



CITY-COUNTY REINVESTMENT TASK FORCE



**Minutes of the Regular Meeting
Thursday, September 18, 2014, 12:00 PM**

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

For information, contact Daisy Crompton, RTF Staff Aide
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ATTENDANCE

Present: Manny Aguilar, Gustavo Bidart, Myrtle Cole, Wendell French, Kyra Greene, Ed Lopez, Kathy Patoff, Elizabeth Schott, Richard Shea, Ali Tarzi, Racquel Vasquez, and Peter Villegas.

Absent: Vino Pajanor (traveling), Ron Roberts (traveling), and Krista Torquato (ill).

ITEM 1 CALL TO ORDER

Co-Chair Myrtle Cole called the meeting to order at 12:05 p.m.

ITEM 2 PUBLIC COMMENT

David Oddo requested copies of the RTF's most recent strategic plan and a 2007 consultant report on foreclosures during the subprime loan crisis.

ITEM 3 TASK FORCE MEMBER COMMENTS

Elizabeth Schott announced that ACCION would host a free small business workshop on November 15 at the Jacobs Center. Wendell French told the RTF about Get Smart About Credit, 60 days of intensive credit education. Kathy Patoff and Ali Tarzi mentioned that Union Bank's work with Community Housing Works on the OPTA accounts previously discussed at the RTF had won the bank recognition as the nonprofit's Partner of the Month. Gustavo Bidart discussed National Citizenship Day events where major cities cited the financial benefits of citizenship. Co-Chair Cole said that the RTF may have to move to a different day because of scheduling conflicts (MTS, ARB), and that she would talk to Supervisor Roberts about it.

ITEM 4 STAFF REPORT

Daisy Crompton noted that Colin Parent, the Housing Commission's Policy Director, has left the Commission. The Commission won't refill his position, and will instead merge the Policy Department – including oversight of the RTF – into the Commission's Real Estate Department under the leadership of Senior Vice President Debbie Ruane. Ms. Crompton asked RTF members to contemplate the RTF's 2015 goals in preparation for discussing them at the November meeting.

RTF staff will propose a resolution regarding Lunar New Year holiday bank practices at an upcoming RTF meeting.

ITEM 5 APPROVAL OF THE MINUTES

MOTION BY TASK FORCE EDWARD LOPEZ TO APPROVE THE REINVESTMENT TASK FORCE REGULAR MEETING MINUTES OF JULY 17, 2014. SECONDED BY GUSTAVO BIDART AND CARRIED BY A UNANIMOUS VOTE OF 12-0 WITH MEMBERS VINO PAJANOR, RON ROBERTS, AND KRISTA TORQUATO ABSENT.

ITEM 8 Informational Update: Small Business Lending

Item 8 was heard first because of scheduling changes. Guest speaker Aleta Wilson, Director of the Small Business Development Center (SBDC), provided the RTF with an overview of the local environment for small business loans and shared what she's hearing from small businesses around San Diego County. If a borrower has a strong credit history and income, then banks are more likely to lend to them. According to Ms. Wilson, newer, smaller, and less-established businesses are still having trouble getting loans. A big hurdle for small firms is the amount of paperwork and knowhow required to apply for small business loans. Her organization seeks to train small businesses owners in these processes and prepare them -- and the documents they need -- for the application process.

- Gustavo Bidart asked what industries in San Diego are getting denied loans. The guest speaker did not have that data at hand, but Elizabeth Schott commented that restaurants, informal businesses like food carts, and construction firms are considered a little riskier to lend to than other types of businesses.
- Kathy Patoff asked what banks can do to help the SBDC succeed. Ms. Wilson responded that banks could help by taking a page from CDC Small Business Finance, which refers potential borrowers back to SBDC for assistance with preparing their loan packages.

ITEM 6 Informational Update: "Cap-and-Trade" Funding for Affordable Housing

Guest speaker Laura Nunn, Policy Director at the San Diego Housing Federation, presented an overview of and update on the State of California's Affordable Housing and Sustainable Communities Program. The program will provide a significant new source of funding for affordable housing projects that reduce greenhouse gas emissions by making housing, jobs, and services easily accessible by transit, bikes, and on foot. The source of the funding is revenue from California's Cap and Trade program, which creates a marketplace for polluters to trade greenhouse gas emission permits. The new State budget allocates Cap and Trade revenues for "green" affordable housing that helps get people out of their cars by being transit, bike, and walk friendly.

- Richard Shea asked if the funding will be in the form of grants or loans. Ms. Nunn said that issue has yet to be determined.

ITEM 7 Informational Update: Qualified Mortgages

Guest speaker Dee Sodano, VP of Lending at Community HousingWorks, briefed the RTF on the new Qualified Mortgage Rule. It is part of a package of post-crisis reforms designed to keep both borrowers and banks out of trouble in the future by enacting new requirements for how banks qualify borrowers for loans. Critics say QM could restrict the available number of mortgages while raising bank costs.

- A member of the audience asked how communities of color are recovering from the foreclosure crisis and how Community HousingWorks will help those communities recover their net worth. The guest speaker said that a lot of people have recovered and are rebuilding their credit, have re-establishing employment, and are getting loans from Community HousingWorks, which, she said, has several options for borrowers who are re-entering the mortgage market.

ADJOURNMENT

Acting co-chair Kathy Patoff adjourned the meeting 1:30 p.m.

Respectfully submitted,
Daisy Crompton
Reinvestment Task Force