

Ventana Fund
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Board of Directors
Meeting Minutes
May 16, 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), Kamal Ali, Steve Anaya, Holly Barela, Elizabeth Bernal (joined at 3:42 p.m.), Shawn Colbert, Peter Gineris, Hannah Feil Greenwood, Leann Kemp, Jessica Kuhn, George Maestas, and F. Tasha Martinez

Absent: Robbie Levey (excused)

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

Approval of Agenda – Holly Barela made a motion to approve the agenda as presented. George Maestas seconded the motion. 11 in favor/0 opposed. The motion carried.

Moment of Silence – Joe Ortega – Holly Barela shared a few words honoring Joe Ortega, who served Yes Housing from 1999-2020 and possessed deep knowledge of affordable housing in New Mexico. The board shared a moment of silence in remembrance of his contributions to affordable housing.

Consent Agenda Items

1. **Finance Committee: March 31, 2024 Financials**
2. **NMSBIC Borrowing Resolution and Loan Documents re: \$7.5 Million Increase**
3. **Approval of April 11, 2024 Minutes**

There was no request for an item to be removed from the consent agenda. Todd Clarke made a motion to adopt all items on the consent agenda. Steve Anaya seconded the motion. 11 in favor/0 opposed. The motion carried.

Action Items

1. **Loan Committee: 2024-06, VF084 Route 66 Headquarters LLC, 9317 Central Ave NW, Albuquerque** – Peter Gineris made a motion to approve Loan VF084 as presented and recommended by the Loan Committee. Jessica Kuhn seconded the motion. 11 in favor/0 opposed. The motion carried.

Loan Amount:	\$871,250
Amount being funded at closing:	\$500,000
Amount being held for construction:	\$371,250
LTV:	56.6%
Origination Fee (1%):	\$8,712.50
Interest rate:	Year 1 - 5.35%, Years 2-4 - 4.55%, Year 5 - 5.55%
Borrower(s):	Joe and Karina Horst, Route 66 Headquarters, LLC
AMI:	80% rents, 80% income
Number of units:	Nineteen (19)

Liz Bernal joined the meeting at 3:42 p.m.

2. **Loan Committee: 2024-07, VF085 Hot Properties, LLC, 601-603 San Pedro Dr, Albuquerque** – Peter Gineris made a motion to approve Loan VF085 as presented and recommended by the Loan Committee. Tasha Martinez seconded the motion. 12 in favor/0 opposed. The motion carried.

Loan Amount:	\$645,000
Amount being funded at closing:	\$545,000 (Paying off a first mortgage and REC)
Amount being held for construction:	\$100,000
LTV:	77%
Origination Fee (1%):	\$6,450.00
Interest rate:	Year 1 - 5.35%, Years 2-4 - 4.55%, Year 5 - 5.55%
Borrower(s):	Nicole Rhodes, Hot Properties LLC
AMI:	80% rents, 80% income
Number of units:	Eight (8)

3. **Loan Committee: 2024-08, VF086 Krishna Kandath, 304-308 Pennsylvania St NE, Albuquerque** - Peter Gineris made a motion to approve Loan VF086 as presented and recommended by the Loan Committee, subject to receipt of the appraisal which was ordered but not received at the time of the board meeting. Leann Kemp seconded the motion. 12 in favor/0 opposed. The motion carried.

Loan Amount:	Estimated \$821,950 (based on the estimated Prospective Value as of August 1, 2024, of \$1,200,000)
Amount being funded at closing:	Pending per appraisal
Amount being held for construction:	Pending per appraisal
LTV:	Pending per appraisal
Origination Fee (1%):	Estimated \$8,219.50
Interest rate:	Year 1 - 5.35%, Years 2-4 - 4.55%, Year 5 - 5.55%
Borrower(s):	Krishna Kandath, Bindu Purushothaman, husband and wife
AMI:	60% rents, 60% income
Number of units:	Ten (10)

4. **Loan Victory Lap for FY24 (non-action)** – Keith Flynn announced that with the closing of one of these three approved loans, Ventana Fund has exceeded all loan closing records. In FY2023, twelve loans were closed and currently we are on track to close \$15.0 million in loan funding for FY2024, closing 12 loans to date.

5. **Finance Committee: Depository Allocations & Financial Planning** – Keith Flynn explained that with the increasing complexity of fundraising, lending, and future planning, staff is recommending a financial plan to maximize available resources for lending and to optimize interest income for operating expenses.

- Allocate the CDFI Emergency Response Program (ERP) funding in FY2024 on four 2023 loans. This will allow the expansion of NMSBIC funding and provide additional loans. As we recognize funding, it moves the ERP funding from a liability to equity on the balance sheet.
- Reallocate Valencia Park proceeds to open the new Lea County State Bank account, set aside reserves, and increase Ventana Fund's lending base.

- c. Draw \$2.4 million in additional NMSBIC funds, acknowledging that the ratio of draws is \$1,000,000 for each \$250,000 in additional equity raised or earned.

Holly Barela made a motion to accept the depository allocations and financial planning presented by staff and outlined in scenario 2 (ERP & NMSBIC Optimization). Steve Anaya seconded the motion. 12 in favor/0 opposed. The motion carried.

6. **Finance Committee: Sunflower Loan Terms** – Kendra Yevoli presented the Sunflower Loan Term Sheet that has been reviewed by staff and legal counsel. The loan is a maximum of \$1,100,000 for 36 months at a 4.5% fixed interest rate to provide funds for the acquisition, construction, and renovation of housing to low- and moderate-income neighborhoods at below market rates for the counties of Dona Ana, Los Alamos, and Santa Fe in New Mexico. Holly Barela made a motion to approve the term sheet as presented except for the annual audited financial statement reporting requirement to be due within 180 days rather than 120 days. Kamal Ali seconded the motion. 12 in favor/0 opposed. The motion carried.
7. **FY2023 Annual Report Approval** – Alexandria Romero explained that the theme of the 2023 Annual Report was focused on growth with board, staff, and the office. In addition, staff plan to utilize the report for fundraising. The staff is recommending the FY2023 Annual Report for approval to the board. Leann Kemp made a motion to approve the report as presented. Tasha Martinez seconded the motion. 12 in favor/0 opposed. The motion carried.
8. **Finance Committee: FY2023 990 Review & Approval** – Holly Barela announced that the FY2023 990 form has been reviewed by staff and the Finance Committee. Holly Barela made a motion to accept FY2023 990 as presented. Shawn Colbert seconded the motion. 12 in favor/0 opposed. The motion carried.
9. **Executive Session Vote to Discuss Cyber Attacks and Part-Time Administrative Assistant** – Todd Clarke explained that the following two items need to be discussed in executive session. George Maestas moved to enter executive session. Peter Gineris seconded the motion. 12 in favor/0 opposed. The motion carried.

Todd Clarke noted that the executive session was concluded with discussion pertaining only to numbered items 10 and 11. Kamal Ali made a motion to exit the executive session. Steve Anaya seconded the motion. 12 in favor/0 opposed. The motion carried.
10. **Executive Session/Finance Committee: Creation of a Wire Account at Enterprise Bank and Trust** – Todd Clarke made a motion to approve the cyber attack banking plan discussed during executive session. Tasha Martinez seconded the motion. The motion carried.
11. **Executive Session: Part-Time Administrative Assistant Approval** – Jessica Kuhn made a motion to extend an offer to Jessica Burlingham based on the Executive Director’s recommendation. Shawn Colbert seconded. The motion carried.

Discussion Items

1. **Executive Director Meeting Intro Video & May Report** – Kendra Yevoli reported on recent updates and accomplishments outside of other agenda items including the Employee Handbook, Lending Policies/Foreclosures, diversity instructor, and the State of New Mexico Climate Investment Center.

2. **Adoption of Committee Recommendation for Board Approval Process** – Todd Clarke shared that to streamline the board review process, staff intends to implement the process of providing committee agendas with notations of attendance, votes, and whether board action is required.
3. **Berger Briggs Insurance Request for Bill Dolan** – Todd Clarke explained that after all the research on additional insurance needs, the staff realized that we do not have insurance coverage for our underwriting consultant. Ventana Fund is unable to direct an independent contractor to obtain insurance coverage nor could we keep our independent contractor relationship if insurance coverage was purchased; however, the board will be presented with a revised contract agreement that will provide for an increase equal to the cost of individual coverage for an underwriting insurance policy at the June finance committee meeting for consideration at the June board meeting.
4. **Follow up to Strategic Plan: Formation of New CDFI** – Todd Clarke acknowledged that Ventana Fund has had several loans in communities that serve the military, and we have board members with enthusiasm to preserve military housing in New Mexico. It has been a struggle for Ventana Fund to serve the military and military housing due to our focused mission. Consequently, at the 2024 Strategic Planning meeting, staff was instructed to develop a plan to serve the military outside of Ventana Fund. Staff intends to present to the board the idea of creating a new CDFI with the mission of preserving the military housing.

The timing of this initiative will be driven by the availability of state funding through the New Mexico Finance Authority's Opportunity Housing Fund. Two members of that organization have encouraged Ventana Fund to apply on behalf of a new CDFI. Staff believes that Ventana Fund could form a new CDFI through a loan to cover initial fees related to the name, non-profit status, filing fees, website, and CDFI consultant assistance. Staff intend to form a board of directors of up to 13 with those already expressing interest and with representation from each military installation. Staff anticipates in-kind support for some period of time.

Informational Items

- **NM Investment Connection** – Kendra Yevoli announced that after applying to make a presentation with the New Mexico Investment Connection, Ventana Fund was not selected.
- **2023-12, VF073 Cielo Estates LLC, 450 Morgan St, TorC - Closing Deadline 5/31/24** – Kendra Yevoli announced that after informing the board in April that the Loan Committee denied a 6-12-month extension and after additional discussion with staff and the Loan Committee, VF073 will be moving forward and has a closing deadline of May 31, 2024.
- **HUD May 2024-May 2025 Rent and Income Limits Released** – Alexandria Romero announced that the Department of Housing and Urban Development distributed new rent and income limits for 2024 which will be effective through May 2025. Ventana Fund borrowers have been notified of the new limits and have received rent roll and income certification templates.
- **NMSBIC Monthly Report** – Todd Clarke announced that there was no new NMSBIC monthly report.

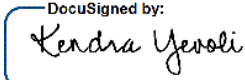
Suggested Reading – Todd Clarke pointed out interesting articles that are in the board packet:

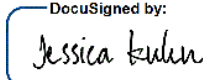
- It's Time to End the Quiet Cruelty of Property Taxes
- New ABQ Law Streamlines Housing Development Process

- New Mexico Remains Near Bottom of US News' 2024 'Best States' Rankings
- Wages in New Mexico Flatline, Employment Sees Uptick
- Top 10 Trends in Affordable Housing

Next Board Meeting – The next Board of Directors meeting will be June 13, 2024, at 3:30 p.m.

Adjournment – Shawn Colbert made a motion to adjourn at 4:57 p.m. Kamal Ali seconded the motion. 12 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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Jessica Kuhn, Secretary

Board meeting approval date: June 13, 2024