



CITY-COUNTY REINVESTMENT TASK FORCE



**San Diego Reinvestment Task Force
Regular Meeting Minutes of
Thursday, July 18, 2013 at 12:00 PM
202 "C" Street
12th Floor Meeting Room
Downtown, San Diego**

ATTENDANCE

Present were Ron Roberts, Myrtle Cole, Manny Aguilar, Murtaza Baxamusa, Wendell French, and Kathy Patoff. Judy Forrester, Kristy Gregg, Vino Pajanor, Mitch Thompson, and Peter Villegas were absent.

10 CALL TO ORDER

Co-Chair Cole called the meeting to order at 12:08 p.m.

20 COMMITTEE MEMBER COMMENTS

Mr. Wendell French commented that Wells Fargo participated in a Mayoral-specific Home Preservation Workshop. The Mayor wanted to see how people with challenges on mortgages were being treated and give them additional access and opportunities. Working with the National Asian American Coalition, over seven hundred invitations for the event held at City Hall from 9:00 a.m. to 5:00 p.m. were mailed. Approximately thirty-five people attended and had their mortgages reviewed and modified. The Mayor briefly attended the event.

Mr. Manny Aguilar of Money Management reminded those present that the community First Time Homebuyers Workshops, sponsored by the County of San Diego and the Department of Housing and Human Development were held very regularly throughout the county. A Workshop was scheduled for July 20, 2013, in Spring Valley at the Spring Valley Community Center from 9:30 a.m. to 5:00 p.m. Information regarding the Workshops could be found on the County website as well as at www.crediteducation.org.

Ms. Kathy Patoff commented that American Banker Magazine had named Union Bank as Number One on a reputation survey. The national survey was based on customer services, governance, and citizenship among other topics.

Ms. Myrtle Cole asked the member financial institutions if the financial institution was offering principal reductions to home owners.

Mr. French stated that on certain loan products and in certain situations Wells Fargo was offering such an option.

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Ms. Patoff stated that it was based on a case-by-case basis, noting that Union Bank was not a subprime lender and was a portfolio lender, which held all loans on the books and had fewer than one hundred foreclosures on the books which based on their lending history was a very small number.

Ms. Cole queried if the financial institutions had information on foreclosure backlogs.

Mr. French stated that he did not have any numbers with him and asked Ms. Cole to clarify what was meant by "foreclosure backlog."

Ms. Cole indicated she was referring to properties going through foreclosure.

Mr. French stated that although he did not have any numbers with him he could safely say that based on the recent Home Preservation Workshop event and other data that Wells Fargo's foreclosure rate typically ran very low in terms of comparing it with the national average or with peer institutions. He noted a lot had to do with the underwriting and the fact that during the mortgage crisis they did not make same-day loans, pick-a-pay loans, or those types of loans. He stated that Wells Fargo had acquired a certain portfolio of loans when it purchased Wachovia and had worked some of those loan/properties off the books, but that Wells Fargo did not originate those loans and tended to have a very low foreclosure rate.

Ms. Cole inquired if the member financial institutions had made any significant changes to their loss mitigation programs as a feature to guarantee a better success?"

Mr. French stated that Wells Fargo was constantly looking at that whole process and monitoring it to find ways to make it better. Most institutions would be able to say over the last three to four years they have made significant changes. He stated that one of the key changes Wells Fargo had made was to ensure that when a client came into the process and contacted one of the Loss Mitigation Specialists, that the client was able to work with that specific specialist throughout the process. There had been complaints, that clients were being bounced around and pushed off to different associates each time the client made a call. This along with a number of other improvements was a few major changes that Wells Fargo instituted. He recognized that the economy and housing market had somewhat improved and that they were seeing less and less of the need for some of the programs which they had provided in the past, for example the Home Preservation Workshop that was held last Saturday. In March Wells Fargo had a region-wide HPW event and working with local nonprofits and the media over 7,000 notices were sent out throughout the county, while only one hundred forty-four people attended the event. In years past at a similar event anywhere from three hundred to four hundred people would have attended. He commented that there had been a drastic drop-off in attendance and when meeting with nonprofit partners, discussion had included the need to continue having the Home Preservation Workshops. The focus had shifted more toward issues of how to get credit straightened, how to buy a home, how to stay in a home, and was an indication of the direction that the overall housing market was currently heading.

Ms. Cole stated that this was encouraging and asked if people were still talking about loan modifications.

Mr. French stated that some people were still in trouble and that Wells Fargo was still hosting workshops, but not as many as they had in the past which was a very positive sign.

30 REPORT FROM STAFF

Ms. Mirta Schloss, RTF Program Director, reported that the Housing Commission staffs the RTF and that in the very near future there would be Staff changes which would be effective for the program as the RTF moved forward in new ways to address current issues while remaining pertinent in the reinvestment efforts and outcome. She indicated that Mr. Colin Parent, Housing Commission Policy Director, would be an important part of this change. Ms. Schloss gave a reminder, mainly to the Co-Chairs that the RTF was in need of representatives as there were three vacant seats; two seats for community or nonprofit groups, and one seat for a public member. The City was to fill one seat while the County was to fill two seats. She also reported the need to institute Bylaws. After researching, she had found no Bylaws current exist and that the Board needed to work on this item. Finally she stated she was looking forward to informative dialog from the Co-Chairs in providing direction for the future of the RTF.

Ms. Cole asked about the length of a member's term.

Ms. Schloss stated that there was conflicting information where one undated document stated the terms as indefinite while another undated document stated banks were indefinite with all other members sitting for a term of three years.

40 APPROVAL OF THE MINUTES

MOTION BY BOARD MEMBER BAXAMUSA TO APPROVE THE REINVESTMENT TASK FORCE REGULAR BOARD MEETING MINUTES OF JUNE 20, 2013. SECONDED BY BOARD MEMBER AGUILAR AND CARRIED BY A UNANIMOUS VOTE OF 6-0 WITH BOARD MEMBERS FORRESTER, GREGG, PAJANOR, THOMPSON, AND VILLEGAS ABSENT.

100 Presentation: Mark Nanzer and Maxine Suka - San Diego Workforce Partnership's Platform to Employment

**Informational item only. No action taken.*

Mr. Mark Nanzer, Director of Adult Programs, and Ms. Maxine Suka, Program Manager at KRA Corporation operating the Metro Region Career Centers, presented San Diego Workforce Partnership's (SDWFP) Platform to Employment (P2E) pilot program. The presentation focused on providing information on long-term unemployment (LTU) and an innovative pilot program offering comprehensive workforce development services that addressed needs of long-term unemployed individuals returning to work and employer needs to recruit qualified skilled individuals.

Mr. Nanzer recognized Ms. Chi Tran from Citibank, who was instrumental in getting P2E on the RTF agenda. Mr. Nanzer stated that the SDWFP was the local workforce development

organization that received money on behalf of the Department of Labor and funded job training programs by contracting with various community based organizations, for-profit organizations, and school districts to run Adult Dislocated Worker and Youth Programs.

Mr. Nanzer stated the P2E was a privately funded pilot program sponsored by The WorkPlace, in Connecticut, which was a similar workforce development agency to SDWFP. The WorkPlace looked to roll out the P2E program nationally. Mr. Joseph Carbone has worked to give the program a lot of media exposure, such as a piece on 60 Minutes regarding the issue of LTU (twenty-seven weeks or longer). P2E was an innovative way to address the needs of job seekers and business while also addressing LTU. Mr. Nanzer indicated that Ms. Suka would provide further details on the replication of the pilot program here in San Diego.

Mr. Nanzer continued by noting LTU was a national emergency and one of the economies' pressing problems. There were staggering numbers of long-term unemployed where time out of work had increased causing millions of workers to be disconnected from the workforce. The long-term unemployed swelled from 5.1 million to 5.4 million, making up forty-two percent of the total unemployed. Statistical data was presented on the percent of LTU nationally and by selected states, the Civilian Participation Rate, the LTU by age, education, and race/ethnicity, as well as emotional transition during LTU.

Ms. Suka stated that the SDWFP has seen an entire class of workers that had been left behind and calculated out of the workforce. Many had used up their savings, retirement plans, and personal resources creating a greater burden on society. Entire families were impacted as children moved back with their parents, young children lost growth opportunities, and parents could no longer afford college for older children. This population has become the largest demographic utilizing One Stop supports.

Ms. Suka reiterated that the P2E program was an innovative strategy addressing and supporting the workforce development needs of the long-term unemployed, an instrument to help individuals and communities, and a campaign to restore a basic tenet of being an American which is opportunity. The three main funders consisted of Citibank, the Walmart Foundation, and AARP. One Stop career centers were involved by providing the facilities for SDWFP to obtain workshops and classes. San Diego was the fourth area, out of ten nationally, that launched the pilot program on April 17th. The program model included coaching and facilitation of Job Seeker workshops, employee assistance services and family support, and risk-free subsidized employment opportunities. Ms. Suka continued by presenting data on placement updates as of July 16th along with next steps, which included identifying partnership opportunities, sustainability of the program model, and delivery of one to two cohorts annually.

Ms. Cole thanked Mr. Nanzer and Ms. Suka for their presentations and opened the floor for questions.

CLOSED SESSION

101 Discussion: San Diego City-County Reinvestment Task Force Goals and Objectives

This item was trailed to a future meeting.

Mr. Roberts commented that he had hoped that between the Sub-Committee and Staff some focused ideas would have emerged regarding what the RTF should be doing in the next year to offer better assistance in the areas of economic development, long-term unemployment, short-term unemployment, and housing.

ADJOURNMENT

Co-Chair Roberts adjourned the meeting at 1:05 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mirta Schloss', written over a horizontal line.

Mirta Schloss
Program Director
Reinvestment Task Force