



SAN DIEGO CITY-COUNTY REINVESTMENT TASK FORCE



**Minutes of the Special Meeting
Thursday, June 6, 2024, 2:00 PM**

**County Administration Center
4th Floor, Meeting Room #402-A
1600 Pacific Highway, Downtown San Diego**

Due to the location change, this meeting was not able to be live streamed or recorded.

For information, contact Daisy Crompton, RTF Manager
San Diego Housing Commission | daisyc@sdhc.org | 619-578-7168

ATTENDANCE

Present: Monica Montgomery Steppe Sean Elo-Rivera Enrique Mesa
Jimmy Chen for Ricardo Flores Peter Armstrong Sergio Quero
Karen Begin for Kwofi Reed Antonio Barbosa Stephen Russell
Robert Lopez for Elizabeth Schott Irene Bwayo Adolfo Ventura
Emilie Dang for Ali Tarzi

Absent: Ricardo Flores Pamela Gabriel Kwofi Reed Elizabeth Schott Ali Tarzi

ITEM 1 CALL TO ORDER

Co-Chair Sean Elo-Rivera called the meeting to order at 2:08 p.m.

ITEM 2 NON-AGENDA PUBLIC COMMENT

David Oddo distributed the executive summary of his report, “Homing in on Racism – Final Report.”

ITEM 3 TASK FORCE MEMBER COMMENTS

Stephen Russell shared that the sold-out Rubies were that evening. Robert Lopez announced Accessity’s annual Brewing the American Dream event. Monica Montgomery Steppe commented on Mr. Oddo’s report and noted the continued lending disparities and ongoing challenges to eliminating them.

ITEM 4 APPROVAL OF MINUTES

The minutes of the October 12, 2023 regular meeting were approved by a motion of Stephen Russell, seconded by Monica Montgomery Steppe, and passed by a vote of 13-0.

ITEM 5 STAFF REPORT

RTF Manager, Daisy Crompton, welcomed RTF alternates and new member Habitat for Humanity. The RTF’s annual reinvestment survey has been distributed to member banks and is due back July 30; this is the first survey since US Bank completed its acquisition of Union Bank, and will show their combined activity.

ITEM 6 Action Item: 2024 RTF Meeting Schedule

The 2024 RTF semi-quarterly meeting schedule was approved by a motion of Peter Armstrong, seconded by Sergio Quero, and passed by a vote of 13-0. In addition to today’s meeting, the RTF will convene on September 5, October 3 and November 7 from 2-4 pm at the Housing Commission, unless a change is announced in advance.

ITEM 7 Discussion Item: 2024 RTF Goals, Activities and Topics of Interest

The RTF's co-chairs, appointees, and members of the public discussed topics they would like to explore at the RTF. The chairs highlighted activities that could inform policy and legislation, from the RTF's annual survey to hearings on programs like MEHKO (Microenterprise Home Kitchen Operation). Also discussed were better understanding bank investment and banks' proactive measures to prevent exploitative practices; lawsuits around the country against race-conscious programs; bank lending for mixed-income housing; and creating action items after meeting presentations. Member and public interests encompassed challenges in creating affordable for-sale homes; examining condo and co-op models and opportunities; and continuing to discuss the workforce and housing impacts of and intersections with declining childcare availability.

ITEM 8 Information Item: State of Local Affordable Multifamily Housing Industry

The Housing Federation's Stephen Russell, Wakeland's Peter Armstrong, SDHC's Jennifer Kreutter and MAAC's Arnulfo Manriquez presented recent data and an overview of the current state of the affordable housing industry in San Diego County, focusing on income-restricted multifamily rental units. Presenters spoke of the significant increase in construction and interest costs since the pandemic, leading to skyrocketing per-unit costs; SDHC's coming affordable housing cost study; helping families address poverty and increase incomes so they can move out of subsidized housing and up the housing ladder; partnerships from philanthropy to churches that are helping to increase affordable rental production; funding shortfalls compared to the redevelopment era or to other cities that passed bond measures; and other trends, challenges and small victories. Member and public comment highlighted the loss of naturally-occurring affordable housing from the January floods, the floods' impact on housing organizations, personal challenges finding affordable rental and for-sale housing, and increasing family income through small business.

ITEM 9 Information Item: Rising Insurance Costs and Declining Availability

The RTF wanted to understand how rising property and general liability insurance costs are impacting affordable housing developers, operators, and other businesses and nonprofits addressing reinvestment needs, and invited guest speaker Kevin Bibler of Alliant Insurance Services, SDHC's longtime insurance broker. Mr. Bibler's presentation showed how the number and cost of both insured disasters and large loss liability awards have skyrocketed nationwide, increasing insurance premiums across the country as insurance companies seek to cover those costs. Large liability losses have grown 11% annually for a decade, he said, fueled by litigation financing and large jury verdicts. On the property claim side, an increasing number and growing size of \$1 billion-plus natural catastrophes, combined with construction cost inflation, are threatening the industry's sustainability. The RTF's affordable housing experts who spoke earlier provided additional observations. Time ran out before discussion could get underway. There is widespread interest in bringing the speaker back this fall to continue the conversation and allow time for additional questions and answers.

ADJOURNMENT

Monica Montgomery Steppe adjourned the meeting at 4:01 p.m.

Respectfully submitted,
Daisy Crompton
RTF Manager, San Diego Housing Commission