

MINUTES
EDC-VC BOARD OF DIRECTORS MEETING
July 15, 2021

- Location:** 4001 Mission Oaks Blvd, Camarillo, CA 93012 and by teleconference.
- Attendance:** Stephanie Caldwell– Chambers of Commerce Alliance
Dee Cavanaugh – City of Simi Valley
Kristin Decas – Port of Hueneme/Oxnard Harbor District
Nan Drake – E.J. Harrison Industries
Henry Dubroff – Pacific Coast Business Times
Amy Fonzo – Aera Energy
Cynthia Herrera – Ventura County Community College District
Bob Huber – County of Ventura
Alan Jaeger – NSWC Port Hueneme Division (Liaison)
Mike Johnson – City of Ventura
Nina Kobasyashi – Mechanics Bank
Jey Lacey – Southern California Edison
Ari Larson – City of Fillmore
Kelly Long – County of Ventura
Chris Meissner – Meissner Filtration Products
Rosie Ornelas – Economic Development Representative/City of Oxnard
Andy Sobel – City of Santa Paula
Sim Tang Paradis – City National Bank
Celina Zacarias – California State University Channel Islands
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** Gerhard Apfelthaler – California Lutheran University
Skyler Ditchfield– Geolinks
Harold Edwards, *Vice Chair* – Limoneira Company
Bob Engler – City of Thousand Oaks
Anthony Goff – Calleguas Municipal Water District
Daniel Groff – City of Moorpark
Randy Haney – City of Ojai
Mary Jarvis – Kaiser Permanente
Vianey Lopez – City of Oxnard
Will Mitchell – Strata Solar Development
Shawn Mulchay – City of Camarillo
Tracy Perez – VCEDA
Misty Perez – City of Port Hueneme
Jim Scanlon – Arthur J. Gallagher and Co
Alex Schneider – The Trade Desk
Trace Stevenson – AeroVironment, Inc.
Brian Tucker – Ventura County West (Liaison)
IBEW Local #952
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner

Staff: Ray Bowman, EDCSBDC Director
Alondra Gaytan, Program Manager
Kelly Noble, Office Manager
Tracie Schneider, Marketing and Communications Manager
Bruce Stenslie, President/CEO

Guests: Letitia Austin, Port of Hueneme
Haider Alawami, City of Thousand Oaks
Dr. Jamshid Damoeei, California Lutheran University
Gloria Martinez, VCEVSP

Call to Order: Chair Kelly Long called the meeting to order at 3:33 p.m. Long thanked everyone for attending.

Amendment to the Agenda: None

Public Comment: None

Minutes: **Approval of Meeting Minutes, June 17, 2021**
It was pointed out that on item VI-A, Mike Johnson recused himself. Chair Long asked if there were any more comments on the June 17, 2021, minutes. With none, Long asked for a motion to approve the minutes from June 17, 2021, with revision. Bob Huber motioned to approve the minutes from June 17, 2021, with revision. Nan Drake seconded the motion. Jey Lacy was not in attendance for this item, all remaining Board members listed in attendance in favor, motion carried.

Financial Report: **June 2021 Financials**
Shalene Hayman reviewed the May 2021 financials. Following brief discussion, Chair Long asked for a motion to approve the May 2021 Financials. Bob Engler motioned to approve the May 2021 Financials. Dee Dee Cavanaugh seconded the motion. Jey Lacy was not in attendance for this item, all remaining Board members listed in attendance in favor, motion carried.

Administration: **Consideration to Modify the Economic Development Administration Revolving Loan Fund Administrative Plan, Allowing Flexibilities in Consideration of the Impact of COVID-19 on Businesses and the Demand for Loan Capital. Recommendation to Approve.**

Stenslie noted, in 2020, EDC received \$2.45 million in additional loan capital from EDA, for lending to businesses impacted by COVID-19. Aside from the focus on COVID-19, the fund came to us under the general guidance of EDA loan program regulations, at 13 CFR Part 300, which are carried over to us in our RLF Administrative Plan. The Administrative Plan sets out our lending strategies, policies and procedures, and stipulates our compliance with the regulations.

In mid-June 2021 EDA notified all RLF program operators of their waiver of certain regulations for the purpose of increasing grantee flexibility in assuring the COVID-19 loan funds would reach businesses most in need. To take advantage of that flexibility, grantees must modify their Administrative Plans.

Modifications under this waiver authority are to extend through June 30, 2022, which aligns

with the final date by which we need to loan the full \$2.45 million award in order to convert it all to a continuing Revolving Loan Fund under our management.

There are three EDA allowed and recommended waivers as summarized in the following:

- On page 15 of our approved Plan, “Participation with Other Lenders,” the amendment allows us to suspend the requirement to leverage other funds when lending from the EDA pool. This is a critical allowance in the COVID environment, as we are fully aware that business owners’ matching funds will be in short supply and shared investment or lending by commercial or other alternative credit will be difficult to secure.
- Also on page 15, “Interest Rates,” should our Loan Board approve on a case-by-case basis, the amendment allows a *minimum* rate lower than our currently established “75% of the Wall Street Journal prime rate.” The prime rate is currently 3.25%; 75% of that is 2.4375%. While we could opt to go lower than that, we have no such intent, though are recommending the amendment, aligning us with national Dept of Commerce policy allowance for Revolving Loan Funds. In any case, for each loan our Lending Director (Marvin Boateng) recommends a loan rate, though the final rate, if the loan is approved, is set by action of the Loan Board. For disaster recovery loans we currently lend at 4.25%. When not responding to disaster the rate is generally at around 6%.
- On page 19, at Section I.F, the amendment allows us to suspend the requirement to document that other, non-EDA funds, are not otherwise available to the applicant/borrower. The purpose for the standard requirement to document that other funds are not available is to assure we’re preserving our capital for cases that truly need our capital and to assure that we’re making every effort to facilitate a business’s access to commercial credit. This recommended waiver is an important allowance in the COVID-19 recovery environment, however, simply for expedience, enhancing our ability to approve and fund a loan with less delay, given the myriad other federal and state programs that may overlap or conflict that we would otherwise need to document as unavailable.

By its waiver of these regulations, EDA is also suspending several measures in its standard Risk Analysis System for RLF awards. As a matter of routine management, EDA’s risk measures include a look at Net RLF Income, Default Rate, Default Rate Over Time, and Leverage Ratio.

These waivers have the potential to increase risk to each of these measures. As indicated above, EDC staff will continue to lend with our usual risk management procedures—including the application of a “business risk assessment” evaluation and scoring, intensive business plan evaluation and monitoring by our SBDC advisors, securing loan guarantees from the State of California, and securing funds in a loan loss reserve—but will, per these waivers, consider adjustments on a case-by-case basis, for the purpose of assuring timely lending to businesses most in need in their recovery from impacts by COVID-19.

Long requested a motion that the Board of Directors approve amendments to our General Lending Revolving Loan Fund (RLF) Administration Plan, consistent with guidance from U.S. Department of Commerce, Economic Development Administration (EDA), allowing certain flexibilities to improve business access to capital in recovery from COVID-19.

Bob Huber motioned that the Board of Directors approve amendments to our General

Lending Revolving Loan Fund (RLF) Administration Plan, consistent with guidance from U.S. Department of Commerce, Economic Development Administration (EDA), allowing certain flexibilities to improve business access to capital in recovery from COVID-19. Ari Larson seconded the motion. All Board members listed in attendance in favor, motion carried.

Consideration of an Agreement with the City of Oxnard, for the Receipt of \$250,000 in Community Development Block Grant Funds for a Business Assistance Loan Program, for the Period July 1, 2021 – June 30, 2022. Recommendation to Approve.

EDC has extensive experience in the management of federal CDBG funds for business assistance loan programs, having contracted with the City of Ventura for CDBG funds since 2001.

Under CDBG regulations, the concentration is on micro-enterprises, with the specific “beneficiary” of the lending being the creation and retention of jobs for low- and moderate-income workers, including the business owner if less than a total of five jobs in the business.

Earlier this year, EDC applied in response to a City of Oxnard request for proposals. Our proposal was crafted per CDBG regulations relating to “economic development” programming and modeled after our successful program with the City of Ventura, specifically to launch a new business loan program for Oxnard based firms.

The City notified EDC on June 24 that the proposed program is approved, pending the execution of an agreement defining the scope, budget and federal compliance requirements.

Loans under this program may range from \$10,000 to \$50,000, with the goal of creating at least one low- or moderate-income job for each \$25,000 loaned. EDC’s operating costs are estimated at \$100,000 out of the \$250,000 award—including funds to develop a strong outreach and communication program for business services—the balance of the agreement available as loan capital.

EDC’s role is to provide loan underwriting services, business development and technical assistance. The City will make the determination of CDBG eligibility for the loans. EDC loan program and Small Business Development Center staff will coordinate with City staff for outreach to Oxnard based businesses.

While the Oxnard City staff and City Council have approved the allocation of funds as part of their annual CDBG plan, EDC staff has not yet received a draft contract from the City. Assuming our Board’s approval today, we will launch services as soon as we have an approved agreement.

Long requested a motion that the Board of Directors approve a contract, subject to legal review, with the City of Oxnard for the Receipt of \$250,000 in Community Development Block Grant (CDBG) Funds for a Business Assistance Loan Program, for the Period July 1, 2021 – June 30, 2022.

Dee Dee Cavanaugh motioned that the Board of Directors approve a contract, subject to legal review, with the City of Oxnard for the Receipt of \$250,000 in Community Development Block Grant (CDBG) Funds for a Business Assistance Loan Program, for the Period July 1, 2021 – June 30, 2022. Chris Meissner seconded the motion. All Board members listed in attendance in favor, motion carried.

President's Report & Communications

Final 2020 Audit Follow-Up: At our meeting on June 17 the Board approved receipt of our FYE 12/31 2020 audit and financial statements. Upon the audit's approval and filing with the federal clearinghouse, the auditor, Farber Hass Hurley LLP issued a final letter of information. That letter, dated June 23, 2021, is attached for your review. The letter discloses an adjusting journal entry made by the auditors of \$6,037 for deferred liability for office rent and an adjustment for an overstatement of accrued interest of \$4,800. Both were included in the financials as accepted by our Board in June, though are here also disclosed separately by the auditor

Presentations: Informing an Inclusive & Equitable Economic Recovery in Ventura and Santa Barbara Counties

Dr. Jamshid Damooei, Profile of COVID-19, Community, Business, Nonprofit & Worker Impacts

Stenslie noted, we have forwarded, under separate cover the near final report we recently commissioned from Dr. Jamshid Damooei at California Lutheran University.

Our purpose for commissioning the study was to identify the specific character and profile of the workers, occupations, businesses and industries in both Ventura and Santa Barbara counties most disproportionately vulnerable and impacted by COVID-19, for the purpose of informing our strategies for recovery and resource allocation.

One of the most common phrases currently bandied about in economic development circles—throughout California and the nation—is the urgency for securing an equitable and inclusive economic recovery.

This concentration has become an urgency given the unique impacts of pandemic, and driven further forward by the emergence of a broader cultural awareness as manifest, for example, in the Black Lives Matter movement.

Given this intensity of interest, and clear and exigent need for supporting workers and businesses in the particularly hard hit, low wage paying and minority-worker concentrated hospitality and small business retail and other services sectors, we were able to augment our CARES Act allocation by \$40,000, specifically to fund this research (we are separately and currently well-funded for direct service provision).

As a practical matter our interests by the study are threefold:

1. As noted, to inform our strategies for economic recovery and resource allocation.
2. To improve our command of the data—of the region's profile on these measures—such that will improve our ability to compete for recovery resources, that fuel our programming and services.
3. For alignment with our already stated intent to serve as a triple bottom line inspired stewardship organization, attentive to and balancing not only economic outcomes, but also broadly shared prosperity and regional environmental health.

We note “near final” for the report in the Background above, referring only to:

- Some adjustments staff is considering at Section 5 (starting on page 246), for highlighting certain of the Takeaways and Policy Implications most relevant to EDC's role in supporting an equitable and inclusive recovery to COVID-19. Not all of these, as currently drafted, are or will be specific to EDC. The report will have broad applicability and value to several organizations with varying missions. Chapter 4 of the study, for example, on nonprofit organizations, was requested by our partner Ventura County Community Foundation. While it is of added value that the report has broad relevance to multiple organizations, stakeholders and community groups, we recognize the importance to be clear about our own EDC role relative to a DEI informed economic recovery.

- The inclusion of statements to the front pages citing the source of fund (CARES Act, as distributed through Los Angeles Region Small Business Development Center) and clarifying that the content of the report is solely the author's and does not express the opinion of the SBDC Lead Center or the Economic Development Collaborative.

Stenslie introduced Dr. Jamshid Damooei who gave a presentation on informing an Inclusive & Equitable Economic Recovery in Ventura and Santa Barbara Counties: A Profile of COVID-19, Community, Business, Nonprofit & Worker Impacts

Stenslie introduced Alondra Gaytan, EDC Client Services Manager, who gave a presentation on Development & Implementation of a Diversity, Equity & Inclusion Strategy for Regional Business Services

Committee/Liaison Reports

Naval Surface Warfare Center-Port Hueneme Division - None

VCEDA-None

Ventura County Industry Council (VCIC) – Peter Zierhut stated that not a lot has changed. They are operating under agreement with the EDC. We have incorporated. Eight of 10 founders agreed to be Board Members. We are currently meeting with various organizations to understand how we can serve those sectors.

Ventura County Lodging Association – Notes in Chat

Calleguas Municipal Water District - None

Economic Developers Roundtable - None

New or Unfinished Business:

There was a brief exchange, with several board members providing detail on their experience, relative both to impacts and recovery from COVID-19.

Board Member Comments:

Jey Lacey stated that SCE just released information on new resources for business.

Henry Dubroff mentioned that next week is the 10th Annual Latino Awards. Talking about Diversity & Inclusion. Thanks to everyone who submitted nominations for the Spirit of Small Business Awards.

Kelly Long mentioned that the historic \$6 Billion Broadband Plan passed the CA legislature.

Zoom Chat:

15:31:11 From Andy Sobel to Everyone:

Unfortunately I'll have to drop off at 4:15 for another meeting.

15:32:33 From henry dubroff to Everyone:

Hi everyone!

15:34:24 From Nina Kobayashi to Everyone:

Nina Kobayashi, Region Manager Mechanics Bank

15:34:40 From stephanie caldwell to Everyone:

Hello Everyone! Stephanie Caldwell, representing the Tri-County Chamber Alliance

15:35:07 From Alan Jaeger to Kelly Noble(Direct Message):

0638 was me. I'm on zoom now

15:36:56 From henry dubroff to Everyone:

Welcome Leticia!

15:37:26 From Letitia Austin to Everyone:

Thanks, Henry

15:38:58 From Celina Zacarias to Everyone:
Hello My Friends, I'm your representative for CSU Channel Islands.

15:40:31 From Kelly Long to Everyone:
Hope everyone is doing well today!

15:40:37 From Kelly Long to Everyone:
Kelly Long, VC Supervisor

15:41:04 From Rosie Ornelas, City of Oxnard Economic Development to Everyone:
Welcome, Letitia! Hi Everyone! Rosie Ornelas with the City of Oxnard representing the Economic Development Roundtable.

15:41:30 From Letitia Austin to Everyone:
Thanks, Rosie

15:44:07 From henry dubroff to Everyone:
Nice job on financials, Bruce.

15:48:54 From henry dubroff to Everyone:
Please join us next Thursday at 4 p.m. for our 10th Annual Latino Business awards and the presentation of our annual PCBT scholarship. RSPV on Zoom at [https://us02web.zoom.us/meeting/register/tZEseyhqzsiHNWg60UpgiDLXhpqPSOW3o5s](https://us02web.zoom.us/join/https://us02web.zoom.us/meeting/register/tZEseyhqzsiHNWg60UpgiDLXhpqPSOW3o5s)

15:49:08 From henry dubroff to Everyone:
I know Celina and Supervisor Ramirez will be there.

15:49:36 From henry dubroff to Everyone:
Time is 4 p.m.

15:49:55 From henry dubroff to Everyone:
Thursday July 22

15:52:12 From Kelly Noble to Rosie Ornelas, City of Oxnard Economic Development(Direct Message):
Hello Rosie. You can come back to the meeting now.

15:52:39 From Rosie Ornelas, City of Oxnard Economic Development to Kelly Noble(Direct Message):
Thank you!

16:38:10 From Kelly Long to Kelly Noble(Direct Message):
Hi! Please make sure we get the power point of the study out to our board of directors. Thank you!

16:47:15 From SimTang to Everyone:
I have to run to another meeting. Great to see everyone. Great meeting Bruce and team.

16:48:52 From henry dubroff to Everyone:
Bye Sim!

16:51:32 From Bruce Stenslie, EDC to Everyone:
Update 7-15-2021: Ventura County Lodging Association
Invitation: If anyone would like to attend the Dallas Cowboys Training Camp as my guest in our VIP area, please reach out directly btucker@venturacountycoast.com
Training Camp Information:
<https://venturacountycoast.com/event/dallascowboystrainingcamp>
California: Approved \$95 million in one-time stimulus funding for Visit California's tourism marketing programs for the coming year. This is certainly going to help our region rebound faster.
Travel Impact Report: We are currently working with our research partners to conduct an updated Ventura County Travel Impact report. I should be able to distribute the report in the next few months.
Industry Performance May 2021: We are still significantly outperforming the state and national averages in virtually all areas of measurement including Occupancy, ADR and RevPAR.

In May, our 4 city rollup averages were as follows:

- Occupancy = 71% Occupancy
- Average daily rate = \$139
- Revenue per available room =

16:55:24 From henry dubroff to Everyone:

Hello industry group - I found out about another vaccine supply chain company Wyatt Technology of Goleta which does the spectrum/purity analysis on all the vaccines being produced by Moderna and Pfizer. Phil Wyatt is the founder and his sons run the business.

Adjournment:

Meeting adjourned at 4:56 p.m. Our next meeting is September 16, 2021, 4001 Mission Oaks Blvd, Camarillo and by teleconference.