

MINUTES
Board of Directors Meeting
Friday, February 16, 2007
CTED Conference Room, Olympia, Washington

ATTENDANCE

Members present: Gloria Burton, Mike Gempler, Billie Heath, John Smith and Mike Youngquist. Members participating by phone: Guillermo Castaneda, Donn Etherington, Dixie Kracht, Alicia McRae, Mario Villanueva and Tomás Villanueva. Members not present: Juan Aguilar, Pete Garza, Erik Nicholson and Stella Vasquez. 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 was participating by phone and a quorum was present, Treasurer Mike Gempler was asked to chair the meeting. Mike declined because he would be presenting an agenda item. Billie Heath agreed to chair the meeting and called the meeting to order at 11:10 a.m.

I. APPROVAL OF THE MINUTES

The Minutes of the January 31, 2006 Board meeting were reviewed. Guillermo Castaneda asked that future Board meetings be recorded to document the wording of motions. Brien Thane noted that the conference call service can be set to record meetings. Mike Gempler suggested that as an alternative at least a digital recorder could be purchased to record motions. All present indicated that recording motions was a good idea; Brien promised to start recording meetings or at least motions at the March meeting.

Tomás Villanueva and Guillermo raised concerns regarding the January 31 Minutes of the State Advocacy Agenda discussion. They requested the Minutes be clarified to document two items:

1. Mike Youngquist's proposal for three appropriations totaling \$7.5 million for on-farm housing was not brought to a vote, and
2. Guillermo and Tomás raised concerns that Mike Gempler and Erik Nicholson had not met yet to prepare a proposal for finalizing the Statement of Rights and Responsibilities.

Guillermo Castaneda moved that the January 31 Meeting Minutes be approved with the two clarifications noted above. Mike Gempler seconded the motion, which passed unanimously.

II. COMMUNITY CAPACITY FUND

Brien Thane provided a brief overview of the draft document in the meeting materials, *Community Capacity Fund: Community-Based Component*. Mike Gempler questioned whether independent consultants are really necessary to help applicants develop their capacity plans. He doesn't see the need for consultants to play that role in addition to providing seed grants to applicants for developing their plans. Mike does support having a team independent of the Board to help review applications, so as to avoid apparent and actual conflicts of interest in awarding funds.

Mario Villanueva agreed that measures need to be in place to avoid conflicts of interest, but he thinks providing applicants help on developing their capacity plans would be good. Guillermo suggested that all applicants may not need help, but there may be some who do. John M. Smith and Alicia McRae believe that it can sometimes be difficult for organizations to see the forest for the trees when considering organizational capacity. Mike Gempler agreed that offering assistance to applicants may be helpful, but suggested it be optional not mandatory.

Mike Gempler urged that the independent review panel recommend funding selections to the full Board for the Board's final decisions and votes. Several directors indicated that they agreed with Mike.

Guillermo Castaneda moved to authorize staff to finalize and issue the Notice of Interest questionnaire as soon as possible. Tomás Villanueva seconded the motion. The motion passed with Billie Heath voting no because the overall process needs to be further developed.

Donn Etherington stated that clear criteria for awarding capacity funds need to be further developed. Donn also asked whether there would be a limit of one application per organization and about the size of grants that would be available. Brien referenced *Building Community Capacity to Create Farmworker Housing, Budget Summary* in the meeting packet, which includes the range of grants proposed in the original application to the Paul G. Allen Foundation.

Mario recommended an ad hoc committee be formed to help shape up the grant making process; Billie Heath agreed that was a good idea. John Smith suggested adding a question to the *Notice of Interest* regarding the availability of developable land.

Mike Youngquist moved to authorize staff to refine the community capacity process in consultation with the Board. Guillermo Castaneda seconded the motion. The motion passed with Mike Gempler voting no because he feels the grant making process needs formal approval by the Board. Mike Youngquist then moved to amend his previous motion to require Board approval by e-mail, so that the process can be initiated before the March Board Meeting. Guillermo seconded the motion, which passed unanimously.

Guillermo, John, Mario, Gloria, Billie and Donn volunteered for the ad hoc capacity committee.

Brien next drew the Board's attention to the proposal by Enterprise Community Partners to pass funds they had decided to award to the Office of Rural and Farmworker Housing (ORFH) through the Trust. ORFH initiated, wrote and submitted the proposal independently of the Trust. After considerable discussion, *John M. Smith moved and Guillermo Castaneda seconded thanking Enterprise for their support for the Trust, but politely declining their offer to pass the funds to ORFH through the Trust. The motion passed unanimously.*

III. FARMWORKER SURVEY UPDATE

Brien reported that Peter Connery of Applied Survey Research (ASR) has committed to delivering the database of survey responses and the codebook by March 5. ASR will deliver their

report on survey methodology by March 21. Brien also referenced the list of selected survey findings provided by ASR and noted a few of those findings.

IV. SOLAR/GREEN ON-FARM DEMONSTRATION PROGRAM

Board members at the January 31 meeting requested a summary of the first phase of this program as funded by Enterprise Community Partners. The summary prepared by Brien was included in the February 16 meeting materials.

V. ACCORD: STATEMENT OF RIGHTS AND RESPONSIBILITIES

Mike Gempler reported that he and Erik Nicholson had met twice to discuss the *Statement of Rights and Responsibilities*. Erik's one major area of concern is how the right to Alternative Dispute Resolution is ensured when an employee/resident is terminated and given notice to vacate. Mike stated that this led Erik and him to realize that enforcement of the whole document is in question, as is its scope and applicability.

Mike and Erik agreed that the *Statement of Rights and Responsibilities* applies to investments of Trust funds. We can promote the *Statement of Rights and Responsibilities* as a best practice, but we aren't able to require it apply to state and federal funds. Mike then reviewed the *Statement of Rights and Responsibilities* with comments from his discussions with Erik. Mike stated that residents should have a right to help establish house rules, but added that such do not include the basic terms of occupancy in the housing. Housing providers are also prohibited from taking residents' property, but Mike believes exception should be made for belongings that are used to disturb the rights of other residents.

Mike Youngquist inquired whether the caveats Mike was noting would be included in the final version of the *Statement of Rights and Responsibilities*. Mike Gempler replied he thought that would be important.

Mike then reported that he and Erik agreed that Alternative Dispute Resolution (ADR) must be requested in a timely fashion. If the grower/housing provider refuses ADR, the Trust could call its loan on the housing due. If the employee did not cooperate with ADR, the legal eviction process would proceed. Mike pointed out that the Trust will need a standing Grievance Committee to provide due process and enforce compliance. Mario Villanueva added that a written policy outlining the grievance and compliance process will be needed.

Mike Gempler reiterated that he believes it is important for the Trust to enforce its standards when it lends funds and that the Trust has an important role in promoting our standards to others as best practices, just as exploring and promoting other best practices is an important role for the Trust.

Mike Gempler and Erik Nicholson will prepare a revised *Statement of Rights and Responsibilities* for action by the full Board at the March 16 meeting. Prior to that date Mike intends to pay his legal counsel (Velekanje Moore) for a review of the revised document. Janet Abbott suggested that Robbie Scott of Columbia Legal Services could also provide useful comments. Tomás Villanueva asked Mike whether he and Erik disagreed on any outstanding issues at this point. Mike replied that they did not.

Guillermo Castaneda moved and Mike Youngquist seconded approving Mike Gempler's and Erik Nicholson's proposal pending submission in writing and approval by the full Board as rewritten. Motion passed unanimously.

Tomás asked whether the revised *Statement of Rights and Responsibilities* would apply to housing that was leased but not owned by a grower for employees? Mike Gempler replied that it would. Mike Youngquist stated that the *Statement of Rights and Responsibilities* and enforcement process should apply to all housing that the Trust invests in. John asked whether Mike meant it should apply to housing that was not owned or operated by growers? Janet Abbott stated that the agreement at the April 2006 Board Retreat was that the *Statement of Rights and Responsibilities* and Construction Standards would apply to all seasonal-occupancy housing. Donn Etherington stated he believes they should apply to all types and owners of farmworker housing. John and Mike Gempler commented it would be important to examine the applicability of the *Statement of Rights and Responsibilities* for housing subject to the state Residential Landlord Tenant Act.

Guillermo Castaneda commended Mike and Erik for their work on this important accord.

VI. STATE ADVOCACY AGENDA

Brien drew the Board's attention to two items in the meeting materials: a one-page overview of 'Fair and Equal Treatment for Affordable Homes' from the WA Low Income Housing Alliance and House Bill 2279, which was introduced in the Legislature the day before. The Alliance one-pager was also included in the January 31 Board packet. Brien stated that he'd like the Trust to consider supporting HB2279.

Mike Gempler stated that he did not support the clause in 2279 regarding tax-exempt property and suggested that the Trust might support legislative action that addresses the impact of tax-exempt affordable housing on communities. Mario offered that in his view such housing benefits local communities. His organization endeavors to pay what they can to local communities from restricted budgets. Mario further stated that this is a complicated issue.

John Smith outlined how real estate mill rates and local government budgets are established, noting that jurisdictions still get property tax revenue to cover their budgets. Mike Gempler responded that meant taxable properties had to pay more. Mike Youngquist noted he believes impact fees are very important and that there should be some contribution or compensation for school district operating and maintenance levies. John suggested the state could give communities with tax exempt affordable housing priority for competitive state funds. John also noted that police and other emergency calls from such housing are significantly fewer than from similar privately owned housing.

John M. Smith moved and Guillermo Castaneda seconded that the Trust endorse HB2279. Mike Gempler asked for language to be added to the endorsement recognizing the need for local funds for services. John amended his motion to include that the Trust also supports the Legislature addressing communities' legitimate needs for services to tax exempt low-income housing. Guillermo as second accepted the amendment. The motion passed unanimously.

Gloria Burton asked whether on-farm housing pays property taxes. Mike Youngquist answered that it does, but the valuation assessment of such properties is very low. Mike also stated that in Skagit County anyone with a home assessed at less than \$500,000 does not pay property taxes sufficient to cover their share of services.

Mary McBride informed the Board that U.S. Senator Patty Murray will be visiting the legislative Democratic caucuses in about three weeks. The Senator has three messages for the caucuses:

1. The Senator appreciates legislators' past support for farmworker and other affordable housing;
2. Senator Murray encourages the Legislature to appropriate funds for farmworker and affordable housing above the amounts in the Governor's budget; and
3. The Senator would like the Legislature to appropriate more funds for the Farmworker Housing Infrastructure Loan Program.

Mike Youngquist reported that the WA Growers League, NW Agricultural Employers and the WA Farm Bureau are supporting appropriations of \$4 million to the Farmworker Housing Infrastructure Loan Program and \$4 million to that loan fund for new construction and rehabilitation of on-farm housing. Mike said this proposal seemed to have good support from the Speaker of the House and in both the House and Senate. Mike Gempler pointed out that grower organizations started work on this proposal last summer and agreed on the amounts prior to the Trust's legislative discussions.

Tomás drew directors' attention to HB2106, regulating labor contractors.

Guillermo Castaneda moved for the Trust to support the Legislature appropriating \$4 million to the Farmworker Housing Infrastructure Loan Program and \$4 million to that loan fund for new construction and rehabilitation of on-farm housing, pending final Board approval of the revised Statement of Rights and Responsibilities. John Smith seconded the motion, which passed unanimously.

John also urged members to talk to the Legislature about the importance of authorizing adequate staff to operate an expanded Farmworker Housing Infrastructure Loan Program.

VII. FINANCE COMMITTEE: FISCAL YEAR 2007 BUDGET

Treasurer Mike Gempler provided an overview of the proposed budget, noting that he believes an important function of the Trust is helping to build local support for farmworker housing. Mike also reported that the Finance Committee recommended approval of the Fiscal Year 2007 Budget. Donn Etherington asked several questions about how the budget for the HUD special appropriation was included in the proposed budget.

After discussion, Guillermo Castaneda moved that the proposed Fiscal year 2007 Budget be approved. Tomás Villanueva seconded the motion, which passed unanimously.

Donn asked that program budgets be added to the Revenue and Expenses.

VIII. NEW BUSINESS

Brien asked for clarification on whether the Executive Director is authorized to negotiate and enter into contracts that are included in the Budget. The question has been raised regarding extending Cedar River Group's contract for maintaining the Trust web site. Directors present responded that the Executive Director is so authorized.

Brien then noted that the contract with ORFH for fiscal management expires February 28th. It had been anticipated that a Request For Proposals for fiscal management would be issued and a new contract executed before that date. Due to the press of other business, the RFP has not yet been issued, but the Finance Committee is clear that it must be issued and responses received by the March 16 Board meeting.

Mike Gempler moved to authorize the Executive Director to extend ORFH's contract through March. John Smith seconded the motion. Motion passed unanimously.

X. MARCH 16 MEETING AGENDA ITEMS

The question of the location for the March 16 meeting was raised, with Brien noting that the Board had originally intended meetings to alternate between Seattle and Yakima. He suggested that it would be easier for directors to plan if meeting locations were established for the year rather than being set at the end of each meeting. Several directors indicated it's useful for some meetings to be held in Olympia during legislative session. *All present agreed to hold the March meeting in Seattle and then to alternate meetings between Yakima and Seattle.*

Gloria Burton reminded Mike Gempler that it would be very helpful to have a sample letter to members of Congress regarding comprehensive immigration reform. Gloria also informed members of two upcoming events: The **2007 Pacific Northwest Farmworker Summit** will be held on **Thursday and Friday, March 1 and 2, 2007 in Portland, Oregon**. The **Sixth Biennial Farmworker Housing Asset & Property Management Conference** will be held on **April 12-13, 2007 at the Shilo Inn Suites Hotel, The Dalles, Oregon**. Brien reminded the Board that they voted to co-sponsor the Asset & Property Management Conference and noted that scholarships are available for housing providers. Guillermo asked the Board to consider discussing a policy at some point for Trust directors to attend conferences at Trust expense.

All present agreed that the Board should recognize Tom Byers and Kristi Buck of Cedar River Group at the June meeting for their special contributions and service to the Trust.

XI. ADJOURN

There being no further business, John Smith moved and Mike Gempler seconded adjourning the meeting. The meeting was adjourned by consensus at 3:00 p.m.

Respectfully Submitted: _____
Secretary

Approved: _____
President/Vice President