapdragon 2 project is undergoing brutal unexpected review and new obstacles that will delay this project from moving forward.

7. **ADJOURNMENT** – The meeting was adjourned at 1:26 pm.

Meeting Schedule: 4th Wednesday of every month 12 Noon to 1:30 PM

2016 Dates: Nov. 16, Dec. Dark

2017 Dates: Jan. 25 (Annual), Feb. 22 (Retreat), Mar. 22, Apr. 26, May 24, Jun. 28, July 26,
Aug. dark, Sep. 27, Oct. 25, Nov. 15, Dec. dark