



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, July 27, 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 12:07 pm once a quorum was attained. Guest introduced herself.

Board Members Present: Nick Birck, Sal Gonzalez, Mary Ann Krause, Peter Lyons, David Moe, Sean Morreale, Mark Pettit, John Prescott, and Greg Regier and Ralph Valarde

Board Members Absent: Stephen Boggs, Marni Brook, Jennie Buckingham, Nancy Conk, Dawn Dyer, Christy Madden, Alex Russell, Donna Sepulveda-Weber

Guest Present: Lynn Oshita, Housing Director, City of Thousand Oaks – will be replacing John Prescott on the VCHTF Board for the City of Thousand Oaks; John is retiring tomorrow 7/28/16.

Staff Present: Linda Braunschweiger, Karen Fraser

2. PUBLIC COMMENT - none

3. CONSENT ITEMS - Minutes of June Board Meeting – *Motion to approve the minutes as presented.*** Moved by Sal G.; seconded by Sean M. Approved unanimously with Peter L. abstaining.**

4. GENERAL BUSINESS

A. Executive Committee Report (Mary Ann Krause) – The executive committee met on July 22nd directly after a meeting of the Underwriting Committee. The Exec. Committee reviewed the financial statements and is recommending Board approval. The Committee reviewed the status of HCD Prop.1C grant match, distributions and remaining VCHTF obligation to receive full grant dispersal. Two loan modification memos were also reviewed: 1) partial payoff of the Vince Street loan with a 6 month extension on the remainder (see item 5B); and 2) an increase in the amount of the Moorpark Area Housing Authority loan (see item 5A). Currently VCHTF has a \$1M limit per project; Both the Underwriting and Executive Committees recommends increasing the Project Loan Limit to \$2M. Most other HTFs have a \$2-\$5M project limit. Larger loan limits are important as we move forward to become CDFI. Most likely any COIN application will be over \$2M. Each funding request would still go through the same approval criteria and underwriting process. ***Motion to increase total loan volume per project from \$1M to \$2M.*** Moved by Sal G.; seconded by Peter L. Approved unanimously with no abstentions.

B. June Financial Reports (Linda Braunschweiger) – A summary of financial position as of 6/30/16 was distributed and reviewed. In Treasurer Nancy Conk's absence, there was no discussion and documents will be reviewed at the September meeting.



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

1) **Prop. 1C match update** – A chart showing the Prop 1C grant funding was reviewed. HCD credits 15% of the \$2M (or \$300K) toward administration expenses and makes it part of the VCHTF match (no actual money for the administrative portion actually exchanges hands). Also as part of the VCHTF match, HCD is now recognizing three non-HCD loans, Castillo del Sol, the Single-family de Minimus loan, and the long-term portion of the Moorpark Walnut Street loan, as part of our input/match. With these additions, VCHTF is left with \$720K to approve in new loans by the Aug. 13th deadline. Options include: a) Westside Ventura project off the Avenue – received application from Housing Authority Ventura, but the project is not far enough along to fund at this point and HCD would not match until title is secured; b) more Single-family de Minimus funding through HA -Ventura; or c) increase the funds loaned to Area Housing Authority on the Walnut Street - Moorpark project. The Executive Committee recommends the third option (see item 5a).

Eligible cash flow for the remaining loan(s) was discussed. Even though VCHTF has raised the full \$2M and has sufficient funds in the Restricted and Unrestricted Savings accounts, HCD will not count funds coming from a matched loan repayment. Thus, our eligible cash on hand is \$302K. But with \$720 remaining to be loaned out for the match, there is a \$478K shortfall. The Executive Committee recommends getting a \$450K loan from Montecito Bank & Trust for short term to be repaid from account reserves that are not eligible by HCD. Loan fee would be \$250 plus interest. Prior loans from the Rabobank EQ2 and McCune Foundation were eligible as a funding source, thus this new MB&T loan should also be eligible. We will not need to draw down until spring.

Motion to authorize the CEO to apply for a loan from Montecito Bank and Trust for a not-to-exceed amount of \$450K short-term, secured by existing cash. Moved by Sean M; seconded by Nick B. approved unanimously with no abstentions.

2) **Grant Funding Update** – A list of pending grant applications was reviewed. We are struggling with receiving approval for the larger grants, including the recent denial by B of A. City National Bank did approve a \$5K event sponsor; we should hear within a week about a large EQ2 investment, possibly under COIN. COIN loans are open Aug-Oct. It is a tax credit for the investor; but it is up to us to find a private investor wanting the tax credit. A question was posed: ***Does COIN investment money come with any requirements or strings regarding affordable housing?*** Linda will know much more about the COIN program after attending a COIN seminar in mid-Aug.

Expect to in mid-end Sept regarding our CDFI-Federal technical assistance grant. This will help fund the strategic planning and organizational changes that will be necessary to become CDFI.

3) **Round 2 City/County Investments - Linda continues to visit with each city and the county to report our progress and success and ask for additional donation commitment.** Moorpark and Santa Paula has already been approached. Oxnard funds may be available, but it seems to be more of a question of allocation. They still need to approve their Housing Element. Expect Planning Commission review in Sept. with Council review in Oct. Will need to go to HCD for final ratification. ***Linda and Sal to meet with Arturo and then the City Manager*** and include our anticipation of the farmworker housing project.



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5) **UNDERWRITING COMMITTEE REPORT** (Mary Ann/Linda B.)

- a) **Moorpark Walnut Apartments Loan Modification** – At the June meeting, the VCHTF Board approved a \$1M loan to Area Housing Authority for the Walnut Street, Moorpark Apartments (\$750K short-term + \$250K long-term). They have submitted their tax credit application; unofficially their tie-breaker score seems to be the highest, so looks very good they will get tax credit. Will know officially in mid-Sept. AHA has asked to increase the short-term loan by \$625,900 (from \$750K to \$1,375,000); Total project loans including the \$250K long-term portion would be \$1,625,000. This will replace some other funding, and help us with the Prop 1C match; it is not needed because of unforeseen costs. The Underwriting Committee recommends approving the loan with a 3% interest rate and a reduced 0.66% origination fee, rather than the normal \$1%. We will make the same amount of fees from original \$750K amount. Request a 24-month term with repayment from permanent financing. Expect to draw in March of next year. This is our best option to get the remaining HCD funds out and fits with the intended nature of a housing trust fund: to be flexible and creative helping the affordable housing developers. **Motion to approve the two \$1,625,000 loans, based on terms listed in the memo alternative 2.** Moved by Peter L; seconded by John P. Approved unanimously with Mark P abstaining.
- b) **Vince Street, Loan Modification for and extension of loan terms** – This Turning Point Foundation Veteran transitional living center was completed and occupied almost a year ago. Cabrillo EDC was the consulting partner since TP is not traditionally a developer and relatively unfamiliar with the process. TP received a HOME grant from the City of Ventura. They have had some snags working with VA so is delayed in processing and finalizing their HOME request from Ventura. While they expect a full pay-off in three months, they are asking a one-time, 6 month extension on \$57,000 of their \$250K principal due July 28, 2016. They will pay \$193,000 principal plus interest on time. The Underwriting Committee recommends approval of the request with a \$250 document fee. Linda spoke with the City of Ventura and all seems ok; just a timing issue. **Motion to approve the loan term extension as outlined in the referenced credit memo.** Moved by Sal G.; seconded by Mark P. Approved unanimously with no abstentions.

6. **VCHTF ANNUAL EVENT** (Linda/Karen)

- **Sponsor Update** – We have received commitments totaling \$26,500 to date. Our goal is \$40K. **Board members are asked to make calls and follow-up with potential sponsors and let Karen know each response. If City employee Directors can't ask for money, they are urged to give Linda names and she will follow-up with them. Sean suggested approaching PennyMac; Linda to find connection.**
- **Entertainment Update** – Rachel Flowers, a local, sight-impaired composer and multi-instrumentalist will perform at our event.
- **Lynn Jacobs Tribute** – Lynn, a former director of HCD and long-time affordable housing advocate from Ventura County, recently passed away. We will have a tribute at the event as well as open a Memorial Fund in her honor with donation made through the VCHTF website link.
- **Keynote Speaker Josh Bamberger** – Dr. Bamberger with San Francisco Public Health and Mercy Housing will be our keynote speaker. He is a nationally-recognized speaker linking health and housing.



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- **Kathy Long** – We would like to honor at our event Kathy Long, retiring supervisor and VCHTF advocate. She helped push through the County donation which enabled our formation.
- **Link to basket donation** – We are collecting items for 5 baskets for the Castillo del Sol Community that will be auctioned off at the event. **All Board members are asked to make a donation.** A list of items needed can be found at: www.SignUpGenius.com/go/4090C4BAAA62EA3FC1-castillo .

8. ADJOURNMENT – The Board was reminded that we will not be meeting in August; the next meeting will be after our Annual event. The meeting was adjourned at 1:25 pm.

Meeting Schedule: 4th Wednesday of every month 12 Noon to 1:30 PM
2016 Dates: Aug. Dark, Sept. 28, Oct. 26, Nov. 16, Dec. Dark