



CITY-COUNTY REINVESTMENT TASK FORCE



MINUTES

San Diego Reinvestment Task Force Meeting Thursday, Oct. 21, 2010 at 12:00 PM 202 C Street, Twelfth Floor Hearing Room, San Diego

Item 1: Call to Order: Co-Chair Councilmember Young called the meeting to order at 12:00 p.m.

Item 2: Introductions:

Members Present:	Tony Young Bob Adelizzi Jim Schmidt Angie Lucero Peter Villegas Kathy Patoff Wendell French Mitch Thompson	Councilmember District 4 Public Member Public Member Bank of America JP Morgan Chase Union Bank Wells Fargo Bank City of Chula Vista
Co-Chairs' Staff:	Tom Ledford Venus Molina Maggie Ruiz	County Supervisor Robert's Office Councilmember Young's Office RTF Program Analyst
Members Excused:	Ron Roberts Mirta Schloss Kristy Gregg Murtaza Baxamusa Joe Horiye	County Supervisor, District 4 RTF Director US Bank CPI LISC
Members Absent:	Vino Pajanor Lynn Hastings	Housing Opportunities Collaborative Public Member
Participants:	Chi Tran Vikki Korporeal Debbie Ruane Alex Mazloom Barbara Day Susan Tinsky Ted Brengel Robert Lopez Edgar Felix Kelly Salmons	Citibank JP Morgan Chase San Diego Housing Commission Mind Treasures Jo and Vi Jacob's Center Housing Federation Alternate Committee ACCION San Diego SDHC County of San Diego-HCD

Item 3: Public Comments: No public comments

Item 4: Minutes Approval: MOTION BY COUNCILMEMBER YOUNG TO APPROVE MINUTES AS SUBMITTED.
Seconded by Wendell French.
All in favor.

Item 5: JPMorgan Chase - San Diego Updates Presentation

Vice President and Senior Manager Office of Corporate Responsibility Peter Villegas presented the bank's local efforts and community reinvestment accomplishments. He stated since the acquisition of Washington Mutual's subprime mortgages, Chase has expanded efforts to invest in the communities it operates. Here are the highlights of his presentation:

- Chase has added 900 banks throughout California. In addition, it has partnered with the Stater Bros. Supermarkets as an added convenience for customers by adding new full-service bank branches and has placed 293 ATMs in the supermarket chain's stores throughout Southwest Riverside and San Diego.
- It has opened two Homeownership Centers. One is located in La Mesa and the second in Chula Vista. These centers have been dedicated to help families with an opportunity to meet face-to-face with a trained loan advisor who is focused exclusively on helping customers keep their homes.
- Participated with local nonprofits such as Housing Opportunity Collaborative, Mabuhay Alliance and Smart Money Summit and Expo in expanding loan modification and loss mitigation efforts to help homeowners in financial distress.
- Worked with municipalities to donate or sell at a discount Real Estate Owned (REOs) assets.
- Improved in the approval rate of first-time homebuyer loans, with 18.2% of these loans were approved in Low- to Moderate-Income (LMI) markets.
- Expanded Small Business loans in San Diego, 18.7% were issued in LMI communities.
- 7 million in tax credits to the City of Escondido for the Juniper Senior Village.
- 100 million in Community Development Financial Institutions (CDFI) of which 20% was allocated in California.

Mitch Thompson commented that there is a need to engage folks to do affordable housing in San Diego and asked Mr. Villegas what efforts are being done in the Low-Income Tax Credit area. Mr. Villegas responded that specific area was handled by the Community Development team based in Orange County and he would be happy to share the names of the six managers that are servicing San Diego.

Item 6: SDHC's Finance Plans on Preserving and Creating Affordable Housing

Ms. Debbie Ruane, Vice President of Real Estate presented the SDHC's finance plans on the expansion of affordable housing. Ms. Ruane provided the following report:

History: HUD approval was received in September 2007 to transition out of Public Housing. SDHC became the sole owner of the properties and issued Housing Choice Vouchers to each resident.

HUD mandated:

- Leverage the equity in the properties
- Create a minimum of 350 affordable units
- Rented at or below 80% AMI

SDHC created a finance plan to generate new affordable housing by placing debt on the portfolio:

- Approved by SDHC Board September 2009
- Approved by Housing Authority October 2009

Fannie Mae/FHA funding sources:

- Mortgage a portion of portfolio 78 properties
- Do not include 1 – 4 units 72 properties

Withdraw equity of approximately \$100 million:

- 40% of equity – allocated towards public/private partnership transactions
- 60% of equity - publicly-owned properties (with Build America Bonds)

Build America Bonds: Ms. Ruane discussed Build America Bonds (“BABs”):

- Interest rebate program offered by federal government under American Recovery Reinvestment Act (ARRA).
- 35% interest rebate for entire term of loan
- FHA 223 (f) program-35-year loan term

Ms. Ruane further added that proceeds from BABs qualified FHA financing will be used to acquire properties that:

- Are owned solely by a municipality (non-private)
- Qualify for tax-exempt financing
- Program sunsets 12/31/10

Further, she explained the acquisitions were going to take place in two phases. The first step was going to involve FHA and Fannie Mae loans that would result in the production of approximately 915 affordable housing rental units. She further explained that once stabilized, the BABs qualified properties purchased with cash will be re-financed with mortgages. She pointed out that new mortgages will generate additional proceeds as equity for re-investment that will consequently allow for 120 additional units.

Since December 2009, SDHC: Ms. Ruane gave an update on the acquisitions and reported the following:

- Closed on \$37 million (Fannie Mae) in December 2009
- Closed on \$55 million (FHA) in September 2010
- Committed \$37 million toward 6 projects and added 467 new units of affordable housing

Following Ms. Ruane's presentation there was a brief discussion and Ms. Susan Tinsky, Executive Director of the Housing Federation, made a couple of comments on the inclusion of nonprofit sectors and had a question on the Hotel Sanford acquisition. Ms. Ruane responded to Ms. Tinsky's questions.

Item 7: Business Women Workshop/Partnership with MANA

Ms. Venus Molina, Policy Advisor to Councilmember Young presented on the RTF's partnership with MANA, a National Latina Women's Organization and the financial education workshop titled, Mujeres Sabia, Dinero Efectivo.

Item 8: Approval of County of San Diego CDBG Grant Application for RTF Administration Project

MOTION BY COUNCILMEMBER YOUNG TO APPROVE THE COUNTY CDBG GRANT APPLICATION FOR STAFF COSTS TO OPERATE THE RTF IN THE AMOUNT OF \$60,000.

MOTION CARRIED UNANIMOUSLY

Item 9: Staff Report

Report from staff included:

- Update on the work of the MANA Smart Women Latina Success Conference. Discussed RTF efforts on coordinating and sponsoring a financial education workshop, presented by Springboard. The event is to take place on October 23, 2010 at the Jacob's Center.
- RTF's collaboration on coordinating a financial education workshop presented by Money Management International at the High Definition Conference to be held on October 22, 2010.
- Completion and release of the CRA fall edition, "CRA Matters" newsletter which has multiple links, one of the links being the recent release of the 2009 HMDA data.
- Discussed the County's CDBG grant application.

Councilmember thanked the RTF for the good work and added that there is a need for an advocacy subcommittee group. He said the subcommittee should consist of two members of the RTF and also public members from the outside that can be aggressive about the RTF's advocacy efforts. He asked if anyone was interested and recommended that Susan Tinsky be part of the subcommittee.

Item 10: Adjournment: Meeting was adjourned at 1:00 p.m.

Respectfully submitted,

Mirra Schloss, RTF Director
December 08, 2010