

MINUTES

Board of Directors Meeting • November 5, 2004 Offices of Fannie Mae Seattle, Washington

ATTENDANCE

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

WELCOME AND INTRODUCTIONS

Co-chair Juan Aguilar brought the meeting to order at 10:40 a.m.

APPROVAL OF THE MINUTES

Juan asked the members to review the Minutes of the October 1, 2004 meeting. **Mike Youngquist moved that the minutes be approved as submitted. The motion was seconded by Heyward Watson and approved unanimously.**

OLD BUSINESS

EXECUTIVE COMMITTEE REPORT

DRAFT ANNUAL REPORT

Juan asked Tom to discuss the Draft Annual Report which was distributed by email to the Board members earlier in the week. Tom stated that the Secretary of State requires all non-profit organizations to file an annual report within thirty days of the completion of the organization's first calendar year, making the Trust's report due by November 30th. As a part of the report, it is necessary to identify officers, including a President, Vice President, Secretary and Treasurer. Since the Trust has been functioning with co-chairs and an executive committee as its only officers, the staff contacted each member of the executive committee to address the need to designate members to fill the required positions. It was determined that the best course of action would be to identify a slate of officers for Board ratification, with the understanding that those officers will remain in place until the annual meeting, which is proposed for January 2005. The slate is Juan Aguilar, President; Dixie Kracht, Vice President; Mike Gempler, Treasurer; and Gloria Burton, Secretary. Mario Villanueva, who is also a member of the Executive Committee, will continue to serve as the chairman of the Farmworker Survey Committee. The draft Annual Report reflects those designations.

Erik Nicholson moved that the designation of officers and the Annual Report be approved for submission to the Secretary of State. The motion was approved unanimously. January 21st was selected as the date for the annual meeting.

HUD DDA DESIGNATION ISSUE

Tom reported that he had received a call from Gloria indicating that HUD had listed a notice in the Federal Register amending their decision regarding the DDA designations. The ruling will allow the listings in place in 2003 to remain in effect through December 17, 2004. This will benefit several farmworker projects in Washington, and is a tangible, if partial, victory for the Trust. The Board joined in a round of applause for Gloria, Mary McBride, and Senator Murray for their efforts to secure a positive result. Although this decision mitigates the near-term impact of HUD's decision, it does not address the long-term challenges created by their use of the current formula. Mary McBride indicated that Senator Murray is still interested in pursuing legislation to make the formula used for these designations more relevant to the needs of farmworkers.

FISCAL AGENT REPORT

Brien distributed a budget summary through September. He noted that both ORFH and Cedar River have essentially billed for the full amount of their contracts, so he expects only slight changes will be evident in our fund balance at the end of the fiscal year on October 31. At present we have expended \$117,393.78, leaving a balance of \$61,436.22

FY 2005 APPROPRIATIONS

Mary McBride reported that the Congress will meet in late November to complete the federal appropriations process. She indicated that the very tight budget situation, and the results of the election, will make it more difficult to secure funding. She indicated that the funding request for the Trust was still included in the Senate's deliberations, and remains a very high priority for the Senator. However we cannot be certain that the allocation will not be eliminated or reduced. It is essential that the Trust work to secure other resources because, even if the appropriation comes through, it is likely to be four to six months before HUD would be able to pass the funds along. With the fund balance we are carrying forward (\$61,000) we will need to raise about \$30,000 to continue operating at the current level of activity through April of 2005.

EFFORTS TO FILL THE FUNDING GAP

Juan asked Tom to report on the meeting that was held with Stephen Buxbaum, Deputy Director of the Department of Community, Trade, and Economic Development (CTED). Tom reminded the Board that the meeting resulted from Mike Gempler's request to the Governor's office for assistance in filling the funding gap. The Governor's Office indicated that the Trust should approach CTED and the Trust submitted a letter formally requesting financial assistance in September. At Stephen's invitation, Kim Herman, Executive Director of the State Housing Finance Commission, and Paul Purcell of Beacon Development also attended. The Trust Board was represented by Tom, Mario, and Juan (by telephone). Tom distributed a written summary of the meeting. The key points that emerged from the meeting were as follows:

- Stephen and Kim expressed strong support for the Trust and its goals. They feel that the broad spectrum of interests represented on our Board, and our ability to speak with one voice, create the opportunity for the Trust to be very effective.
- They support our effort to expand the State Housing Trust Fund, and our goal of securing more Trust fund dollars for farmworker housing. However they would prefer to accomplish these goals without legislation setting aside a specific amount for farmworker housing. It is their contention that "set-asides" create political divisions within the

constituencies that support the Trust Fund and reduce flexibility for both the State and housing development agencies.

- Both Stephen and Kim believe that a Farmworker Survey is an important “next step” for the Trust, and Stephen indicated that he would be willing to explore the possibility of CTED contributing funds to the Survey. They see the Survey as essential in determining the extent to which homeownership is an option for farmworker families. Kim indicated that if data supported the idea that homeownership is a realistic option for a substantial portion of the population, the Housing Finance Commission could issue bonds for that purpose. He added that he believes Fannie Mae shares an interest in home ownership among farmworkers.
- Stephen promised to “be creative” in exploring ways to help fill the funding gap in the Trust’s operating budget. (Note: On November 8th, Stephen contacted Tom to inform the Trust that CTED would commit \$20,000 toward meeting the Trust’s operating budget needs until the Congress has acted on the appropriations request.) A more complete record of the meeting is included as *Attachment 1* to these Minutes.

MEMBER UPDATES AND ANNOUNCEMENTS

- Brien Thane announced that the position of Regional Director of the U.S. Department of Agriculture is now open. This is a critical position in determining how well USDA funds are used for farmworker housing. He invited Board members to help him identify potential candidates. Mike Gempler and Billie Heath volunteered to help Brien with this.
- John Smith announced that the farmworker housing project at Raspberry Ridge has been receiving funding for computer literacy through the Gates Foundation, and that funding is about to end. In seeking new sources of funding, it would be helpful if the Farmworker Survey included questions about computer literacy.
- Billie Heath announced that RCAC is launching a direct mail fundraising campaign for farmworker housing. Her organization has also been selected as the recipient of a major loan from Fannie Mae for homeownership counseling. RCAC is also undertaking a farmworker survey in Mattawa, and they would like to offer to be a test site for the Trust’s farmworker survey. The work is being funded by an “emerging issues grant” from CTED.
- Mike Youngquist observed that the recent harvest in the Skagit was a tough one for many growers because late season rainfall damaged some crops.
- Erik Nicholson called the Board’s attention to the initiative by the Global Horizons Corporation to bring in farmworkers from Thailand. The Union and other farmworker advocates have been monitoring this initiative and have intervened to address violations of the law regarding this initiative.
- Heyward Watson announced that he will attempt to secure a contribution of funds for the farmworker survey from Fannie Mae. He reiterated Fannie Mae’s deep interest in the needs of rural communities.
- Dixie Kracht brought the Board up to date on her efforts to work with county commissioners on the farmworker housing issue. She indicated that she believes steady progress is being made. The commissioners in Benton and Franklin Counties have recently indicated that they will accept a proposal to dedicate their Counties’ income from recording fees to farmworker housing projects. This would be a similar measure to

the one in place in Yakima County, and could generate tens of thousands of dollars each year.

- Mike Gempler indicated that he recently attended a successful meeting of the Emergency Housing Group to lay the groundwork for a plan for 2005. He said the group is working through issues with county commissioners in light of the five year sunset provisions for the public camps operated by the State.
- Juan Aguilar commented on the efforts to reduce the WASL standards within the public schools. It is his view that the effort will harm farmworker children, and many others, by lowering standards. He urged the Board members to study the issue and take action.

FARMWORKER SURVEY

Since Mario was unable to attend the meeting, Juan asked Tom to describe progress on the survey. Tom called the Board's attention to the new proposal from Applied Survey Research (ASR) for conducting the study. (The proposal was emailed to Board members with the meeting materials.) ASR is a non-profit research organization in California that has a great deal of experience in conducting surveys of economically disadvantaged populations. It was ASR that conducted the farmworker survey in Monterey and Santa Cruz counties in California. Tom also called the Board's attention to Alice Larson's assessment of the proposal, which had also been distributed by email, and to concerns raised by Brien Thane regarding the duration of the study and the wages proposed for interviewers. He said that, in light of Dr. Larson's concerns, and those raised by Brien, he hoped that the meeting would produce a complete list of questions for ASR.

The Board then engaged in a spirited discussion of the survey. That discussion is summarized in *Attachment 2* to these minutes. At the conclusion of the discussion, **Erik Nicholson moved that the staff be directed to draft a letter to ASR listing the Board's goals and key questions to be included in the survey, as well as a description of the concerns identified by Dr. Larson, Brien Thane, and members of the Board. The draft will be reviewed by the Board and conveyed to ASR for their response. A conference call will be scheduled during which Dr. Larson, Brien, and Tom will explore unresolved issues with the Director of ASR. Dixie Kracht seconded the motion and it passed unanimously.**

PROGRESS ON THE COMPREHENSIVE PLAN

Juan asked Tom for a brief report on progress in drafting the Comprehensive Plan. Tom passed around a draft copy of a portion of the plan, reflecting the proposed layout of the document. He indicated that his goal was to have a complete draft of the plan for Board review prior to the end of the year. He also handed out a list of requests for specific information from each member of the Board, and reiterated his long-standing request for photographs and quotations from farmworker families and growers about the importance of farmworker housing in their lives.

IMPLEMENTING THE PLAN TO SECURE NEW RESOURCES

Juan asked Tom to initiate the Board discussion of actions to implement the plan that was outlined at the September meeting in Burlington. The Board's discussion quickly focused on the State Action Agenda and the strategy for increasing the amount of state funding for farmworker housing. **Erik Nicholson moved that the Action Agenda be amended to include a request for**

state financial support of the Trust's operations. After discussion, the motion was seconded and passed unanimously.

Brien Thane raised the issue of the language in the Action Agenda regarding the request that the amount of Housing Trust Fund resources dedicated to farmworker housing be doubled in the next biennium. He reminded the Board of CTED's resistance to set-asides and reported that the Low Income Housing Alliance would probably not be supportive of that request because of the problems they see in expanding the proportion of the Trust Fund that is set-aside for various programs. He strongly suggested that the Trust would be better served by adopting the following language as an alternative:

“ The Trust will work with the legislature and the Low Income Housing Alliance to increase funding for the State Housing Trust Fund to \$100 million in the next biennium, with farmworker housing as a priority.”

Following Board discussion, it was moved and seconded that the Board adopt the position as stated above. The motion was adopted unanimously. Tom then suggested that the Board's flexibility on this issue should be seen as a sign of our good faith and dedication to the principle of working in coalition with CTED and members of the Alliance. However, it also means that we will need to work with CTED to meet three related objectives:

- *Provide certainty to our constituencies that the increase in funding for the Housing Trust Fund will translate into increased funding for farmworker housing.* If we are asking growers, county commissioners and others to support the increase in the Housing Trust Fund, it is likely that they will require such assurances as a condition of their political support.
- *Provide certainty to potential philanthropic partners.* In a similar vein, the foundations we wish to approach for funding are certain to ask whether the public sector has shown a willingness to increase its level of commitment to farmworker housing.
- *Provide non-profit and public housing agencies with sufficient development capacity to take full advantage of the increased funding levels.* There is a need to increase staff capacity among the rural housing development agencies to assure that they are able to generate a greater number of quality projects during the next biennium.

There was a consensus that we schedule a follow-up meeting with Stephen Buxbaum to address these issues. Tom will work with Stephen to arrange a date and all Board members who are able to do so are urged to attend.

Discussion then turned to the Federal Action Agenda. Mary McBride indicated that Senator Murray is looking forward to working with the Trust to advance the items on the Agenda, as well as renew the contacts she has made with foundations. She will work with Tom and John Engber to identify the best ways to move forward.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:10 p.m.

NEXT MEETING

The next meeting of the Board will be held from 10:30 a.m. - 3:00 p.m. on Monday, December 6, 2004 at the Law Offices of Riddell Williams, 1001 - 4th Avenue Plaza, Suite 4500, Seattle, Washington 98154.

Respectfully Submitted: _____
Secretary

Approved: _____
President/Vice President