

1999 Annual Report

CABRILLO ECONOMIC DEVELOPMENT CORPORATION

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*Prepared by:
Rodney Fernandez, Executive Director*

April 2000

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INTRODUCTION:

The following is an annual report to the Board of Directors, staff, and our stakeholders setting forth a capsule of our activities for the year 1999.

YEAR END HIGHLIGHTS:

1999 was a very good year for the CEDC. After two years building up our housing portfolio and diversifying operations, significant progress was made on both fronts. The corporation is currently serving over 3,125 people in 9 communities with 11 projects in Ventura and one in Santa Barbara county. The value of existing managed assets and the housing development portfolio exceeds \$70,000,000. To keep pace with our growth, the Board reorganized how it oversees operations and established five new sub committees. A total of 11 projects are in the housing development pipeline totaling 332 units. Housing construction started in the fall on a 14 unit family rental project in Santa Paula, ending a 21 month drought. Our strategic diversification was highlighted by the expansion of our new Home Ownership division. A renewed service contract to provide counseling to 190 low and very low income families, in the El Paseo housing development project, was secured with the city of Oxnard and a private developer, Catellus/Community Dynamics. The National Reinvestment Corp. (NRC), in a competitive process, selected CEDC to receive grant and technical support to become a member of its Home Ownership and Multifamily Initiatives.

Property management continues to do an excellent job managing five properties totaling 240 units, serving 750 people and worth over \$20M. The average vacancy rate is under 2.0% at all sites annually. Community building services focused on increasing property management staff capacity and tenant services. The accounting division continued to do an excellent job of managing funds, reporting, and improving systems. While cash flow continued to be tight throughout the year, finances were greatly assisted by predevelopment line of credit by American Commercial Bank, and operating line with the National Cooperative Bank, plus major grant support from Wells Fargo Bank, Bank of America, and the Neighborhood Reinvestment Corp., among others. Plans were completed to extend short term cash flow loans and to restructure debt in 2000.

The Fannie Mae Foundation selected the Executive Director, as one of six recipients in the country for the James A. Johnson Community Fellowship, the first ever recognition and professional development support award in the field of housing and community development in the nation for executive directors.

HOUSING AND COMMUNITY DEVELOPMENT POLICY AND RESOURCES:

The corporation continued to remain involved in several policy forums in furtherance of improved policy and resources for the field. On the national level, support was lent to the Stand Up for Rural America Campaign, which completed a year long first ever national survey of rural groups in America, published a National Directory, and held numerous State Rural Days, including one in California in May, and a press conference and event in Washington D.C. A proposal to establish a new National Rural Network was formulated as a result of the success of the Stand up Campaign, which was launched by Rural LIISC. In addition, we participated in a national rural housing policy conference which resulted in a proposal to establish a new rural family rental program under Rural Housing. On the state level, we participated in a support group to assist and encourage the Bank of America to increase its commitments under the merger with Nations Bank, particularly to Latino groups in the state. Rodney Fernandez serves on a Rural 2000 Advisory Committee of the Bank. He also serves on the Advisory Committee of the Federal Home Loan Bank of San Francisco. Finally, we joined a collaborative of statewide NeighborWorks groups, called the Cal Network, in order to increase resources to the 12 members. In November, we held our first ever annual fund raiser in Oakland.

GOVERNANCE:

The Board of Directors continues to perform diligent over sight of all CEDC operations while providing strategic direction to the staff. The primary board accomplishment was the reorganization of sub committees, as mentioned above. Committees include Executive, Development, Services, Finance and Human Resources. Mission statements, operation guidelines, and goals were established by each board committee. The board also completed an annual retreat where it evaluated 1999 activities and recommended corporate goals for the year 2000.

COMMUNITY BUILDING:

The community building division continued its three level operating plan by providing services to property management, new housing development, and neighborhood groups. With the loss of the Community Planner during the summer, a reorganization was put in place which focused remaining full time staff resources in property management. Our focus is to establish new tenant community building services at four sites and increase the existing services at the Santa Paulan seniors complex. Community planning services were also initiated in the Las Piedras neighborhood in Santa Paula and in La Colonia, Oxnard in partnership with the Colonia Coalition for Community Development. Community building support services were also provided to new housing projects in Ojai, Moorpark and Santa Paula. Additional funds were received from the NRC to hire a new community planner in 2000 to increase activities .

HOUSING DEVELOPMENT AND CONSTRUCTION :

The division has succeeded in building up the housing development pipeline in two years to include 11 projects totaling 332 units valued at over \$50M. This growth has been led by Karen Flock, Development Director, Jesse Ornelas, Senior Project Manager, and Mike Carroll, Construction Manager. To manage this growth a third project manager, Bernard Perez, was added to the housing staff. The pipeline includes the following, as eight projects in predevelopment moved forward through the approval process. Two family rental projects totaling 24 units started

construction late in the year, including 14 units in Santa Paula and 10 in Camarillo. Two projects secured local approvals including a 59 unit mixed income for sale project in Moorpark and a 25 unit all low income for sale project in Ojai. Three projects moved forward in the local approval process, including a 47 unit family rental in Buellton, and two projects in Simi Valley, one a 29 unit mixed income for sale and the other a 81 unit family rental. A proposed 60 unit senior project in Paso Robes was dropped when the city council denied a request for a zone change. The pipeline also includes 5 projects in planning. These include two new contracts with the cities of Fillmore and Ventura city to acquire, rehabilitate and sell 10 units each to low income families. A proposed 20 unit farm worker project in Oxnard is in land negotiations. And finally, the county of Ventura contracted with the CEDC to explore the feasibility of acquiring an existing mobile home park and to develop some additional farm worker housing.

Additional project based financing was secured from Rural LISC, the Neighborhood Reinvestment Corp., California Tax Credit Allocation Committee, Camarillo Redevelopment Agency, County of Ventura, National Council of La Raza, City of Ventura, City of Fillmore, Federal Home Loan Bank of San Francisco, Rural Development, American Commercial Bank (Predevelopment line of credit), Cal Fed, Affinity Bank, Santa Barbara Bank and Trust and Mercy Housing.

HOME OWNERSHIP COUNSELING:

The division continues to grow under the leadership of the board committee and manager Bertha Garcia. A second loan counselor was hired to keep pace with growth. The services provided include group and one to one home ownership counseling, loan packaging, and establishing a new lender loan pool. During the year 405 people were counseled, as 28 sessions were held in Oxnard, Ventura, Ojai and Moorpark, and 30 families became new home owners. A new contract was secured with the City of Oxnard to council 190 families through the El Paseo project. Part of this work includes CEDC providing loan packaging services to 57 families under a separate agreement with Community Dynamics, the project developer. A proposed \$1 M second mortgage loan pool consisting of six lenders was drafted. Neighborhood Housing Services of America was very helpful in starting up the Loan Pool and in providing technical assistance and committed mortgage financing to the Oxnard project in partnership with Citibank and World Savings. Late in the year CEDC was selected by the NRC as a member of its Home Ownership Campaign 2000, and to possibly receive grant and technical support to open a Home Ownership Center based on our progress in this area and projections for continued growth. Grant support was received from National Council of La Raza , Affinity Bank, City National Bank, Western Financial Bank, World Savings, Neighborhood Reinvestment Corporation, Santa Barbara Bank & Trust, First Federal Bank, City of Oxnard and City of Ventura.

PROPERTY MANAGEMENT:

Property management focused the year on maintaining low vacancies, completing capital maintenance projects, continued staff capacity building, and building up community building staff capacity at all five sites, under the leadership of Judy Steele, Property Manager. All five projects in the 240 unit portfolio continued to perform well as each performed within budget, and revenue projections were exceeded. The average vacancy rate is under 2.0%. Staff continued training as progress was made in supporting the on site mangers to be more involved in property budget management and community building responsibilities. The primary community building activities