



CITY-COUNTY REINVESTMENT TASK FORCE



**San Diego Reinvestment Task Force
Minutes of the Regular Meeting
Thursday, June 21, 2012 at 12:00 PM
202 C Street,
Twelfth Floor Hearing Room
San Diego**

ATTENDANCE

Present were Council President Tony Young, Manny Aguilar, Murtaza Baxamusa, Wendell French, Judy Forrester, Kristy Gregg, Vino Pajanor, Kathy Patoff, Joe Horiye and Jim Schmidt. Ron Roberts, Peter R. Villegas and Mitch Thompson were absent.

10 CALL TO ORDER

Council President Young called the meeting to order at 12:03 p.m.

20 PUBLIC COMMENT

Angela Landsberg, Executive Director, North Park Main Street thanked the banks and members of the Board for their support in a request that was made at last month's Rules, Open Government and Intergovernmental Relations Committee Meeting. Ms. Landsberg specifically thanked U.S. Bank, Bank of America, J.P. Morgan Chase and Union Bank for their quick response to a request for the payment of assessment fees.

30 COMMITTEE MEMBER COMMENTS

Committee Member Patoff requested that issues relevant to the small business community be discussed in further detail in an attempt to more actively engage the Task Force with hopes to further augmenting any areas that would lead to potential improvement.

Council President Young suggested that the City of San Diego consider the design of a City-wide community reinvestment plan that would provide financial institutions with better guidance as to how to reinvest in the community. Ms. Patoff further suggested that the Task Force become more actively engaged with the City's developmental departments in order to make viable contributions to activities related to the RTF.

Council President Young requested that the future HMDA data reports be presented at future RTF meetings in addition to other community reinvestment reports.

Committee Member Aguilar expressed his interest in working closely with community members and partners in order to ensure that the community needs were being accurately and effectively represented during the development of any community reinvestment plans.

Committee Member Pajanor discussed a recent visit with federal regulators and cited their suggestion that the RTF Board be used as much as possible regarding HMDA analysis and other relevant activities. Mr. Pajanor encouraged staff to maximize the use of the RTF Board whenever possible.

40 REPORT FROM STAFF

As requested at last month's meeting, Mirta Schloss, RTF Program Director provided the Board with an update on the recent advocacy efforts made on behalf of the RTF, to register an opinion in opposition of the use of California's Mortgage Settlement Agreement Funds to balance the state's budget. Additionally, she informed the Board of further advocacy efforts made in support of the Homeowner's Bill of Rights.

Roosevelt Williams III, Council Representative for District 4 informed the Board of the recent RTF Advocacy Sub-committee meeting that was held on June 14th.

50 APPROVAL OF THE MINUTES

MOTION BY COMMITTEE MEMBER BAXAMUSA TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MAY 17, 2012. SECONDED BY COMMITTEE MEMBER PATOFF AND CARRIED BY A UNANIMOUS VOTE OF 8-0 WITH COMMITTEE MEMBERS GREGG AND AGUILAR NOT PRESENT AND COMMITTEE MEMBERS ROBERTS, THOMPSON AND VILLEGAS ABSENT.

INFORMATIONAL REPORTS

100 Workshop Discussion: Responsible Banking Ordinance

This was an informational item only. No actions were taken in relation to this item.

Council President Young provided the Board with a brief introduction to the presentation. He stressed that the workshop was designed to provide interested stakeholders with the opportunity to provide comments and suggestions related to the draft ordinance that would be presented at the upcoming Rules, Open Government and Intergovernmental Relations Committee Meeting.

Lea Fields-Bernard, Council Committee Consultant for District 4 presented a staff report that outlined the major components of the Draft Responsible Banking Ordinance and emphasized the following features that would be included as part of the draft ordinance: the creation of a community reinvestment review committee, the requested submission of a community reinvestment plan and the annual reporting concerning community reinvestment activities.

Ms. Fields-Bernards informed the Board that the draft ordinance was still being prepared by the City Attorney's Office and would be available for review early next week. Additionally, Ms. Fields-Bernards provided the meeting details for the upcoming Rules, Open Government and Intergovernmental Relations Committee Meeting where the draft ordinance would be presented and invited all interested stakeholders to attend.

Liana Molina, representing the California Reinvestment Coalition, Santos Thorton, representing the Alliance of Californians for Community Empowerment (A.C.C.E.), Robert Villarreal, representing Small Business Finance and Derrick Luckiet representing National Association of Real Estate Brokers all stated their support of the Responsible Banking Ordinance and spoke in favor of this item. The speakers provided suggestions for improvements of the draft ordinance such as further consideration of comparison analysis, the addition of more strenuous reporting requirements and provided suggestions on the composition of the Community Reinvestment Review Committee.

Paul Webster representing the San Diego Chamber of Commerce registered his comments in opposition, citing several concerns surrounding the draft ordinance. He emphasized concerns over the use of the term "predatory," the specificity of some of the reporting and suggested that the Community Reinvestment Review Committee include a banker as part of its composition.

Committee Member Baxamusa stated his appreciation for the draft ordinance and cited his support of the information being used in order to make sound and informed decisions in the City's best fiduciary interest.

Committee Member Patoff, asked questions regarding the requirement of annual reporting specifically in reference to RFP cycles that are not released annually. Council President Young answered Ms. Patoff's questions and stated that although some RFP cycles are longer than others, the information submitted would be relevant when considering the option for 2 year contract renewals.

Additionally, Ms. Patoff expressed her concerns over a rumored request for information and data to be collected at the census track level, citing that although the information being requested is not a strong deviation from what is already being reported, it would be difficult to drill down to the census track level. Council President Young corrected the misconception that data collection would take place at the census track level. He stated that information was being requested at the council district or possibly zip code level.

Committee Member Forrester expressed similar concerns over information and data collection being requested at the District level given the upcoming re-districting taking place in the City. Council President Young assured her that those concerns would be taken into consideration.

In addition, Ms. Forrester stated that the requested two year community reinvestment plan as proposed in the draft ordinance may not allow for some unforeseen circumstances and variances in community needs. The concern was cited that the financial institutions are subject to lending needs and if the needs are not there or have changed, they could possibly no longer meet the objectives outlined in a submitted plan causing an institution to be considered non-compliant.

Committee Member Pajanor suggested that the two year community reinvestment plans should include community input and feedback from the community, advocacy groups and stakeholders in order to better ensure community needs are being addressed in the plans that are submitted.

Ms. Patoff suggested that the makers of the ordinance consider history of performance versus a plan for future activities such as suggested through the community reinvestment plan.

Committee Member French thanked Council President Young and his staff for their leadership on this issue. He asked staff to confirm that there was only one draft ordinance being circulated and that no other drafts were being prepared by staff without the RTF Board's knowledge. Ms. Fields-Bernards stated that there were no other ordinances being prepared or circulated by staff.

Mr. French further expressed his concerns over the subjectivity of a "scorecard" concept and the Community Reinvestment Review Committee's ability to decipher eligibility for City business. Committee Member Gregg echoed Mr. French's concerns regarding the comparative analysis and the evaluations being given by the Community Reinvestment Review Committee. Council President Young assured the Board that no "scorecard" would be used when evaluating the various financial institutions in question.

Ms. Forrester thanked Council President Young and staff for the leadership shown on this issue.

ADJOURNMENT:

Council President Young adjourned the meeting at 1:03 p.m.

Respectfully submitted,

Louanda M. Tucker, CRC Analyst,
Mirta Schloss, RTF Director (on behalf of Mirta Schloss)