

MINUTES
EDC-VC EXECUTIVE COMMITTEE MEETING
May 5, 2021

- Location:** EDC-VC, 4001 Mission Oaks Blvd., Founder’s Room, Suite A-1, Camarillo, CA 93012 and <https://zoom.us/j/8349665509>.
- Attendance:** Dee Dee Cavanaugh – City of Simi Valley
Kristin Decas – Port of Hueneme/Oxnard Harbor District
Bob Engler – City of Thousand Oaks
Kelly Long, *Chair* – County of Ventura
Andy Sobel – City of Santa Paula
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** Nan Drake – E.J. Harrison Industries
Harold Edwards, Vice-Chair – Limoneira Company
Rosie Ornelas – Economic Roundtable Representative, City of Oxnard
- Legal Counsel:** Nancy Kierstyn Schreiner – Law Offices of Nancy Kierstyn Schreiner
- Staff:** Marvin Boateng, Director of Lending
Kelly Noble, Office Manager
Tracie Schneider, Communications and Marketing Coordinator
Bruce Stenslie, President/CEO
- Call to Order:** 3:32 p.m. Chair Kelly Long thanked everyone for attending.
- Roll Call:** Kelly Noble
- Amendment to the Agenda:** None
- Public Comment:** **None**
- Approval of Executive Committee Minutes** **Executive Committee Meeting, April 7, 2021**
Chair Long requested a motion to approve the minutes from April 7, 2021 Executive Committee meeting. Dee Dee Cavanaugh moved to approve and file the minutes from April 7, 2021 Executive Committee meeting. Bob Engler seconded the motion. All Executive Members listed in attendance in favor, motion carried.
- Administration** **Consideration of a \$286,750 Agreement with the City of Ventura for Provision of Business Technical Assistance, Lending and Grant Support Services in Response to the Impacts of COVID-19. Recommendation to Approve.**
Stenslie noted that the EDC has for some 20 years successfully provided Community Development Block Grant (CDBG) funded loan services for the City of Ventura.

As part of the federal response to the pandemic, CDBG “entitlement” areas, including the City of Ventura, have received additional awards of CDBG funds, above and beyond the usual formula allocations. As per usual regulatory guidance, CDBG funds may be used for economic development purposes, restricted primarily to micro-enterprise development and for the specific purpose of supporting the creation and retention of low- and moderate-income workers and jobs.

In response to an invitation for services in support of business recovery, EDC proposed a program for ten loans up to \$25,000 each to small businesses employing at least one low- or moderate-income worker. The strategy calls for the businesses to be evaluated for readiness, need and benefit by the receipt of a low-cost loan, and to receive monthly technical assistance on business recovery and resiliency through EDC’s Small Business Development Center. Should the business continue its participation in the technical assistance and retain the worker then the loan may be forgiven. During the 12-month period of intensive technical assistance, the business borrower will pay interest only.

EDC’s operating expense for the program is \$36,750. As noted above, EDC is also contributing SBDC funded services, for a value not less than \$27,500 in direct advising assistance. Our proposal was to launch the program as soon as it could be funded, for a one-year term. The City has just recently approved the proposal; while we have not yet received a contract, we anticipate one imminently.

This innovative program is just one of what may be several new services designed in collaboration with the cities and county moving forward in recovery from COVID-19. A special thanks to Director of Lending Marvin Boateng and Loan Program Assistant Vicki Meraz for the development of this strategy and proposal. We look forward to launching this activity as soon as possible.

Chair Long requested a motion that the Executive Committee delegate authority to the President/CEO, subject to legal review and approval of the full board, to sign a contract and related agreements, \$36,750 for EDC-VC’s administration of \$250,000 in loan capital for businesses impacted by COVID-19. Andy Sobel motioned to delegate authority to the President/CEO, subject to legal review and approval of the full board, to sign a contract and related agreements, \$36,750 for EDC-VC’s administration of \$250,000 in loan capital for businesses impacted by COVID-19. Bob Engler seconded the motion. All Executive Committee members listed in attendance in favor, motion carried.

Consideration to Renew a Contract Not to Exceed \$535,000 with First 5 Ventura County, for Loan Capital and Lending Services to Child Care/Early Child Education Centers. Recommendation to Approve.

Background: The Ventura County Children and Families First Commission (First 5 Ventura County) was created by the Ventura County Board of Supervisors pursuant to the Children and Families First Act of 1998 (known generally as “Prop 10”).

The purpose and mission of First 5 Ventura County is to promote, support, and improve the early development of children from the prenatal stage through five years of age. The Commission is funded by an annual allocation of tobacco tax funds, as established by Prop 10, plus additional discretionary public and private grants and contracts.

In 2009, First 5 Ventura County established its “Community Investment Loan Fund,” the intent of which is “to increase the capacity and infrastructure of programs serving young children and their families . . . through affordable, accessible capital for the development and maintenance of quality child care and preschool facilities for Ventura County’s children.” Following a competitive selection process, EDC-VC was awarded the contract for the management of the loan program.

The recommended action today is to continue the program through June 30, 2022. First 5 Ventura County approved the contract at its regular meeting on April 22.

As noted in the recommendation, our cost for operating the program is \$35,000, unchanged from the prior year. Our administrative expenses are for business outreach and technical assistance, loan underwriting and the servicing of the portfolio. The technical assistance component of this contract is considerable and is augmented by our Small Business Development Center resources, which makes the project feasible.

The agreement this year includes a loan capitalization of \$500,000, which is the balance available in the loan pool, set originally, in 2009, at \$1.3 million total.

EDC has made five loans from First 5 funds for the increase of regional child care capacity, totaling \$1,196,868, successfully leveraging an additional \$568,132 in other loan funds, for a total of \$1,765,000 loaned. The fund is extraordinarily cost effective, creating, 341 new child care slots—including 97 in the high value/tight market space for infants and toddlers—and creating 52 new jobs.

Scope of Work: EDC-VC’s responsibilities under the agreement include:

- Conduct loan consultation for potential borrowers.
- Conduct risk-assessment of loan applicant and the proposed project.
- Provide or identify resources for technical assistance in areas such as business planning, market research, real estate and capital finance information, facilities development budget and timeline, access to other funding, etc.
- Evaluate loan applications and make underwriting decisions.
- Establish and manage a loan board that operates as a decision-making body, guiding the development of loan policies and procedures and making funding decisions for loans.
- Manage and monitor the use and repayment of loan funds, ensure compliance with the loan terms and program guidelines, forecast loan repayment challenges, and provide mitigation support before challenges become serious.
- Outreach to other commercial and community-based lenders to invite and secure participation and co-investment in the Community Investment Loan Fund.

Our motivations for engaging in this project are several:

1. Local analyses have identified a large gap between the capacity of child care providers and community need and demand. The Local Child Care Planning Council has reported there is a deficiency in licensed child care slots, covering only some 36% of all children between birth and age 13 with all parents in the labor force (88,893 children, based on 59% of parents in the workforce).
2. Limited finance capacity and economic challenges within the industry—particularly limited access to capital—comprise two of the three greatest barriers to the development of facilities and to closing the gap between capacity and need

(the other significant barrier is “regulatory,” that is, inconsistent local development standards, procedures and planning processes).

3. The child care sector is itself an economic driver in the economy as it enables parents to work and earn or upgrade their skills. If parents do not have coverage for their children, we lose out on their human capital contributions to the region’s economy and productivity.
4. High quality child care and early child education help prepare our youth for entering the formal education system and for developing the skills essential for succeeding in school and work throughout their lives. *The skills of our future workforce are foundational to our long-term economic competitiveness.*

Chair Long requested a motion that the Executive Committee delegate authority to the President/CEO, subject to legal review and approval of the full board, to sign a contract with the Ventura County Children and Families First Commission (First 5 Ventura County), for the period July 1, 2021 – June 30, 2022, for \$535,000, of which \$35,000 is for EDC-VC’s administration of \$500,000 in loan capital available for lending for the Community Investment Loan Fund. Andy Sobel motioned to delegate authority to the President/CEO, subject to legal review and approval of the full board, to sign a contract with the Ventura County Children and Families First Commission (First 5 Ventura County), for the period July 1, 2021 – June 30, 2022, for \$535,000, of which \$35,000 is for EDC-VC’s administration of \$500,000 in loan capital available for lending for the Community Investment Loan Fund. Bob Engler seconded the motion. All Executive Committee members listed in attendance in favor, motion carried.

Consideration of a \$120,000 Contract Agreement with the Ventura County Workforce Development Board for Continuing Provision of Layoff Aversion and Business Assistance Services. Recommendation to Approve.

Stenslie noted that EDC has continuously and successfully provided business retention and layoff aversion services for the local workforce development system since 2002. The core funding for this activity comes through the Workforce Development Board’s annual allocation of federal Workforce Innovation and Opportunity Act (WIOA) funds, specifically the category of funding called “Rapid Response.”

Rapid Response funds are used primarily by the local workforce and Jobs Center systems to assist in the re-employment of workers who have been laid off.

A parallel priority and goal—with the service provided by EDC in Ventura County—is referred to as “layoff aversion,” that is, to work with businesses at-risk of decline, to help stabilize them and to keep their workers employed.

As this program is supported with federal funds, the Workforce Development Board and County develop a solicitation for new contractors for this project every three or four years. As we are at the end of the current procurement cycle, the County published a Request for Proposals in late 2020. Based on a panel’s scoring of our proposal, our past performance, and given that we were the only applicant, the Workforce Board has approved a contract for our continuing service for 2021-2022, with options, based on performance and at the County’s discretion, for the following two to three years. Final approval is pending action from the County Board of Supervisors.

The primary contractual activity is for the retention of jobs at-risk of layoff. The contract goal increased in 2020-21, in response to the pandemic, for the provision of layoff aversion services to not less than 50 firms, resulting in 200 jobs retained. This is approximately double prior years goals and will remain high so long as businesses continue to suffer this high level of disruption.

The procurement for the term starting 2021 also asked for additional contractual commitments, which include a minimum of 96 referrals to Workforce system partners and a minimum of 20 of those referrals for work-based learning activities.

The budget is \$120,000, though may be subject to change based on final allocations of federal funds to the state and county. If the dollar amount changes, there will be a corresponding adjustment to the outcome goals.

It should be noted that this funding was anticipated in our budget adoption for fiscal/calendar year 2021, based on contract performance and on-going discussions about service concentrations.

Going forward, we project that approximately 50% of the contract will be drawn down and expensed under this agreement prior to the end of December, with the balance carried forward to our 2022 fiscal year.

Chair Long requested a motion that the Executive Committee, subject to full board approval and legal review, delegate authority to the President/CEO for signing a contract and amendments thereto with the County of Ventura, Workforce Development Board (WDB) for Business Assistance and Layoff Aversion Services, for \$120,000, for the period July 1, 2021 through June 30, 2022. Dee Dee Cavanaugh motioned, subject to full board approval and legal review, delegate authority to the President/CEO for signing a contract and amendments thereto with the County of Ventura, Workforce Development Board (WDB) for Business Assistance and Layoff Aversion Services, for \$120,000, for the period July 1, 2021 through June 30, 2022. Bob Engler Seconded the motion. With Peter Zierhut recusing, All Executive Committee members listed in attendance in favor, motion carried.

Membership Report

With the continuing impact to business owing to the pandemic, we remain cautiously concerned about membership dues and retention. With our budget adoption for 2021 we approved a one-year reduction in membership dues for our Education sector members, for a goal of retaining their memberships at the full level after this year. We also have several members not regularly attending. Staff will provide an update on retention considerations for these members.

We continue our interest to fill our two board vacancies. Recruitment considerations include not only distribution and diversity by industry sector but also by region of the county, significance of the business and sector as well as the personal and professional characteristics of the individuals representing the industries and firms we recruit.

COVID-19 Status Report, Business Impacts & Resources

Stenslie stated that there is not a whole lot new to report. The federal Restaurant Revival Fund has kicked off on Monday. The federal Shuttered Venue Program has also kicked off. PPP Program will be ending at the end of May and is very low on funds. We're in the last round of the CA Relief grants. The County of Ventura is doing another round of grants,

adding \$5,000.00 to the recipients who received the first round of \$5,000.00 grants. Our client volumes remain extremely high.

Strategic Planning Discussion

Stenslie noted that at its last meeting, Executive Committee members reached consensus the time is ripe for conducting a strategic planning and engagement exercise.

Key operational issues for consideration include the organization's rapid growth in the last several years, our response to multiple and continuing disasters, our addition of multiple grants and contracts and increasing operational complexity and our broadening regional reach and influence in program services and leadership.

For next steps the Committee in April provided direction to staff is to return to the Committee at its May meeting with a draft strategy or scope for the exercise.

Staff has reached out to and is in the process of shaping and entering into a contract with Mission Met (<https://www.missionmet.com/>) and its Founding Partner Eric Ryan, for a scope that will include visioning (for example, where do we want to be in five years?), a process for addressing board engagement and overall strategic planning for the organization.

An important concentration will be on governance, particularly informed by the reality that though we were founded as a Ventura County group in 1996, our reach since 2010 has included Santa Barbara County and, increasingly, Los Angeles County. We began to embrace this larger regional presence in 2018 when we dropped "Ventura County" from our name in most communications and branding, though there remains work to fully connect our governance to our larger regional influence.

Formed in 1997, Mission Met is among the nation's leading strategic planning groups, with particular expertise in non-profits, public agencies and public/private partnerships. Its co-founder Eric Ryan provides strategic planning for the nation's Small Business Development Center network. Eric is currently providing strategic planning services for our EDC SBDC and our regional business equity program, EDC Invest (<https://edcollaborative.com/edc-invest/>). Mission Met's familiarity with EDC, and our familiarity with their leadership and strategic planning processes, provides us confidence for moving ahead with their support and engagement.

For timing, we'll begin the shaping of this work in May, June and July, with more intensive activity in August and wrapping up in September or October. While that is a fairly long timeline, this will assure a deliberative and fully engaging and comprehensive process.

President's Report

Stenslie confirmed for the Executive Committee that our annual audit, being conducted by Farber Hass Hurley LLC, is underway, with on-site work by the auditor on April 26-27. We anticipate presenting the draft audit to the Executive Committee on June 2 with consideration for final approval by the full Board on June 17.

There is a lot going on in Broadband. SCAG is trying to secure some \$8 billion for the region.

For new funding opportunities staff has submitted two grant applications. One, as discussed last month, is for establishing a Ventura/Santa Barbara County Procurement Technical

Assistance Center (or PTAC), the other, an EDA proposal that would support the continuing work and growth of the Fathomwerx partnership.

**New or
Unfinished
Business**

None

**Executive
Committee
Comments:**

Kelly Long said thank you to staff for going above and beyond for the County on the grant program. Dee Dee Cavanaugh also said thank you to staff and mentioned that she had a chance to speak to the tenants at the mall and did a push for the EDC.

Adjournment

At 4:34 pm. Chair Long announced that the meeting is adjourned June 2, 2021.

Minutes taken by Kelly Noble.