

MINUTES

Board of Directors Meeting • February 27, 2004

ATTENDANCE

Members present: Juan Aguilar, co-chair; Lupe Gamboa, Mike Gempler (after 11:45 a.m.), Alicia McRae, John Smith, Mario Villanueva, Tomas Villanueva, Mike Youngquist. Members absent: Dixie Kracht, Gloria Burton, Guillermo Castaneda, Pete Garza, Billie Heath, Heyward Watson. Staff present: Tom Byers, Cedar River Group; Brien Thane, Office of Rural and Farmworker Housing.

WELCOME AND INTRODUCTIONS

Co-chair Juan Aguilar called the meeting to order at 10:40 a.m. and welcomed Mike Youngquist as a new member of the Board. Each member introduced themselves and a quorum was recognized. Tom Byers announced that family illnesses, impending births and other obligations prevented Gloria Burton, Guillermo Castaneda, Pete Garza, and Heyward Watson from attending. Mary McBride of Senator Murray's staff also had an emergency and was unable to attend.

Following the introductions, Juan asked Brien Thane to describe the change in his role at the Office of Rural and Farmworker Housing. Brien explained that he has stepped out of the role of Executive Director in order to be able to pursue special projects for the organization. He will continue to be the lead contact with the Board of the Trust.

APPROVAL OF THE MINUTES

The minutes of the December and January meetings were approved by unanimous consent.

STAFF REPORT

Tom Byers informed the Board that Liza Couchman, who has served as project assistant, has left the Cedar River Group in order to create her own business. Kristi Buck will be assuming her role in providing administrative support to the Board. Juan asked Tom to extend Ms. Couchman the thanks and best wishes of the Board.

OLD BUSINESS

EXECUTIVE COMMITTEE REPORT

Juan asked Tom to report on the status of the filing of the application for tax-exempt status, and Tom reported that Bob Kaplan, the Trust's legal counsel, has completed the application and submitted it to the IRS in late January. We anticipate an answer within 90-120 days.

NOMINATING COMMITTEE REPORT

Tom reported that Julie Keen has indicated her intention to resign from the Board because her employer is unable to allow her to take time off to attend the meetings. She remains firmly committed to supporting the work of the Board, and will remain engaged as a "key stakeholder". Her resignation leaves the Board with two vacancies, one from the grower category and one from other community stakeholders. A brief discussion ensued regarding potential candidates. Among those mentioned were Frank Ochoa, a major grower in the Othello area; Jan Matheson of

Stimilt Orchards in the Wenatchee area; Jaime Garcia, former director of Northwest Giving for the Bill and Melinda Gates Foundation; and Rogelio Riojas, Executive Director of SeaMar Community Health Centers. It was decided that the qualifications of these candidates, as well as others submitted by the members of the Board would be assembled in a standard format and distributed to the members of the nominating committee prior to the March meeting.

FISCAL AGENT REPORT

Brien Thane reported that he has been in constant contact with HUD in an effort to secure their approval of the grant that will enable ORFH to reimburse Cedar River Group for its work. HUD staff indicated that they are awaiting final approval, and that ORFH should receive word within the next ten days. Once that happens, Brien is prepared to act quickly to process payment of CRG's invoices.

UPDATE ON HUD DDA DESIGNATION ISSUE

Juan called on Tom to update the Board on the issue of HUD's new list of "Difficult to Develop Areas", which has eliminated 21 Washington counties, including virtually all of the agricultural areas of Washington. Tom reported that Gloria Burton has been doing a spectacular job of organizing stakeholders to get HUD to amend its listing in the near term, and adopt a more accurate methodology in the long term. (Gloria had intended to report on the issue in person, but was unable to attend because of a serious illness in her family.) With the support of many members of the Board and other key stakeholders, Gloria has succeeded in getting the Director of the Washington State Housing Finance Commission (Kim Herman) to formally request an amendment. Tom reported that both he and Gloria have received phone calls from HUD during the past week indicating that a letter of response to that request has already been drafted and forwarded to the Department of the Treasury for their review. The individuals who contacted Tom and Gloria indicated that they did not know the content of the letter, but believed that the fact that one had already been drafted and submitted to Treasury meant that the issue was receiving a great deal of attention within the bureaucracy.

A lengthy discussion followed about the impact of this designation. Mario Villanueva offered evidence of the financial impact of the designation on his organization's most recent project, which amounted to a 30% reduction in available resources. This change will make it necessary to fill the gap by seeking funding from other fund sources, such as the Housing Trust Fund, which are limited and under budgetary pressures of their own.

The members of the Board shared their opinions of the best course of action, and three major ideas emerged:

1. The WSFHT should continue to support the State Housing Finance Commission's attempt to solve the problem in the near term with an amendment.
2. The WSFHT should consider working with the Housing Finance Commission to create a special mechanism to grant farmworker housing projects a level of support equal to that provided by DDA designation.

3. The WSFHT should work in cooperation with Senator Murray's staff to explore changes in HUD's methodology for creating the formula to make it more relevant to the needs of farmworkers.

As next steps, Brien agreed to distribute a memorandum he recently obtained that explains HUD's current methodology, and Tom agreed to get a copy of the Housing Finance Commission's letter out to the Board members. He will also stay in touch with local HUD officials and keep all members up to date on developments.

STAFF RECOMMENDATIONS REGARDING NEEDS STATEMENT

Juan asked Tom to lead the discussion of Trang Tu's "preliminary assessment of the need for farmworker housing in Washington State" which was distributed to Board members at the December meeting. He pointed out that the findings of the research led to two differing estimates regarding the number of farmworkers in the State. The first estimate, derived from the work of Alice Larson, is based on a formula of the hours of labor required to steward various crops on a per acre basis. The second estimate is based on surveys conducted by the Employment Security Department to determine the number of employees employed on those farms. The difference between those two estimates is quite significant: Larson's estimate is 187,000 farmworkers, while ESD's estimate is 125,000.

Tom then distributed a second paper by Trang Tu which attempted to outline the differences in methodology that might account for this difference. After considerable discussion by the Board, most members discounted the staff's hypothesis that much of the difference could be explained by an undercounting of undocumented workers in the ESD estimates. The Board members agreed that for a variety of reasons, that was very unlikely to be a major source of the difference. Lupe Gamboa and Mike Gempler pointed out that there is a major difference the categories of workers included in the estimate, since Ms. Larson includes nursery workers, food processing employees, and reforestation workers in her estimates in addition to the field workers that are the sole category included in ESD's estimates.

After considerable discussion, it was agreed that staff would be directed to meet with Ms. Larson and contact ESD to determine how many workers were included in each category and attempt to develop an "apples-to-apples" comparison.

REVIEW OF HOUSING SUPPLY DATA

Juan asked Tom to provide an overview a "preliminary report on rental housing supply for farmworkers in Washington State" prepared by Trang Tu of the Cedar River Group as a second element of the needs assessment. Tom provided a brief introduction to the report which was derived from census data on the fourteen leading agricultural counties in Washington. The data focuses on four questions:

- How many units of rental housing exist in the agricultural counties?
- What is the capacity of those units?
- What are the fair market rents of those units?; and
- What is the condition of those units?

Although the data is still in raw form and has yet to be analyzed in detail, it is evident that there are major differences in the character, supply and cost profile of the rental housing supply among the counties that our plan must recognize. Further analysis of the data will be developed on a county by county basis and made available to the Board as soon as possible.

REVIEW OF THE PLAN FOR STAKEHOLDER INPUT

Tom reported that he is following up on the Board direction to engage the key stakeholders identified three levels of stakeholder involvement at this stage:

- A “Council of Advisors” comprised of important leaders who need to be kept up to date on the progress of the Trust;
- A survey of farmworkers to solicit their views on the key issues that will need to be addressed in the comprehensive plan; and
- One-on-one outreach to local elected officials and civic leaders in the communities we identify as critical locations in which to build housing.

Council of Advisors: To date, Tom has contacted the following individuals to request their participation on the Council of Advisors: Tom Shotzko, Washington State University; Christine Goodheart, University of Washington Office of Community Partnerships; Martha Choe and Nancy Owsley, Washington State Department of Community, Trade and Economic Development; Martha Dilts, Department of Housing and Urban Development, Region X; Rogelio Riojas, Executive Director, Sea Mar Community Health Centers; and Cynthia Parker, Seattle Northwest Securities. He indicated that he intends to schedule meetings in the near future with Kim Hermann, Washington State Housing Finance Commission; Norm Rice, Federal Home Loan Bank; Alice Larson, researcher; and officials of the Department of Agriculture.

In the discussion that followed, Board members suggested adding Tom Latimore of Impact Capital; Judy Reed of WCIC; and Ray Crabbs of America’s Fund for Communities.

Farmworker survey: Tom reported that he had been working with Juan and with Mario Villanueva to follow up on the suggestion that had been made in our January Board meeting regarding the need for a survey of farmworkers. Contact has been made with the Office of Community Partnerships at the University of Washington and with Heritage College to explore the idea of having Heritage students conduct the survey with faculty guidance provided by the two institutions. Preliminary discussions have been also held with Fannie Mae and Washington Mutual regarding the potential of funding for the survey.

In light of the importance of this survey, it was suggested that a committee of the Board be appointed to provide oversight and help in framing the questions and methodology. Juan indicated that Mario would be willing to co-chair the committee, and a number of Board members volunteered to serve. The committee will consist of Mario, Tomas Villanueva, Mike Gempler, Guillermo Castaneda, and Brien Thane (ex officio).

Contacts with local elected officials: Tom indicated that his intention is to begin making these contacts once we have identified the most important geographical areas for housing development.

NEXT MEETING

It was decided that the next meeting of the Board will take place in Seattle on March 19th. Tom indicated that he would contact the Port to see if it would be possible to secure a meeting room.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 2:50 p.m.

Respectfully Submitted: _____
Secretary

Approved: _____
President/Vice President