

MINUTES
Board of Directors Meeting
Wednesday, January 31, 2007
CTED Conference Room, Olympia, Washington

ATTENDANCE

Members present: Gloria Burton, Guillermo Castaneda, Donn Etherington, Mike Gempler, Billie Heath, John Smith, Mario Villanueva, Tomás Villanueva and Mike Youngquist. Members participating by phone: Dixie Kracht, Alicia McRae, Stella Vasquez. Members not present: Juan Aguilar, Pete Garza, Erik Nicholson. Ex Officio members present: Janet Abbett, Washington State Department of Community, Trade, and Economic Development. Ex Officio members participating by phone: Mary McBride, Senator Patty Murray's Office. Staff present: Brien Thane.

WELCOME AND INTRODUCTIONS

Since Mario Villanueva had not yet arrived but a quorum was present, John Smith was asked to chair the meeting. John called the meeting to order at 11:16 a.m.

APPROVAL OF THE MINUTES

The Minutes of the December 15, 2006 Board meeting were reviewed. *Tomás Villanueva moved approval of the Minutes. Guillermo Castaneda seconded the motion, which passed unanimously.*

SOLAR/GREEN ON-FARM DEMONSTRATION PROGRAM

Since Treasurer Mike Gempler was still en route the Board deferred Finance Reports until he arrived. Brien Thane reported that he and Tom Byers met on 12/21/2006 with Kollin Min, Enterprise Community Partners (funder of this phase of the project) and Rachel Minnery & Rich Franko of Mithun Architects. The team discussed:

- Various types of structures including manufactured units and units that could potentially be moved,
- Potential size of a pilot project,
- Considerations related to federal and state solar incentives, and
- How to get grower financial information from Skagit growers for the team economists to analyze.

Tom and Mike Youngquist have been working on how best to obtain growers' financial information on their housing.

Mike Youngquist clarified that the purpose of this phase of the project, as funded by Enterprise, is to determine the feasibility of solar incentives and other green building measures as incorporated into a prototype design. If this feasibility phase determines a prototype is financially feasible, we would then need to secure the participation of one or more growers and secure financing for a pilot project. Janet Abbett noted that we also have a grant application pending with WA Dept. of Ecology for additional work on green building practices for seasonal-occupancy housing. Grant awards will be announced by Ecology in June.

Guillermo requested a summary of the project with timelines and costs.

FINANCE REPORTS

Treasurer Mike Gempler presented the Finance Committee Report. The Committee has met twice since the 12/15 Board Meeting and will be meeting again on February 9 to finalize the Fiscal Year 2007 Budget. Mike provided an overview of the December 31, 2006 Financial Statements.

Donn Etherington pointed out that the Survey section of the Revenue/Expense Statement should only show the balances available for FY2007 on Alice Larson's and ASR's contracts. Mike Gempler and Brien noted that expenses for Contract Services will be primarily incurred during the first part of the year, and decline as staff are hired. John M. Smith asked that revenues designated to specific programs be segregated from general operating funds, so that revenues and expenses are reported by program as well as for general operations. Billie Heath volunteered that she could provide sample report forms.

Guillermo Castaneda moved approval of the December 31, 2006 Revenue/Expenses Report as recommended by the Finance Committee. Tomás Villanueva seconded the motion, which passed unanimously.

John M. Smith then moved and Donn Etherington seconded approval of the December 31, 2006 Balance Sheet. Motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Brien provided an overview of his activities since starting work on November 1. He categorized his work into five areas:

- Basic Business and establishing the Trust office – Brien reported he's still seeking permanent office space while working from Cedar River Group's offices. He's negotiated contract extensions with Cedar River (primarily focused on the Green On-Farm Demonstration and fundraising for the Community Capacity Fund) and the Office of Rural and Farmworker Housing (fiscal management.) He has also worked extensively with the Finance Committee.
- Policy – includes preparing for the Legislative Session and working on policy issues relating to the Housing Trust Fund, USDA Rural Development Programs and Low Income Housing Tax Credits.
- NIMBY – Brien and Alicia McRae offered an overview of recent opposition to two farmworker housing developments that under construction in the East Wenatchee Urban Growth Area. The developments are sponsored by the Chelan County/Wenatchee Housing Authority. Brien noted that he believes the Trust's support for such developments is essential and that the Trust has an important role to play in helping build local support and political will for farmworker housing.
- Community Capacity Building – the farmworker survey and Green On-Farm Demonstration are included in this area. Brien has started meeting with local housing providers to discuss capacity building efforts. He is also meeting with other housing organizations such as the WA Families Fund to learn from their efforts.
- Fundraising – preparations are underway to submit proposals to the Gates and Allen Foundations. Developing an individual donor program to compliment institutional fundraising will be important to the Trust's long term sustainability, which is a key concern of foundations. Brien is also hearing from providers that new sources of capital and equity need to be developed.

Mario Villanueva observed that developing a strategic business plan is important to guide fundraising efforts and Trust activities. Gloria Burton asked Brien whether we will be pursuing another special appropriation through Senator Patty Murray. Brien responded that he and Mary McBride had discussed that recently. The 2005 appropriation secured by the Senator was twice the amount requested by the Trust. The Senator's intent in doubling the amount was to help us move forward with our work and securing additional funds from philanthropic sources. While another appropriation for organizational and program support is not out of the question, funding for a demonstration development may be more practical at this time.

POLICY ISSUES – LOW INCOME HOUSING TAX CREDITS

Mario introduced Cindy Proctor of Beacon Development Group, who helped the Diocese of Yakima Housing Services with a Low Income Housing Tax Credit (LIHTC) application for new farmworker housing in Wapato. The proposed development had already secured an award of state Housing Trust Funds. Mario and Cindy explained that only one LIHTC application for new construction farmworker housing was successful this year, despite the WA State Housing Finance Commission's strong priority for farmworker housing. They briefly described a number of factors that may be contributing to this.

Mario presented a draft letter to the WA State Housing Finance Commission, outlining some concerns and asking that the Commission work with the Trust on possible measures to ensure that there continues to be an effective priority for farmworker housing in allocating LIHTC. After discussion, *John M. Smith moved and Guillermo Castaneda seconded approving the letter and sending it to the WA State Housing Finance Commission over Mario's and Brien's signatures. The motion passed unanimously.*

FARMWORKER SURVEY REPORT

Brien reported that Applied Survey Research is tabulating the surveys in preparation for writing the report on survey methodology and frequencies (number of respondents giving the same answer to each question.) We are waiting for ASR's estimate of when that will be complete, but anticipate sometime in February or March. Alice Larson will be conducting much of the more complicated analysis.

Several directors expressed concern for having a firm deadline with ASR and the timeliness of publishing results. Mike Youngquist pointed out that the Board had expected to announce survey results to the Legislature this month with an event that also recognized the survey workers.

John moved that Brien communicate to ASR the sense of the Board that survey results must be provided as soon as possible or the timeliness of the results will be lost, negatively affecting our credibility with farmworkers and the parties that funded the survey, as well as ASR's credibility. The Board also needs firm deadlines so that we can plan for releasing the survey report. Guillermo seconded the motion, which passed unanimously.

The Board also asked Brien to keep them informed regarding discussions with ASR and Alice Larson by e-mail and provide a full survey report at the February 16 Board Meeting.

BOARD MEMBER ANNOUNCEMENTS & UPDATES

Janet Abbet: Will Graham is the new Assistant Director of CTED's Housing Division, the position previously held by Stephen Buxbaum. The Governor's budget includes \$140 million for

housing, including \$11 million for farmworker housing and \$2.5 million for the Farmworker Housing Infrastructure Loan Program.

John M. Smith: Raspberry Ridge II near Burlington has applied for building permits. The development team is concerned that the City of Burlington will sue again in an effort to stop the development.

Gloria Burton: San Juan Diego II is complete and renting up. This development is the result of our efforts on the Low Income Housing Tax Credit Difficult to Develop Area issue. Gloria also reported that they are seeing increased immigration enforcement activity.

Billie Heath: distributed information on the Rural Community Assistance Corporation's upcoming conference February 26 to March 1 Rural Leadership Conference.

Mike Gempler: believes there is a strong possibility of Congressional floor action this spring on comprehensive immigration reform. **Mike noted that now is the time for everyone to contact their Congress members on this issue as they are still hearing from reform opponents 300 to 1.** It appears likely that immigration reform will mandate electronic verification of immigration status at the time of hire, which will be very disruptive for many people. Mike is the new President of the National Council of Agricultural Employers. Gloria noted that 'Real ID' legislation will become effective in May 2008 and will also be very disruptive and complicated to implement.

Mike also asked why construction costs are skyrocketing. Brien replied that demand in China, India and Iraq are driving up the cost of construction materials. The strong construction market is also increasing labor costs.

Mario Villanueva: Diocese of Yakima Housing Services (DYHS) just finished construction on 26 new farmworker units in Toppenish, financed primarily through USDA. A 50-unit mixed-use development is under construction in Sunnyside. This is their first mixed-use development. Their mutual self-help program for home ownership is on-going. DYHS will soon change their name to Catholic Charities Housing Services of Yakima.

Alicia McRae: New farmworker housing units are under construction in Chelan. The Chelan County/Wenatchee Housing Authority is continuing to work with the WA Growers League toward new housing, including seasonal-occupancy units. Alicia spoke more about the Housing Authority's January public meeting with East Wenatchee opponents and noted that four supporters spoke at their most recent board meeting, while only one opponent spoke.

Mary McBride: reiterated Senator Murray's support for the Trust and all affordable housing. Mary noted that the Senator will be unveiling some new initiatives in the coming months and will be looking for our participation and help.

STATE ADVOCACY AGENDA

Brien reminded the Board of their decisions at the December 15, 2006 meeting regarding Legislative initiatives, noting that between meetings several directors had contacted him directly and indirectly as to whether the Trust could support increased appropriations to, and expanded

uses of the state Farmworker Housing infrastructure Loan program. The December 15 decisions were to support:

- Double the appropriation for the Farmworker Housing Infrastructure Loan Program to \$5 million for the biennium,
- Funding for technical assistance/capacity building for on-farm housing (Brien noted that CTED is currently funding such assistance from their administrative budget),
- Appropriate \$2 million for bringing on-farm housing up to the International Residential Code, and
- The Washington Low Income Housing Alliance's goal of \$363 million for the Housing Trust Fund (this is a multi-year goal based on estimates of statewide housing need.)

Mike Youngquist proposed that the Trust adjust our advocacy agenda to support:

- \$2.5 million appropriation to the Farmworker Housing Infrastructure Loan Program (same level as 2005-2007),
- \$2.5 million for loans to rehabilitate on-farm housing to exceed minimum Dept. of Health Temporary Worker Housing standards, and
- \$2.5 million for loans to new construction on-farm housing that meets the International Residential Building Code.

Extensive discussion ensued. Key points included:

- Increased appropriations for on-farm housing should be from 'new' funds over and above appropriations in the Governor's budget,
- Some directors are concerned that the Statement of Rights and Responsibilities should be finalized before making specific recommendations for increased on-farm housing funds,
- Some directors are concerned that we clearly agree on when the Trust's construction standards and Statement of Rights and Responsibilities apply (to Trust investments only or also to publicly funded programs) and whether those agreements are intended to be legally enforceable or a best practice standard that the Trust promotes.

After considerable discussion, *John M. Smith moved that the Trust support increased appropriations to the Farmworker Housing Infrastructure Loan Program, over and above the amounts in the Governor's budget, and that expanded uses of the Program be explored. Guillermo seconded the motion, which passed unanimously.*

FEBRUARY 16 MEETING

It was agreed by consensus that the February Board Meeting will be held in Olympia. Discussion of the State Advocacy Agenda will be moved to the top of the agenda.

ADJOURNMENT

The meeting was adjourned by consensus at 4:00 p.m.

Respectfully Submitted: _____
Secretary

Approved: _____
President/Vice President