

MINUTES
Board of Directors Meeting
Friday, November 18, 2005 • 10:30 a.m. – 3:00 p.m.
Randolph Carter Center
Seattle, Washington

ATTENDANCE

Members present: Gloria Burton, Guillermo Castaneda, Mario Villanueva, Tomás Villanueva Michael Youngquist and (by phone): Dixie Kracht, Pete Garza, Billie Heath. Members not present: Juan Aguilar, Mike Gempler, Alicia McRae, John Smith, Erik Nicholson, Heyward Watson, and Ex Officio members present: Janet Abbett – CTED and (by telephone): Mary McBride – Office of Senator Murray. Staff present: Tom Byers and Kristi Buck – Cedar River Group; and (by telephone): Brien Thane - Office of Rural & Farmworker Housing.

WELCOME AND INTRODUCTIONS

Gloria Burton, Secretary, called the meeting to order at 10:45 a.m., and introduced Michael Riechert, Executive Director of Catholic Community Services of Western Washington (CCSWW), who provided a warm welcome and words of encouragement to the Board. He said that the mission of the Trust was very important to his organization, as exemplified by the great work that Gloria and her colleagues have been doing in creating farmworker housing in western Washington. He said that CCSWW is constantly looking for ways to be more effective, and offered the resources of his organization to work in partnership with the Trust. The Board members expressed appreciation for his remarks.

APPROVAL OF THE MINUTES

The Minutes of the October 14th, 2005 meeting were reviewed. Tomas Villanueva moved approval of the minutes. Guillermo Castaneda moved that the minutes be amended to reflect the fact that two Board members listed had resigned. He also reminded the Board that we had discussed the idea of inviting key legislators to attend a future Board meeting, but there was no mention of that in the minutes. Tom offered to revise the minutes to reflect those suggestions. The minutes were then approved as amended by unanimous consent.

OLD BUSINESS

EXECUTIVE COMMITTEE REPORT

- **Letter of thanks to Consul Jorge Madrazo.** Tom Byers reported that he had followed up on the Board's request to write of letter of thanks for the Consul's kind offer to use his weekly radio program to publicize the farmworker survey. The letter informed him that Guillermo Castaneda and Tomás Villanueva have volunteered to serve as spokesmen for the Trust, and that we had agreed that we would like to use his program to inform the community about the survey when it resumes next spring. Tom Byers will follow-up at the appropriate time.
- **Board vacancies.** With the resignation of Lupe Gamboa, the Board has two vacancies to fill: a grower position, and a community stakeholder position. Mike Gempler and Mike Youngquist have agreed to develop a list of potential grower representatives, and several Board members have identified possible replacements for Lupe. Among the names gathered thus far are: Juan Carlos Oliveras, Executive Director, Yakima Valley Farmworkers' Clinic;

Carlos Diaz, Director of the Migrant Council; Rogelio Riojas, Executive Director, Sea Mar Community Health Centers; and Jim Potts, Washington Association of Counties. The staff will send out one more request for nominations and the schedule a conference call with the Executive Committee to develop recommendations.

- **Executive Director Search.** Tom Byers reported that he had followed-up on the Board's instruction to seek changes in the draft contract with the State's Executive Search Service (ESS) to make certain the Trust retained ownership of the job description and other intellectual property that might be useful to the Trust in the future. He indicated that Ted Koska, the director of ESS had been most cooperative, and made the requested amendments. He also lowered the cost of the basic search to \$12,500. Tom also reported that the search committee had held a conference call with Mr. Koska to begin the process. Since Tom did not participate in the call, he asked Mario to summarize the issues that had been discussed. Mario reported that the committee and Mr. Koska had agreed that it would be difficult to conduct a quality search during the holiday season. ESS and the committee will use the next six to eight weeks to lay the groundwork so that the search can begin in earnest after the New Year. The first step will be to refine the job description, and that process is underway. The search committee will continue working with ESS, and report progress to the Board at regular intervals.
- **Approval of Annual Report.** The Trust's annual report to the Secretary of State is due on November 30th. This report is a very simple form stating the purpose of the organization, the composition of the Board, and the income information contained in the most recent federal 990 form. The staff has filled out the form and requests the Board's approval to submit it at this time. A more complete annual report, in a format similar to last year's document will be prepared before the year's end, to be used in updating our supporters and submitting grant proposals. Tomas Villanueva moved approval of the submission of the annual report. Guillermo Castaneda seconded the motion, and it was unanimously approved.

FARMWORKER SURVEY COMMITTEE REPORT

Mario Villanueva and Tom Byers said that they had hoped to have Peter Connery and Alice Larson join the meeting by telephone to update the Board on the results of the survey, but that proved impossible because of scheduling conflicts. Peter recently submitted a brief written report to the committee that indicated that the pilot had gone reasonably well, but that there were some discoveries during the process that would be valuable in fine-tuning our procedures. Mario indicated that, in retrospect, the pilot had been a valuable tool. He said the committee would need to follow up to make the necessary adjustments soon, because the full survey will be starting in just a few months.

FINANCIAL MANAGER'S REPORT

Brien Thane reported that as of October 31st, the Trust currently has a favorable balance of \$94,531.49, and expenditures are at or below projected levels in all budget categories except supplies and postage. He reminded the Board that the figures do not reflect either billings received in November, or do they include grant funds received after October 31st. He indicated that a \$25,000 grant had been received during the past week, so the current balance in our account is actually higher than what is shown in the report.

FUNDRAISING REPORT

- **2006 Federal Appropriation.** Mary McBride reported on the progress of the appropriation. She stated that, in spite of deep budget cuts, Senator Murray had fought very hard to keep the Trust's appropriation at the \$1.5 million level, and that she had prevailed in conference committee. The Congress is scheduled to vote today on the conference report, and it will then go to the President for signature. Although anything is possible in Washington, D.C., she does not anticipate any surprises. Several Board members expressed deep appreciation of the Senator's efforts and said that it was remarkable that she had managed to bring the appropriation through unscathed.
- **Current fundraising.** Tom Byers distributed the updated fundraising report, showing the amounts in-hand, committed but not yet in-hand, and pending. The major change, in addition to the \$25,000 transfer from the Enterprise Foundation, is the news that the Marguerite Casey Foundation approved our full request (\$22,000). Assuming the \$1.5 million from the federal government is signed into law, Tom will seek a meeting with the Paul Allen Foundation to follow up on our pending request for matching funds (\$750,000).
- **Future fundraising.** Guillermo Castaneda asked what the plans were for additional fundraising, and whether additional staff time was needed to pursue other major foundations. Tom indicated that most of the staff time in the past two months has been focused on raising sufficient funds for the farmworker survey, getting the pilot off the ground, and securing a contract for the Executive Director search. Now that those goals have been accomplished, the staff will focus on working out the 2006 State Action Agenda, and identifying major fund sources to complete the Capacity Building Fund development. Guillermo and Mario suggested that the Board might need to consider asking for more staff time from CRG to prepare major funding applications.

2006 STATE ACTION AGENDA

Progress of State Farmworker Housing Initiatives:

- **Infrastructure Matching Fund.** Janet Abbett reported that the first set of IMF grants are scheduled to be made in December. Work is also underway with the WCRA to identify a strategy to provide low-interest loans to growers who participate in the program.
- **Housing Trust Fund.** Janet Abbett reported that the fall round of funding through the Housing Trust Fund is now in the project review stage. She stated that the HTF had received applications for \$45 million and had less than half that amount available. She said that the final awards would likely bring the total amount expended for farmworker housing in the current biennium to well above the \$8 million set-aside. Mario Villanueva suggested that meant that there would be a good chance, based on Janet's comments, that it would be possible to achieve the \$16 million goal. Janet said that officials at CTED were currently discussing whether the farmworker housing providers would have sufficient capacity to generate a sufficient number of good projects to achieve the goal. Board members expressed the opinion that there are a sufficient number of projects in the pipeline to meet the goal.
- **The Guillien Report.** Tom distributed a copy of the latest draft of Teresa Guillien's report regarding the costs and benefits of farmworker housing to local jurisdictions. The report provides very useful information, including data from four studies from other

states that quantify the direct economic benefits to local communities from affordable housing projects. The report also identifies a variety of options for addressing the infrastructure needs of communities to overcome their resistance to tax-exempt affordable housing projects. Her report is especially timely because there may be some potential during the coming legislative session to begin to address the issue.

- **“Home Security Fund”**. Tom indicated that the Speaker of the House’s Chief of Staff had informed the Trust that the House Democrats are considering an attempt to secure an additional \$100 million for housing during the coming session. The new “Home Security Fund” would be a one-time infusion of funds, based on the nexus between the source of the State’s current budget surplus (a hot housing market) and the harm that is caused for low-income residents in such a market. The Speaker is reportedly interested in taking the next step to increase farmworker housing production, and has asked the Trust for a package of proposals for up to \$32 million. To begin the discussion, the staff prepared a memorandum listing the following potential categories to be considered:

1. Seasonal Housing:

- The Trust’s strategic plan calls for increasing the number of beds meeting State licensure standards from 3400 to 7500 by 2008. What actions would be necessary to meet that goal?
- Are any pilot projects ready to go to test new management models for seasonal housing?

2. Permanent Community-Based Farmworker Housing:

- The strategic plan calls for increasing the rate of production from 125 units per year to 500 per year by 2008. What will be required to achieve that goal?
- Our partner agencies currently are limited to one project per round, and there are also limits on the total amount any one sponsor can receive per year. Do we want to propose that those limits be removed?
- The attachment shows projects in the pipeline. What level of additional State resources would be required to get all of these projects under construction by June 2007?

3. Homeownership:

- The strategic plan calls for completion of the farmworker survey, the creation of five pilot projects, and the creation of a homeownership initiative by 2008. In light of Mike Lowry’s success, do we want to revise the goal?

4. Capacity Building:

- Our federal/philanthropic fundraising has been aimed at creating a \$3 million capacity building fund. The federal allocation will probably not be available until 4-6 months after the budget is signed. The Allen Foundation will not announce its funding decisions until March, 2006. Do we want to ask for State dollars to bridge the gap in timing?

5. “Linkage loans or grants” for infrastructure in communities that welcome affordable housing:

- We have often discussed the logjam created by the lack of adequate infrastructure in rural communities. Do we want to propose that some of the funds be used to provide “linkage grants” for this purpose? If so, how should such a program be structured?

6. Management and support services:

- There is a concern that the lack of sufficient capacity to manage additional farmworker projects, and provide the necessary level of support services, may be an impediment to increased production. Do we want to try to address that issue in this context? If so, by what means?

In the discussion that followed, the Board members made the following major points:

- Janet Abbett supported the concept of linkage grants for community infrastructure and said that CTED has had success in the past with CDBG enhancement grants that are similar in concept.
- Guillermo Castaneda strongly supported self-help home-ownership projects and urges that they be included in the package. He added that the Trust’s partners could potentially make good use of \$32 million if CTED could be more flexible with some of their rules. He suggested that some of the funding come directly to the Trust, and reiterated his suggestion to get invite the Speaker to a future Board meeting.
- Tomas Villanueva reported on a project sponsored by the United Farmworkers Union in California that blended self-help home-ownership with training and insurance coverage in a very effective model. He will provide the Board with more details.
- Brien Thane said that he thought the concept of a “sustaining fund”, modeled upon the Washington families Fund, was an exciting idea that might capture the Gates Foundation’s attention. He also said the CTED is currently working on a home-ownership initiative that we should learn about.
- Billie Heath said that the Housing Security Fund would be most valuable if it can be more flexible than the Housing Trust Fund has become. She said this is especially true with regard to seasonal housing projects.
- Mike Youngquist stated that many growers believe that seasonal housing is getting too little attention. This may be a chance to address that concern. Should we ask for \$10 million to broaden the purpose of the IMF? Whatever we do, we are going to have to deal with issues of permitting and financing.
- Tomas Villanueva reiterated a concern about the management practices of growers with on-farm housing. How will the Trust assure that on-farm units are managed in a way that protects the workers?
- Dixie Kracht stated that a better balance is needed between public and private investment if we are going to be successful in addressing seasonal needs.
- Janet Abbett stated that it is becoming clear the dollars are needed to upgrade the housing as well as the infrastructure.
- Guillermo said that the Senator wanted to be innovative. We shouldn’t be afraid to try some pilot projects to see if we can find solutions.
- Mario Villanueva said that the Speaker’s interest in the Home Security Fund provides the Trust with a tremendous opportunity, but putting a solid project together will

require the participation of many partners who are not represented on the Board. He suggested that a committee be formed to try to organize a workshop that would be more inclusive. Mike Youngquist, Gloria, Burton, Brien Thane, volunteered to serve, along with Mario and Tom. The committee will try to have preliminary recommendations formed in time to meet with the Speaker in mid-December.

WEB SITE DEVELOPMENT

Tom Byers distributed a detailed proposal for the content of a Trust web site. The document had been distributed earlier by email, and a few comments were received in response. The recent Enterprise Foundation grant of \$25,000 included \$10,000 that is earmarked for the web site. If the Board approves, Tom will give Rhonda Peterson of CRG the go-ahead to find a technical expert to help us get the web site in operation. Rhonda will write the content. Tomas Villanueva moved that the Board give Tom the authority to spend up to \$10,000 for web site development. Mario seconded the motion and it passed unanimously.

MEMBER UPDATES AND ANNOUNCEMENTS

- Guillermo Castaneda reported on a recent visit to a self-help housing project in Benton City. Although the units are now twenty years old, they are still in excellent condition because the owners take pride in their homes and keep them in good shape.
- Janet Abbett suggested that it would be helpful if someone with first-hand knowledge of self-help housing wrote a manual about how to do it successfully. Guillermo indicated that he would be interested in doing that. Janet also reported that the Governor has re-started the Farmworker Housing Sub-cabinet that once flourished during the early years of the Locke administration. Fred Olson of the Governor's Office chaired the meeting, which was attended by representatives from CTED, OFM, DSHS, Employment Security, Health, Agriculture, and the Hispanic Commission. They will meet again in January, and focus initially on data gathering and establishing an accurate inventory of existing farmworker units.
- Mike Youngquist reported on the difficulties facing the Raspberry Ridge Phase II project in Burlington.
- Tom Byers said that he has been invited to a meeting called by the Planning director of Burlington to discuss the larger issue of how Burlington can meet the need for farmworker housing. He asked for guidance from those who are familiar with the history there. It may be an opportunity to engage a community in a cooperative planning process similar to those underway in the Yakima Valley.
- Gloria Burton reported that it is becoming increasingly challenging to build farmworker housing. There have been 15-20% increases in construction costs recently because of the shortage of labor as construction workers are drawn to rebuild New Orleans or prepare for the Olympic Games in British Columbia. Affordable sites are also becoming very difficult to find and hold.
- Mario Villanueva reported that he met recently with the Governor's staff and shared the progress of the Trust as well as the latest developments in the Raices Project.

NEXT MEETING

The next meeting of the Board will be Yakima, Friday, December 16, 2005.

ADJOURNMENT

The meeting was adjourned at 3:20

Respectfully Submitted: _____
Secretary

Approved: _____
President/Vice President