

MINUTES
Board of Directors Meeting • October 1, 2004
Diocese of Yakima
Yakima, Washington

ATTENDANCE

Members present: Juan Aguilar and Dixie Kracht, co-chairs; board members: Gloria Burton, Guillermo Castaneda, Lupe Gamboa, Pete Garza, Mike Gempler (by phone in the morning, in person in the afternoon), Billie Heath (by phone), Alicia McRae, Mario Villanueva, Tomás Villanueva, Mike Youngquist, Heyward Watson (by phone, morning only). Board member(s) absent: Erik Nicholson, Frank Ochoa, John Smith. Ex-Officio: Mary McBride, Office of Senator Patty Murray, (by phone, afternoon only) Brien Thane, Office of Rural and Farmworker Housing; Staff present: Tom Byers and Kristi Buck, Cedar River Group. Guest present: Alice Larson, LAS research (afternoon only).

WELCOME AND INTRODUCTIONS

Co-chair Dixie Kracht brought the meeting to order at 10:45 a.m.

APPROVAL OF THE MINUTES

Dixie asked the members to review the Minutes of the August 20, 2004 meeting. Mario Villanueva moved that the minutes be approved as submitted. **The motion was seconded by Alicia McRae and approved unanimously.**

OLD BUSINESS

EXECUTIVE COMMITTEE REPORT

Dixie asked Tom to report on the status of Board member Frank Ochoa. Tom reported that Mr. Ochoa had contacted the staff to say that although he was very interested in the work of the Board, he would be unable to attend meetings until November because of the demands of the harvest. Members suggested that the Board should consider scheduling an up-coming meeting in the Othello area to make it easier for Mr. Ochoa to attend.

FISCAL AGENT REPORT

Dixie asked Brien Thane for a budget report. Brien distributed a budget summary through August. He noted that with two months to go in our fiscal year, we have expended \$105,635.25, or 59% of the funds available, leaving a balance of \$73,194.75

FY 2005 APPROPRIATIONS/ PROBABLE FUNDING GAP

Tom Byers reported that he has spoken with Mary McBride to get an update on the federal appropriation to continue the work of the Trust. Mary indicated that the funding request was still included, but that there is a great deal of pressure on the budget. Although the Senator places a very high priority on the work of the Trust, there is no certainty that the funding will be approved at the requested level, nor is it likely that the Congress will finish work on the budget before the elections. Once they do pass a budget, and assuming that it includes funding for the Trust, it is likely to be four to six months before HUD would be able to pass the funds along. If the work of the Trust is to continue with the current level of staff support, it will be necessary to bridge that gap.

Tom reported that Mike Gempler had taken action on the funding issue by contacting the Governor's office to determine whether or not discretionary funds might be available from the State to meet the need. In speaking to Peter Antolin, one of the Governor's staff, Mike was told that the Trust should seek interim funding from The Department of Community, Trade and Economic Development (CTED). Following that conversation, he suggested that staff draft a letter to Stephen Buxbaum, deputy director at CTED, to ask for assistance. Tom circulated copies of the letter he drafted, which was signed by the co-chairs and sent to Mr. Buxbaum last week. He indicated that Mr. Buxbaum had responded almost immediately, requesting additional details about the interim budget. He also requested an opportunity to meet with Tom and members of the Board on October 28th. **Mario Villanueva, Mike Youngquist, and Juan Aguilar will attend the meeting with Tom.**

Tom then called the Board's attention to the draft interim budget. This budget, if approved, would continue Trust operations at the current level from October 31st, when Cedar River Group's contract is set to expire, through April of 2005, when we expect to have a contract with HUD in place if the FY 2005 appropriation is approved. Tom indicated that if it is not clear by January 1st that the appropriation will pass, the staff would have just four months to raise the necessary funds to continue the work of the Trust.

A discussion ensued regarding the interim budget and the direction of the Trust's activity during that period. Mike Gempler reiterated his desire to see the Trust secure a permanent full-time director with the ability to raise philanthropic dollars. Others stated that they understood and supported that goal, but that the organization would be hard-pressed to conduct a successful search until the Board has secured funding for at least one year's operations. Once we have achieved that objective, we should begin recruiting.

As fiscal agent, Brien reminded the Board of the status of the contracts with ORFH and Cedar River Group. Technically, the contract with ORFH expired on September 30th, at the end of the federal fiscal year, and the contract with Cedar River Group will expire on October 31st. Dixie asked if it was the Board's intent to extend the contracts. Guillermo Castaneda moved to extend the contracts of ORFH as fiscal agent and Cedar River Group for staff support through the interim period. His motion was seconded by Juan Aguilar. In discussion, the intent of the motion was clarified. It is the Board's intent to extend the contract of ORFH beginning immediately, and the contract of the Cedar River Group when their current contract expires, at the rates of expenditure shown on the interim budget, provided the necessary funds can be secured. **The motion to extend both contracts passed unanimously.**

HUD DDA DESIGNATION ISSUE

Tom reported that he had received a call from Mary McBride indicating the IRS has apparently approved recommendations from HUD regarding a proposed solution to the issue. Unfortunately HUD has not yet been willing to share the content of that proposal so we have no way of knowing whether or not their plan will really address the concerns that the Board has raised. Tom also tried to find out more about the content of HUD's proposal by calling Martha Dilts, the Deputy Regional Administrator at HUD. Ms. Dilts was very helpful, and contacted the responsible officials in Washington, only to be told that the matter is "working its way through

clearance”, and no additional information would be provided. Tom said that he would continue to work with Mary and the regional office to try to get information.

Brien reported on recent meetings with the Washington State Housing Finance Commission, in which the Commission took several steps to attempt to mitigate the losses caused by HUD’s changes in the DDA designations. Brien indicated that the Commission’s efforts were appreciated, but wouldn’t go far toward mitigating the damage.

NEW BUSINESS

MEMBER UPDATES AND ANNOUNCEMENTS

Dixie announced that the order of the agenda would be adjusted to allow time for Alice Larson to arrive so that she could participate in the discussion of the farmworker survey. She then opened the floor to member updates and announcements:

- Juan announced that celebration of Mexican Independence on September 16th was a success. Washington Mutual was a sponsor of that event. Juan also announced that the Washington Growers League had won the Friend of Housing Award, presented at the recent Housing Washington Conference. He congratulated Mike Gempler on behalf of the Board for that award.
- Dixie Kracht reported that a series of meetings have been taking place at the county level that are bringing people together around the issue of housing and community development. New people are becoming involved and new partnerships are forming. She will keep the Board up to date as the process continues.
- Billie Heath announced that the Rural Community Development Corporation is about to launch a fundraising campaign for farmworker housing. She wants to coordinate with the staff to make certain that the campaign goes forward without competing with the Trust’s efforts.
- Mario Villanueva announced that the Diocese of Yakima Housing Authority is launching a new initiative to work with local jurisdictions to create a long-term plan for the lower Yakima Valley. The hope is that the planning initiative will create a partnership that will make it easier to site farmworker housing successfully.
- Alicia McRae announced that the Wenatchee/Chelan County Housing Authority is currently devoting 84 units to workers involved in the apple harvest. For the first time, they have been able to develop leasing arrangements with growers for units during the harvest.
- Brien Thane reported that several recent housing projects have confronted a bidding environment in which construction costs are coming in markedly higher than anticipated, in part because of labor shortages.
- Mike Youngquist reported that there were some labor shortages during the cucumber harvest in the Skagit Valley this year. “Those farmers that offered housing generally were able to secure workers”, he said, “but those who didn’t have housing to offer didn’t always have enough workers.” He also said that the battle to get large supermarket chains to buy local produce was reaching a critical point. Kroger is the biggest problem.
- Pete Garza indicated that he is in frequent contact with officials in China and that the nation is preparing to sell apples to Kroger.
- Tomás Villanueva said that he understands there are crews of Chinese farmworkers coming into the State.

- Lupe Gamboa reported that a major effort has been underway to register Hispanic voters. He pointed out that the resistance to farmworker housing tends to dissipate once there are Hispanic officeholders within a community.
- Guillermo Castaneda announced a major art exhibition at the Larson gallery that will feature the works of leading Hispanic artists. The show will feature several works by Guillermo himself!

IMPLEMENTING THE PLAN TO SECURE NEW RESOURCES---

PHILANTHROPY

Tom reported on the staff's efforts to begin the task of securing new resources for farmworker housing. Since the Board's last meeting a number of contacts have been made with potential funders:

- Tom met with representatives of the Seattle Foundation, which does not make grants in rural Washington, but has an interest in helping the Trust identify potential sources of philanthropic support. The Seattle Foundation staff identified the Marguerite Casey Foundation as a potential source of funding for the farmworker survey.
- Tom met with the director and deputy director of the Casey Foundation in early September and provided them with a briefing book that included the Needs Assessment, the Survey of Best Practices, the Board roster and other background material. The Foundation has already spent its budget for Northwest giving in 2004, but asked that we contact them again after the first of the year to explore funding opportunities.
- Tom also met with a representative of the Federal Home Loan Bank to solicit her involvement on our Council of Advisors and to explore whether the FHLB might be a source of funding for the farmworker survey. The FHLB is interested in supporting the Trust and will participate on the Council of Advisors. They may entertain a request for a modest amount of funding for the survey.
- The most important contact of the past month, in terms of philanthropy, was with the Northwest Area Foundation. The Cedar River Group recently completed a successful strategic planning process in Central South King County which resulted in an NWAFF grant of \$10.2 million to reduce poverty in those communities. As a result, Tom was invited to attend a national conference sponsored by the NWAFF and the Annie E. Casey Foundation in St. Paul Minnesota in mid- September. Thanks to Juan Aguilar, Washington Mutual Bank provided funding to allow Tom to attend the "Grassroots and Groundwork" conference. While there, he met with the leaders of the Foundation, including the staff responsible for planning the Foundation's "rural Hispanic initiative". In a two-hour session, he presented the needs assessment and explained the Trust's objectives and strategy for securing resources. He came away with the strong impression that the groundwork can be laid for a productive partnership with NWAFF.

PUBLIC FUNDING

Turning to the public side, Tom reported on meetings with Speaker of the House Frank Chopp and his Chief of Staff, Majken Ryherd. During those meetings, Tom shared data from the Needs Assessment with the Speaker and asked whether it might be possible to increase the total amount of funding for the State Housing Trust Fund sufficiently to double the amount of funding for farmworker housing, from \$8 million to \$16 million per biennium. The Speaker responded that such an increase might be possible in the context of pushing the total amount in the Trust Fund to

\$100 million a biennium. He indicated that such an effort would require help from both sides of the aisle in the House and Senate.

Rep. Chopp also indicated that he is interested in putting together a broad-based “agricultural initiative” aimed at helping the State’s farmers and growers address a broad spectrum of issues. In that context, Tom presented the Speaker with a paper called “Three Ideas for Rural Washington”, briefly laying out the case for (1) doubling the money for farmworker housing in the Trust Fund; (2) creating a \$2.5 million “infrastructure matching fund” to address the need for infrastructure to support on-farm housing; and (3) creating State incentive grants to provide infrastructure funding for cities and towns which are willing to site and assist farmworker housing projects within their boundaries.

Tom asked the Board whether it was willing to support those three ideas as the cornerstone of the Trust’s State Agenda. A vigorous discussion ensued during which many important issues were raised, and Board members volunteered to take action:

- Brien Thane and Mario Villanueva pointed to the need to coordinate our efforts with the Low-income Housing Alliance, which had a major role in creating the Trust Fund and works hard to keep all advocates for affordable housing in concert. Brien indicated that he had already started discussing the issue within the Alliance Board, and there are some concerns within that body. In general, the Alliance does not support “set asides”, since they can have the effect of distorting the allocation process and forcing the State to fund projects within the set asides that may not be as high in quality as others outside that category. Nevertheless, the Alliance has, in the past, gone along with set asides when they have helped to enlarge the entire amount available for housing projects. The Board members strongly indicated that our intent should be to expand the Trust, rather than take money from another constituency.
- Brien and Tom also suggested that the Alliance may be more likely to support the proposal if it brings new supporters in the legislature. Are there members who would be willing to support the increase for the benefit of the agricultural community who would not otherwise have supported an increase in the Trust Fund?
- Mike Youngquist pointed out that some rural legislators, including Jim Honeyford, have been reluctant to support funding for the Trust without assurances that it would be dedicated to solving the need for “on-farm” housing. We need to be prepared to speak to those concerns, and build the broadest possible base of support.
- Mario suggested that a group of Board members meet with the Alliance, show them our Needs Assessment, and evidence of the pent-up demand for farmworker projects. **Thomas Villanueva and Gloria Burton volunteered to support Brien and Mario in making the case to the Alliance.**
- Dixie Kracht said that we should also work with CTED to understand the project backlog for other types of projects throughout the State.
- Mike Gempler and Guillermo Castaneda sounded a caution about priorities. They want to be certain that the work to secure public funding does not happen at the expense of developing philanthropic support.
- Tom indicated that the public funding initiative, if the Board decides to pursue it, will have to rely on a great deal of effort by the individuals who are on the Board and the constituencies they represent. While the staff is prepared to assist in that effort, the

staff's focus will have to be on securing funding for the organization's survival, and on laying the groundwork for private funding.

- Brien Thane reiterated the need for Board members to take the lead as individuals, since the Trust's 501(c)(3) status severely restricts the amount of staff resources that can be spent in lobbying. He also said that he sees no reason that the Trust should be in conflict with the Housing Alliance if we proceed to press for the three goals on the table.

Following the discussion the Board adopted the "Three Ideas for Rural Washington" as the core of the Trust's State action agenda. Each Board member will be asked to identify specific legislators with whom they have contact.

FARMWORKER SURVEY COMMITTEE

Dixie then asked Mario Villanueva for a report on the work of the committee that has been planning the farmworker survey. Mario reported that the committee met on September 10th and made a series of decisions about the survey which have been summarized in a document that is part of the meeting packet. The committee is recommending that Dr. Alice Larson be the principle investigator for the survey, and has asked the Cedar River Group to consider acting as project manager. The committee asked Ms. Larson to work with Tom to prepare a cost estimate.

Ms. Larson then explained that the cost of the survey is directly related to the level of scientific validity the Trust wishes to achieve. The first option was developed on the assumption that a very high level of reliability will be needed for two reasons: (1) we are hoping to secure major grants from very sophisticated foundations who will expect a high level of rigor in any research the Trust carries out; and (2) the results may prove controversial in the context of past debates among the various stakeholders, and the Trust will need to be protected against that controversy by rigorous methodology. With these concerns in mind, a "highly rigorous" option was developed, which would cost approximately \$500,000 over 17 months. This option includes 1,500 interviews, and a very rigorous approach to sample selection and field monitoring. Results would be reliable at the district level.

Recognizing that amount is quite high, given the Trust's current financial circumstances, a second option was created that is less rigorous, but still of reasonably high quality, costing \$300,000. This option would have 1,000 interviews, less rigorous, though still careful sample selection and field monitoring, and reliable results at the statewide level. Before sharpening these estimates, the staff would like to have the Board's guidance about which option to pursue.

In the discussion that followed, the Board members held a vigorous debate about the best way to proceed:

- Mike Youngquist asked what the assumptions were about where and how the workers would be contacted. He suggested working through employers and surveying people at the work site.
- Mike Gempler said that the greatest potential of controversy would come from the landlords, not from the growers. He said that he thought the growers would not be concerned as long as specific names were not mentioned as part of the survey. He said that it is possible that some people (such as Rep. Honeyford) would want to see proof. But as far as the growers are concerned, they want to be part of the solution. He asked if

any thought had been given to interviewing foremen. He perceives that they would be a rich source of information.

- Lupe Gamboa and other Board members raised concern about the relatively small percentage of the budget that seemed to be going to the interviewers. Lupe said that we should be sure that they are well-trained and reliable.
- A question was raised about the usefulness of the data at the district level. Would it be good enough to substitute for survey data that would otherwise be required of individual projects? If so, would that offset some of the added cost?
- Several Board members questioned who would actually employ the interviewers and field monitors.
- Juan Aguilar was asked for an estimate of Washington Mutual Bank's interest in contributing funds for the study. He replied that he was very concerned about the high cost of the alternatives.
- Dixie concurred with Juan.
- Tomás stated that he would need to see a more detailed plan for the study with a line-item budget and timeline.
- Mike Gempler said that he didn't think the cost should be the central issue, but there is an issue of the survey's purpose. If we abandon the survey, do we reduce our chances to secure funding? He recalled the advice from Maria Giuriato that "data drives dollars".
- Lupe Gamboa stated that he still believes a survey is needed "to put a human face on the issue".
- Gloria concurred with Lupe that a survey is needed.
- Mike Youngquist suggested that we may be approaching the issue the wrong way---what happens if we go with the data we have? It is unlikely we are going to be able to raise even \$300,000 in time to conduct the study next spring.
- Alice Larson suggested contacting the Foundations from which we'll be seeking dollars to determine what data they feel is essential and what level of scientific validity they would require. She also suggested that there may be other ways to "put a human face" on the needs figures, such as focus groups or case histories. If these less costly strategies proved to be successful, we could still do a survey at some future date.

At the conclusion of the discussion, it was agreed by consensus that the committee would meet again to focus on fleshing out the less expensive option for the survey, and identifying possible alternative methods to achieve our objectives. Tom and Juan will attempt to contact the Northwest Area Foundation to seek their help in defining the best way to proceed.

NEXT MEETING

The chair led a discussion of the time and place for the next Board meeting. **It was decided that the next meeting of the Board will take place at 10:30 a.m. to 3:00 p.m., Friday, November 5, 2004, at the offices of Fannie Mae, 710 Olive Way, Suite 1510, in downtown Seattle.**

ADJOURNMENT

There being no further business, the chair declared the meeting adjourned at 3:40 p.m.

Respectfully Submitted: _____
Secretary

Approved: _____
President/Vice President