



# CITY-COUNTY REINVESTMENT TASK FORCE



---

## Minutes of the Regular Meeting Thursday, April 17, 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  
San Diego Housing Commission  
Email: daisyc@sdhc.org  
619-578-7168

### **ATTENDANCE**

**Present:** Myrtle Cole, Judy Forrester, Wendell French, Kathy Patoff, Gustavo Bidart, Manny Aguilar, Ali Tarzi, Ed Lopez, Clare Crawford, Racquel Vasquez

**Absent:** Ron Roberts, Peter Villegas, Vino Pajanor, Murtaza Baxamusa

### **ITEM 1      CALL TO ORDER**

Co-Chair Cole called the meeting to order at 12:10 p.m.

### **ITEM 2      PUBLIC COMMENT**

There was no public comment.

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

Manny Aguilar announced that he was working with RTF staffer Daisy Crompton and partner affordable housing complexes to deliver financial education to those complexes' residents, who otherwise don't have access to this sort of service onsite.

### **ITEM 4      STAFF REPORT**

Daisy Crompton reported that she attended the San Francisco Federal Reserve's annual Community Development Conference, which provided numerous opportunities for learning more about CRA and building stronger relationships with local partner organizations like the Housing Opportunities Collaborative and Citibank, who also attended the conference.

Ms. Crompton announced that the national Wolters-Kluwer CRA conference will be in San Diego this fall, presenting opportunities to connect with CRA players not normally in San Diego.

Staff worked with community partners to create and distribute to RTF banks a Lunar New Year/cultural competency survey. The findings will be reported and discussed at an upcoming RTF meeting. The data committee meeting has been postponed so that members could hear from today's CRA data expert, Jan Woolsey, first.

**ITEM 5      APPROVAL OF THE MINUTES**

MOTION BY TASK FORCE MEMBER KATHY PATOFF TO APPROVE THE REINVESTMENT TASK FORCE SPECIAL MEETING MINUTES OF MARCH 27, 2014. SECONDED BY MEMBER JUDY FORRESTER AND CARRIED BY A UNANIMOUS VOTE OF 10-0 WITH MEMBERS RON ROBERTS, PETER VILLEGAS, VINO PAJANOR AND MURTAZA BAXAMUSA ABSENT.

**ITEM 6      Presentation: Analyzing Bank Reinvestment Activities**

The Senior Vice President for CRA Strategy and Operations at Union Bank, Jan Woolsey, gave an informational presentation on the Community Reinvestment Act and banks' data collection activity under CRA.

In her overview, Ms. Woolsey outlined CRA reporting requirements, which include data supporting the three principal areas of evaluation: Lending (home mortgages, small business loans, and community development loans, including affordable housing), Investments (tax credits and corporate grants) and Service (branches and volunteerism).

She explained that both the banks and the regulators measure performance against census-determined benchmarks such as the percentage of homeowners in LMI tracts, which indicates what percentage of loans a bank should aim to provide to LMI borrowers. The ability and performance of competing local banks in providing such loans is also taken into account.

In talking about what data the banks provide to the regulators, Ms. Woolsey reminded attendees that data like that collected under the Home Mortgage Disclosure Act (HMDA) are publicly available and can be accessed directly through the regulators' websites, though specialized software like CRA Wiz is recommended for advanced analysis.

Ms. Woolsey explained that banks are legally prohibited from collecting information on small business borrowers' race and gender, though that is likely to change under Consumer Protection Finance Bureau (CPFB) rules implementing Dodd-Frank financial reform legislation. This legal prohibition, along with other borrower privacy requirements, can impede banks from cooperating with requests for information about the names of community development projects they have funded.

Large banks like Union Bank are typically evaluated around every three years, and Union Bank expects an evaluation next year. In its last evaluation, the bank received a ratings downgrade for its performance on LMI mortgages, but has implemented products and measures that have increased its proportion of LMI loans.

During the subsequent discussion, Co-Chair Cole asked what the rating criteria were, and Ed Lopez asked about the implications of a downgrade. In response, Ms. Woolsey explained that banks are assessed on how well they helped direct investment into low- and moderate-income (LMI) communities across the three indicators. A bank that does well on some indicators but not others, as Union Bank did in small business and community development lending but not home loans, can lead to a downgrade. A downgrade can affect banks' ability to complete mergers or open or close branches, she said.

Judy Forrester commented that other variables, such as the volume of tax credits issued by the government in a given year or the long timeline for completing affordable housing and community development projects, also affect bank performance during a given reporting period. Other activities, she added, such as referrals of small business borrowers to microfinance partners like Accion, are not officially counted in CRA numbers but help to direct capital to small businesses.

#### **ADJOURNMENT**

Co-Chair Cole adjourned the meeting at 1:15 p.m.

Respectfully submitted,  
Daisy Crompton  
Reinvestment Task Force