

Ventana Fund
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Board of Directors
Meeting Minutes
January 18, 2024, 3:30 p.m.

The meeting was called to order by Board Chair, Todd Clarke, at 3:31 p.m. A quorum was established, and the meeting proceeded.

Attendees: Todd Clarke (Board Chair), Steve Anaya, Holly Barela, Paul Cassidy, Shawn Colbert, Peter Gineris, Jessica Kuhn, Robbie Levey, and George Maestas

Absent: Elizabeth Bernal (Excused)

Guests/Staff Present: Bill Dolan, Keith Flynn, Alexandra Romero, Eleanor Werenko, and Kendra Yevoli

Approval of Agenda – Holly Barela made a motion to approve the agenda. George Maestas seconded the motion. 9 in favor/0 opposed. The motion carried.

Approval of Minutes – Paul Cassidy made a motion to approve the December 14, 2023, meeting minutes. Steve Anaya seconded the motion. 9 in favor/0 opposed. The motion carried.

Consent Agenda Items

1. **Finance Committee: NMSBIC Monthly Report – December 31, 2023**
2. **Finance Committee: Annual Investment Policy**
3. **Finance Committee: Annual Foreclosure Reserves Policy**
4. **Finance Committee: Annual Operating and Liquidity Reserves Policy**
5. **Loan Committee: Quarterly Loan Portfolio**
6. **Loan Committee: Quarterly Loan Loss Reserve**
7. **Loan Committee: Quarterly Base Rate**

There was no request for an item to be removed from the consent agenda. Todd Clarke made a motion to accept all items on the consent agenda. Holly Barela seconded the motion. 9 in favor/0 opposed. The motion carried.

Action Items

1. **Loan Committee: 2023-12, VF073 Cielo Estates LLC, 450 Morgan St, Toric** – The Loan Committee recommended approval of 2023-12, VF073 Cielo Estates LLC, 450 Morgan St, Truth or Consequences with the loan terms as presented. Loan Committee Chair, Peter Gineris, moved to approve VF073. Jessica Kuhn seconded the motion. 9 in favor/0 opposed. The motion carried.
2. **Loan Committee: One-Time Cash-Out Refi Loans and ERP Funding** – Todd Clarke reminded the Board that the purpose of the one-time cash-out refinances are to (1) increase interest income to cover all operating expenses, (2) make the organization self-sufficient so interest income covers operating expenses, (3) utilize ERP funding to meet ERP Performance goals by recognizing all ERP funding in Fiscal Year 2024, and (4) include prepayment penalties for the four loans outlined in

the Cash-Out Refi Memo that would increase the affordability period for up to another five years and would increase the annual interest income by approximately \$89,000.

Holly Barela exited the meeting at 3:50 p.m.

Peter Gineris, the Loan Committee Chair, moved to approve the one-time cash-out refinance program and to utilize ERP Funding where the funding guidelines allow for this program as presented. Jessica Kuhn seconded the motion. 8 in favor/0 opposed. The motion carried.

Todd Clarke passed the gavel to Paul Cassidy at 3:58 p.m. since he has a conflict of interest on item #3.

- 3. Property Committee: One-Time Authority for Lease Approval** – Kendra Yevoli mentioned that Ellie Werenko has assisted in the negotiation of the lease at 924 2nd Street NW, and it is at a standstill over one paragraph. Ellie Werenko explained that the landlord does not want to be responsible for a release of liability, and Peter Gineris volunteered to contact the owner of 924 2nd Street NW. Ellie presented a Resolution documenting authority to committee chairs in making this lease decision. Steve Anaya moved to approve the Resolution 2024-01 pursuant to recommended changes which delegates authority and authorizes Ventana Fund's Property and Finance Committee Chairs to negotiate terms for the lease of office space for Ventana Fund and delegates authority to the Executive Director to sign lease documents. George Maestas seconded the motion. 6 in favor/1 opposed with one abstention. The motion carried.

Todd Clarke resumed his position as chair at 4:42 p.m.

- 4. NMSBIC Board Resolution 2024-02 and Loan Documents Approval to increase credit from \$20,000,000 to \$21,500,000.00** – Shawn Colbert moved to approve the NMSBIC Resolution 2024-02 and loan documents increasing credit from \$20,000,000 to \$21,500,000. Paul Cassidy seconded the motion. 8 in favor/0 opposed. The motion carried.
- 5. FA-2024-FATA Application** – Keith Flynn reminded the board of a \$2 million loan application through the CDFI Fund's Financial Assistance Program for up to 13 years. Pursuant to Ventana Fund's Financial Policies and Procedures, approval from the Board is required to apply for grants or loans of more than \$25,000. Shawn Colbert moved to approve the CDFI application submission requesting additional funding for Ventana Fund. Paul Cassidy seconded the motion. 8 in favor/0 opposed. The motion carried.
- 6. Strategic/Business Plan Approval** – Steve Anaya moved to approve the Strategic/Business Plan for 2023-2028 as presented. Paul Cassidy seconded the motion. 8 in favor/0 opposed. The motion carried.
- 7. Diversity Education Initiative RFP** – Last year the Board of Directors adopted a broad-based initiative to encourage Ventana Fund staff and consultants to develop a diversity program which would translate into future loans for minority, veteran, and women investors/borrowers. Todd Clarke mentioned that it would be good to outsource the creation of the diversity initiative since all staff are fully committed. Steve Anaya moved to approve the proposed RFP with the inclusion of Spanish strongly preferred, but not required, with extra points given. Shawn Colbert seconded the motion. 8 in favor/0 opposed. The motion carried.

Discussion Items

1. **Valencia Park and Escrow Update** – Todd Clarke explained that after escrow was resolved for Valencia Park, the borrower reached out to disclose that a tenant had passed away, and he wondered if Ventana Fund might provide relief. Even though Ventana Fund had no requirement to do so, as an offer of good will and maintaining a good working relationship, Ventana Fund offered a little over half or \$3,000 to the borrower in consideration of his request.
2. **Disclosure: Listing Agreement** – Todd Clarke disclosed that he needed to modify his firm’s listing agreement to comply with the National Association of REALTORS lawsuit decision. Since he wishes to hire Ventana Fund’s attorney, Ellie Werenko, he explained that this would be a limited scope engagement to draft a template document and would not be an ongoing general counsel relationship.
3. **Disclosure: Edge Capital** – Todd Clarke disclosed that he has worked with Edge Capital on numerous transactions. They have four current loans with Ventana Fund, but they do not intend to seek funding from Ventana Fund in the future since they have outgrown Ventana Fund’s capabilities. Edge Capital asked Todd to become an investor in their newest syndication entity, separate of the entities that Ventana Fund has loaned funding to in the past. Since he wishes to accept, he discussed this with the accountant and legal counsel, neither of which had a concern about a conflict of interest. At the suggestion of legal counsel, Todd agreed that he would be removed from any responsibility for Edge Capital loans until they are paid off.
4. **Executive Director Report** – Kendra Yevoli reported on recent updates and accomplishments outside of other agenda items including Nominating Committee, Governance Committee, Fundraising, Insurance Quotes, and Marketing.

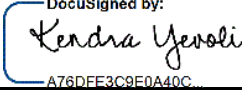
Informational Items

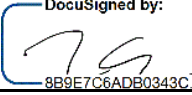
- **Housing Summit, Hobbs NM (EnergyPlex) 4/25/24** – The Hobbs Housing Summit is coming up on April 25, 2024, at the EnergyPlex covering the geographies of Carlsbad, Artesia, and Hobbs. Since it is a five-hour drive from Albuquerque, most staff are planning to stay in Artesia the night before.
- **Deal Flow** – If all the loans in the pipeline are funded, we will deploy all available funds at the end of the first quarter. The staff is consequently focused on fundraising efforts.
- **Urban Ventures New Contract Amendment #8** – An amended Urban Ventures contract that is within the budget parameters has been negotiated.
- **Loan Committee Evaluated the \$2,500 Application Fee** – Staff reviewed expenses that are paid from the loan application fee, and the Loan Committee supported their recommendation of not increasing the application fee based on current expenses.
- **Draft Scope of Services for Part-Time Administrative Assistant** – Staff began drafting the scope of services for a part-time administrative assistant, and a report will be given to the board when action is ready to be taken.
- **Training** – Staff is involved in training initiatives including Dale Carnegie, CCIM 101, and CCIM 104.

Suggested Reading – Todd Clarke pointed out two interesting articles that are in the board packet, “Homelessness Rose Sharply in 2023. Congress Must Act in 2024,” and “Can We Turn All Those Empty Office Buildings into Housing?”.

Next Board Meeting – The next Board of Directors Meeting will be February 15, 2024, at 3:30 p.m.

Adjournment – Shawn Colbert made a motion to adjourn at 5:06 p.m. Peter Gineris seconded the motion. 8 in favor/0 opposed. The motion carried.

Minutes recorded by: 
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Kendra Yevoli, Executive Director

Minutes affirmed by: 
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Todd Clarke, Board Chair

Board meeting approval date: February 15, 2024