



# SAN DIEGO CITY-COUNTY REINVESTMENT TASK FORCE



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**Minutes of the Special Meeting  
Thursday, October 30, 2014, at 2:00 PM**

**County Administration Center  
7th Floor Meeting Room  
1600 Pacific Highway, Downtown San Diego**

For information, contact Daisy Crompton, RTF Staff Aide  
San Diego Housing Commission  
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## **ATTENDANCE**

**Present:** Manny Aguilar, Myrtle Cole, Chi Elder (for Gustavo Bidart), Wendell French, Kyra Greene, Vino Pajanor, Kathy Patoff, Ron Roberts, Elizabeth Schott, Richard Shea, Ali Tarzi, Krista Torquato, and Racquel Vasquez.

**Absent:** Ed Lopez and Peter Villegas.

## **ITEM 1      CALL TO ORDER**

Co-Chair Myrtle Cole called the meeting to order at 2:10 p.m.

## **ITEM 2      PUBLIC COMMENT**

No public comment.

## **ITEM 3      TASK FORCE MEMBER COMMENTS**

Elizabeth Schott shared news about ACCION's recent 20th anniversary celebration. She also announced a free round robin training event for small businesses on Saturday, November 15, on topics from social media to finance. Vino Pajanor announced an upcoming military and housing resource fair on November 8 at Camp Pendleton. The event will feature multiple nonprofits, and Bank of America will give away a home.

Kathy Patoff mentioned a November 15 volunteer event where more than 50 Union Bank employees will clean and do repairs at the Encanto Community Center. Manny Aguilar announced homeownership workshops in Spring Valley and Lemon Grove.

## **ITEM 4      STAFF REPORT**

Daisy Crompton reported that data analysis and chart/report preparation from the reinvestment survey have continued to be staff's primary projects. She announced that the RTF will discuss 2015 strategic planning at its November meeting.

**ITEM 5      APPROVAL OF THE MINUTES**

MOTION BY TASK FORCE MEMBER KATHY PATOFF TO APPROVE THE REINVESTMENT TASK FORCE REGULAR MEETING MINUTES OF SEPTEMBER 18, 2014. SECONDED BY MANNY AGUILAR AND CARRIED BY A VOTE OF 12-0 WITH GUSTAVO BIDART, ED LOPEZ AND PETER VILLEGAS ABSENT.

**ITEM 6      Informational Item: 2013 Reinvestment Report**

The RTF's staff aide, Daisy Crompton, presented preliminary results from the RTF's survey of 2013 countywide reinvestment activity.

This year, the RTF committed to restarting its monitoring of bank CRA activity – one of two core tenets of its mission, along with helping to increase bank reinvestment activity. It created a data subcommittee tasked with creating a monitoring protocol that would be more useful, informative and accurate than other methods used in the past, such relying solely on third-party HMDA (Home Mortgage Disclosure Act) reports.

The data committee was comprised of Task Force members from banks and community organizations. All of the banks were invited to participate. The committee developed a survey that the full RTF approved at its June meeting and sent to the six RTF member banks on July 4. It was due at the end of the summer, on August 31. All six banks eventually returned surveys with varying levels of completeness.

Ms. Crompton distributed and explained a draft spreadsheet and charts that showed preliminary countywide reinvestment totals by bank and by category. (Note that “countywide” as used here means all residents in all parts of the county, but does not refer to all lending by all banks as, for simplicity, only the six RTF members were surveyed this year. Thus, “countywide totals” refers just to activity by these six banks.)

Because there is a several-month lag time between the close of an evaluation period, such as a calendar year, and the release of lending data for that period, the RTF only had access to data through calendar year 2013. Data for all of 2014 will be available after July 1, 2015.

Ms. Crompton described the local bank environment and explained that lending volumes should be analyzed in the context of each bank's local size, which is a good proxy for the bank's local lending capacity. The current RTF member banks are the six largest national banks that operate in San Diego county, though at the local level, they are not necessarily the six largest banks in the San Diego market. Wells Fargo is the local market leader, with 24% of the market share, followed by Union Bank at 18%. Bank America is third-largest, with 14% market share, followed by Chase Bank (12%), US Bank (5%) and Citibank (2.5%). Together, these six banks represent 75% of the local market and six of the eight largest banks locally.

Reinvestment totals are estimates because the RTF is still waiting for Chase Bank and Wells Fargo to provide the small business data the survey asked for. Preliminary analysis indicates that total reinvestment by the RTF banks was roughly \$2.53 billion in 2013, representing 5% of local

deposits at these banks. This was composed of the following categories (numbers preliminary and/or estimates):

\$1.4 billion	mortgage lending to low and moderate-income persons and areas
\$463 million	affordable housing lending
\$345 million	equity investments and tax credits
\$193 million	small business and farm loans
\$115 million	community development lending
\$5.8 million	corporate giving
4,896 units	affordable, income-restricted housing built or rehabbed

Preliminary estimates of total reinvestment at each bank ranged from a high of 25% of local deposits for Citibank to 5-6% for Union Bank, Bank of America and US Bank. The estimated dollar volume of reinvestment ranged from a high of \$536 million at Bank of America to \$215 million at US Bank, not including Wells Fargo and Chase, whose lending totals couldn't be calculated without the missing data. Grantmaking by all six banks ranged from a high of .05% of deposits, or \$888,000, from Citibank to .005% of deposits, or \$526,000 at Bank of America.

RTF member discussion centered on banks' desire to do more CRA-related lending and how the RTF might help to facilitate that. Bank and non-bank members alike agreed that the survey was useful for understanding the local reinvestment landscape, how different areas of lending and activity compare to each other, and how reinvestment performance varies from bank to bank.

The banks were praised for their reinvestment work, transparency, and for being accountable to the local community. Banks commented that the process was difficult but is a better process than before, with more accurate results. Members had a positive response to presenting lending volumes in terms of each bank's capacity, measured by the ratio of each kind of lending to overall local deposits (aka "percent of deposits").

Members felt the numbers will both help to answer the question "Where does CRA money go?" and provide a baseline for measuring changes in reinvestment in future years. The survey and report were described as being a useful tool for showing the community what CRA activities are and where they're happening, and as a vehicle for sharing the good news about high levels of reinvestment activity while identifying gaps where more work is needed.

The group agreed to delay distribution of the survey responses and charts until the remaining data come in to avoid having multiple and incomplete reports circulating at the same time. When the missing data arrive, staff will finalize the report and charts, and distribute them to the members.

## **ADJOURNMENT**

Co-Chair Ron Roberts adjourned the meeting at 3:15 p.m.

Respectfully submitted,  
Daisy Crompton  
Reinvestment Task Force