

**CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT  
BOARD MEETING  
DRAFT MINUTES**

**Thursday, July 27, 2006  
10:00 A.M.**

Location: Elihu Harris State Office Building  
1515 Clay Street  
Oakland, California

Members of the Board in attendance:

Ms. Susan Hildreth, Chairperson  
Ms. Suzanne Deal Booth  
Ms. Georgette Imura  
Ms. Betsy Reeves  
Mr. James Irvine Swinden  
Mr. Jon Vein  
Ms. Anne Sheehan (designee for Michael Genest)

Representing the Senate

Deanna Spehn, representing Senator Christine Kehoe  
Assemblymember Hector de la Torre

Staff in attendance:

Ms. Diane Matsuda, Executive Officer  
Mr. Joseph R. Klun, Assistant Director  
Ms. Marian Moe, Deputy Attorney General  
Ms. Rachel Magana, Executive Secretary  
Mr. Clarence Caesar, Research Analyst II  
Mr. Frank Ramirez, Research Program Specialist II  
Ms. J. Oshi Ruelas, Research Program Specialist II  
Mr. Billy Cheung, Office Technician  
Mr. Bill Batts, Architectural Associate

**1. Roll Call**

Chairperson Hildreth called the meeting to order at 10:00 a.m. A quorum was established.

**2. Chairperson's Report**

Chairperson Hildreth announced that a few days ago the resignation of Board member Arabella Martinez was received.

Chairperson Hildreth said that the projects that appear on the Agenda are for consideration and approval for funding and they have submitted the necessary information to proceed to the grant agreement phase.

As part of today's meeting the Board will be taking a tour of the Oakland Museum of California. This project was funded by the Endowment in Round One. The public is invited to participate in the tour if they wish.

There were no comments from the public.

### **3. Approval of Minutes for April 27-28, 2006. (action)**

Ms. Sheehan moved approval of the April 27 and April 28 minutes; seconded by Ms. Reeves. Motion carried unanimously.

There were no comments from the public.

### **4. Executive Officer's Report**

Ms. Matsuda updated the Board on the following three items:

- She introduced Mr. Joe Klun, the new Assistant Director of the California Cultural and Historical Endowment.
- Oshi Ruelas, who has served as the Endowment's Research Program Specialist will be leaving.

At this point Ms. Booth joined the meeting and noted a discrepancy in the April minutes. She said the minutes reflected Ms. Brophy as attending; however she was not in attendance. She asked that the minutes be corrected.

- Ms. Matsuda showed slides of two projects that have been completed under Round One: the Discovery Science Center located in Santa Ana and the Santa Monica Public Library where 38 panels of Stanton McDonald-Wright's murals have been reinstalled.
- The San Diego Natural History Museum had their grand opening and they presented Board member Bobby McDonald with a poster as a way to thank the Endowment for their support. Ms. Matsuda presented the framed poster to Chair Hildreth.
- A summary of Round Two projects was provided. The Board reserved funding for 79 projects; 34 of the 79 were planning grants totaling approximately \$4.8 million and 45 projects totaling approximately \$38.7 million.
  - Thirty counties were represented.
  - The Board approved funding for 34 planning projects and gave the Executive Officer authority to follow-up with the projects to gather the necessary information in order to initiate

- grant agreements. Ms. Matsuda will continue to update the Board as the grant agreements are prepared.
- Planning grants are exempt from CEQA compliance, which allows them to move much faster through the administration process.
  - When staff conducted further review of the information that was submitted by 14 grant applicants, whose property is owned by the Department of Parks and Recreation, it was discovered that the current property arrangement does not provide the necessary information required by the Endowment regarding exclusive control and the term of years (a period of 20 years).
    - The Endowment's legal counsel and Ms. Matsuda have met with the Deputy Director of Parks and its legal counsel regarding this issue. The Parks and Recreation staff noted that there is specific legislation which prohibits them from delegating authority to non-profit organizations to directly conduct capital assets projects on its property.
    - Some of the projects fall outside of this requirement because State Parks was the applicant and specific legislation allows the non-profit entity to actually have exclusive control of the property.
    - Projects that fall into this category total \$6.1 million.

Ms. Sheehan asked if there is a solution to this issue and how quickly can it be resolved. Ms. Moe mentioned that action for this item is not on today's agenda so she cautioned about having Board deliberations, however asking for information is appropriate. Ms. Moe said on the easier projects she feels they can be resolved within a month but the more difficult ones will present policy questions for the Board.

Ms. Tara Todd, staff counsel with California State Parks said that she prepared a memo on July 14 and presented the Board with a copy.

- Regional information meetings were held in San Francisco, Sacramento and Los Angeles for both planning and project grant applicants who received a reservation of funding. The planning grant applicants and project grant applicants were sent a staff summary of the meetings. The staff summary also included a number of questions and a list of documentation needing to be sent to the Endowment. The list that appears on the agenda are those applications to be considered for approval of funding and represents projects that have provided all of the necessary information.
  - There are, however, two projects that are listed on the agenda that staff requests to be considered at the next scheduled Board meeting. These projects involve environmental impact reports and the level of review by CCHE staff will require more time. These projects are the City of Pasadena and the La Plaza de Cultura Y Artes.

### Public Comment

Ms. Todd, Executive Officer for California State Parks discussed ways to approach the situation with the State Parks. There are 14 projects wherein DPR is the beneficiary of the project. One is the Casa de Bandini and because the State Parks owns it all the requirements will be met.

There are two other projects, El Presidio de Santa Barbara State Historic Park and San Diego Archeological Center that will be able to do the public works component.

The remaining grants will be a challenge and she suggested one of the following two proposals to meet the land tenure requirements:

- A cooperating association agreement whereby they can raise money for State Parks and they can do some projects on State Parks property. Through the operating agreement she could amend it so that they can conduct capital assets for a period of 20 years and add language that addresses specifically the grant projects and that they will have access and it will be open to the public.
- If the Board does not like the idea of a cooperating association agreement, then she suggested a memorandum of understanding. What the memorandum of understanding would do is allow the non-profit access for the purposes of the grant and the State Parks would maintain the property for the public for 20 years.

If the Board does not want 11 individual MOUs then she could prepare a master MOU between CCHE and the Department of Parks and Recreation with the grantees signing on. She said it is actually better that State Parks operate these rather than the non-profits because the State Parks is better staffed to actually operate the parks. She proposed a subcontract agreement where the non-profit subcontracts the public works portion with DPR and DPR will bid it out according to the Public Contract Code.

- Another option would be for CCHE to allow the non-profit to transfer the public works funds to the Department and the Department would administer the public works.

Ms. Spehn said the Board doesn't meet again until October and asked if this is something that can be resolved in three months. Ms. Moe said for those that can be resolved within existing laws and the Board's regulations and policies they could be resolved before the next meeting. However, the more complicated ones may not be ready by the next Board meeting.

Ms. Sheehan said it would be helpful if staff could review this and bring their recommendations back to the Board. Ms. Moe said because the projects are subject to the California Environmental Quality Act, there needs to be environmental documentation that describes what the environmental impact is and the Board needs to have the Environmental report in front of them in order to make a decision. The Board has reserved money for these projects and it is available for when the project comes back to the Board together with the environmental documentation.

Chair Hildreth asked if the Executive Officer or the Board Chair could make the decision. Ms. Moe said that this is a non-delegable responsibility of this Board. Chair Hildreth suggested that staff poll the Board to try to find a time that they could attend another meeting between now and the next meeting in October.

**5. Review of Projects Reserved for funding from Round One for action on funding or continued reservation of funding – San Francisco Museum and Historical Society.**

Ms. Matsuda said that the Board, at its last meeting in April, imposed a deadline date of July 27, 2006 for the San Francisco Museum and Historical Society to submit a copy of a signed DDA. Michael Cohen, the attorney from the City and County of San Francisco asked for an extension of the deadline for the following reasons:

- The City would like to amend the current DDA to provide more provisions to incorporate an oversight structure to review the applicant's budget and operations on a yearly basis.
- The State Historic Preservation Officer and the City's Landmark Board are still resolving an issue regarding the use of the attic in the building. This issue is expected to be resolved in early August.
- The City will not be able to submit the DDA for the Board of Supervisor's approval until the preservation issues are resolved.

Staff recommends that this project be extended until December 1, 2006.

Mr. Cohen asked for the Board's continued support and patience of the Old Mint project. There is almost complete public and political consensus that a city museum is the right use for this building. The City will play an active role in this project and there has to be put in place some direct oversight by the City who will be approving land in the budget every year which will provide financial sustainability.

The second issue has to do with the schematic documents that have to be approved by SHPO and the HP consultant, before the DDA lease can be taken to the Board of Supervisors.

The critical date for this project is August 18, 2006, when the documents will be presented to the Board of Supervisors. Then the City's budget analyst will review and prepare a report. Based on the 30-day rule, he expects that this would go to the Finance Committee on September 20, 2006 and then to the full Board of Supervisors on September 26, 2006 and have the Mayor's signature by the end of the week. He supports staff's recommendation to extend this until December.

Mr. De La Torre said he would be reluctant to extend this project to December. This is the last project from Round One that has a conditional approval of funding and the books need to be closed for Round One. Ms. Sheehan said \$2.8 million has been reserved and a deadline should be

established. If they don't meet the deadline then the money goes into Round Three.

Mr. Swinden moved to allow the Mint Project until October 31, 2006 to get all their required documents in to the Board by then and if they do not then the money will automatically revert to Cycle Three; seconded by Ms. Sheehan. Motion carried unanimously.

### **Public Comment**

There were no comments from the public.

## **6. Motion to increase funding allocation for Round Two up to \$43,549,139. (Action)**

Ms. Matsuda said that the Board at its meeting in October 2005 allocated \$43 million to be available for Round Two. However, at the last meeting in April 2006 the Board reserved funding in the amount of \$43,549,139 for round two projects; This is \$549,139 over the amount that had been approved for funding. She asked the Board to consider a motion to increase the amount of funding allocation for Round 2 to \$43,549,139.

Ms. Sheehan moved to increase the amount of the Round Two available funds to \$43,549,139; seconded by Ms. Imura.

Ms. Reeves asked if a project drops out because they cannot meet the requirements, would that money then roll into Round Three. Ms. Matsuda affirmed that this is the case and that the motion is to approve funding up to \$43,549,139.

### **Public Comment**

Dorene Soto, employee for the City of Alameda asked to make a statement. Because her comments were not pertinent to Agenda Item 6, she was asked to save her comments for Agenda Item 10.

The motion to increase funding allocation for Round Two up to \$43,549,139 was voted upon and passed unanimously.

## **7. Review of Round Two Planning Grant Applications.**

Ms. Matsuda provided a presentation to the Board showing visuals of 30 of the 34 planning grant projects. Because the Board has already approved these applicants, there is no action required.

### **Public Comment**

Fred Keeley, County Treasurer for the County of Santa Cruz and formerly a member of the California State Legislature, author of Prop 40 and Prop 12, said that it has been a wise decision to construct Prop 40. He is in support

of the Santa Cruz City Redevelopment Agency project. They have been working long and hard on this project and he is very excited about it. He said he is grateful to Ms. Matsuda and Mr. Mischynski for their help and he is grateful that this project has been recommended for the funding list.

Jonathan Yorba, Executive Director of La Plaza thanked the Board and staff for moving so quickly on the planning grants. He said he would like to give his full support to the Plaza De La Raza, Mexican Heritage Corporation, 18<sup>th</sup> Street Art Center, California African American Museum Foundation, Friends of the Chinese American Museum and Fort Mason Foundation.

Charmaine Jefferson, Executive Director of the California African American Museum and the Executive Vice-President of Friends of the Foundation of the California African American Museum, said she was a little surprised to see that there were no visuals for her institution. This represents the third time that she has sent materials for her institution. She said she has slides on her flash drive if the Board would like to see them. She would welcome the opportunity at any given point to give the Board a full presentation. Chair Hildreth asked her to provide a copy of the slides to the staff so the Board can view them at a later time.

Diane Hershey from the Robinson Rancheria thanked the Board for all the effort they are putting into the projects. She said there had been a couple of questions regarding her project's matching funds and this has been taken care of and she will provide the documentation to the staff.

#### **8. Review of Round Two Project Grant Applications for action on approval of funding.**

Ms. Matsuda said that although 13 projects are listed under this agenda item, she would like to request the Board to consider 11 of the 13. The following projects were submitted for approval by the Board:

- The Trinity County Historical Society requesting \$139,532 to create a restoration shop for wheel righting ironwood vehicles in the J.J. Jackson Museum Complex. Resolution No. 06-B1-72 was presented to the Board for approval.

Ms. Booth moved to approve Resolution No. 06-B1-72; seconded by Ms. Sheehan. Motion carried unanimously.

- Sonoma County General Services Department, Architects Office, for \$305,290 for the renovation of the Hood House. Resolution No. 06-B4-41 was presented to the Board for approval.

Ms. Sheehan moved to approve Resolution No. 06-B4-41; seconded by Ms. Imura. Motion carried unanimously.

- City and County of San Francisco Recreation and Park Department for \$488,411 for the restoration of the South Murphy windmill located

in Golden Gate Park. Resolution No. 06-B4-50 was presented to the Board for approval.

Mr. Vein moved to approve Resolution No. 06-B4-50; seconded by Mr. Swinden. Motion carried unanimously.

- City of Benicia for \$500,000 for the stabilization of the Commandant's residence at Benicia Arsenal. Resolution No. 06-B4-53 was presented to the Board for approval.

Ms. Sheehan moved to approve Resolution No. 06-B4-53; seconded by Ms. Booth. Motion carried unanimously.

- Casa Romantica Cultural Center and Gardens for \$201,000 to restore the 1928 Spanish Colonial Revival residence into a cultural center. Resolution No. 06-B1-28 was presented to the Board for approval. Staff noted a slight change at the conclusion of the resolution after "Be it Further Resolved," reads "notice of determination" and should read "notice of exemptions".

Mr. Swinden moved to approve Resolution No. 06-B1-28; seconded by Ms. Reeves. Motion carried unanimously.

- San Jose Museum of Quilts and Textiles for \$370,300 to expand the San Jose Museum of Quilts and Textiles. Resolution No. 06-B1-29 was presented to the Board for approval.

Ms. Sheehan moved to approve Resolution No. 06-B1-29; seconded by Ms. Imura. Motion carried unanimously.

- City of Poway for \$380,311 for the construction of a 1,440 square foot Kumeyaay-Ipai Interpretive Center that will house a museum and classroom. Resolution No. 06-B4-4 was presented to the Board for approval.

Ms. Sheehan moved to approve Resolution No. 06-B4-4; seconded by Ms. Booth. Motion carried unanimously.

The City of Calexico requesting \$712,000 to restore the 1919 Carnegie Library into a center that will serve as a venue for research, digitizing and archiving historical documents. Resolution 06-B4-11 was presented to the Board for approval.

Mr. Swinden moved to approve Resolution No. 06-B4-11; seconded by Ms. Booth. Motion carried unanimously.

- The City of San Fernando in the amount of \$602,734 for the rehabilitation of the Lopez Adobe for use as a house museum. Resolution No. 06-B4-27 was presented to the Board for approval.



Mr. Vein moved to approve Resolution No. 06-B4-27; seconded by Mr. Swinden. Motion carried unanimously.

- The Fresno Metropolitan Museum of Art and Science for \$2,500,000 for the restoration of the Fresno Bee Building into the Fresno Metropolitan Museum. Resolution No. 06-B3-8 was presented to the Board for approval.

Mr. Swinden moved to approve Resolution No. 06-B3-8; seconded by Ms. Booth. Motion carried unanimously.

- The Goleta Valley Historical Society for \$250,000 for the restoration of Rancho La Patera, California's first commercial lemon ranch. Resolution 06-B1-26 was presented to the Board for approval.

Ms. Sheehan moved to approve Resolution No. 06-B1-26; seconded by Mr. Swinden. Motion carried unanimously.

The two projects that the Board will not be acting on today are La Plaza de Cultura Y Artes and the City of Pasadena. Staff needs to provide further environmental documents and review and prepare those for the Board's consideration.

### **Public Comment**

Elena Serrano with the East Side Arts Alliance welcomed the Board to Oakland. She said the Alliance is not included in today's resolutions due to some miscommunication between the City of Oakland and the state staff regarding CEQA compliance. The Alliance is exempt from CEQA and all of the paperwork is in and they are ready to go but did not make the deadline to be placed on the agenda. The Board's next meeting is not until October and the Center was hoping to open in October. She brought pictures of the Center for the Board. She encouraged the Board to be as creative as they can to try to figure out a way to approve them so they can open in October. The opening is timed to coincide with the 40<sup>th</sup> anniversary of the Black Panther Party.

Jonathan Yorba, Executive Director of La Plaza de Cultura Y Artes said he has been working closely with Ms Matsuda and Mr. Ramirez to move this project to funding as quickly as possible. Since the last Board meeting La Plaza became an affiliate of the Smithsonian Institution. It is his hope that the Board will consider an interim meeting before the next official meeting in order that La Plaza can get started.

Erick Serrato, Director of Development of La Plaza de Cultura Y Artes thanked the Board for their reservation of funds. He said that people in Los Angeles are excited about the opening of his project and the rehabilitation of these buildings.

Tomas Benitez said he is a staff member of Plaza De La Raza and thanked the Board for its support for the planning project. He is speaking as a

commissioner of the County of Los Angeles Arts Commission and to offer his endorsement of the Plaza de Cultural Y Artes. This institution is not only important to the Los Angeles region but it has the potential of being a beacon for the state, and certainly having a profile in the nation, presenting Latino Americano art and cultures as part of the American fabric.

Ms. Sheehan said that some projects may be ready and will have all their paperwork finalized in the next few weeks. The Board is not meeting again until October 26<sup>th</sup> and since it cannot delegate Ms. Matsuda or Chair Hildreth to approve these projects then a time should be set for a meeting sometime in August or September.

After further discussion it was the consensus of the Board to hold a meeting in Sacramento in early September and allow Board member call-ins if they cannot meet in person. Staff will poll the Board to establish a meeting date and time.

#### **9. Preliminary Discussion on Round Three Criteria.**

Ms. Matsuda explained that after the Board met in April, the staff sponsored question and answer sessions in three regions, Sacramento, San Francisco and Los Angeles, for grant applicants whose projects were not forwarded to the Board. Many of the comments that staff received at these meetings were regarding the review process. Staff encouraged individuals to submit written comments to CCHE. The comments received from applicants are in the Board packet.

During the last round, staff tried unsuccessfully to incorporate a panel review process. This is something staff would like to reintroduce to the Board for Round Three.

Another area staff is interested in pursuing is to retain the services of a private entity, either a consultant or another state agency or non-profit organization, who has specific expertise in reviewing financial documentation. In order to entertain this idea, CCHE would have to go through rigorous process through state government and go out to bid. Staff has been advised that the earliest they can expect to be able to have some type of selection would be at the end of September.

After the selection of this entity they would work with staff to help prepare the financial sustainability part of the grant application to make sure the right questions are being asked. Ms. Matsuda requested that staff be allowed adequate time for the review process for this last and final round.

Chair Hildreth said that she certainly wants to make sure that staff feels there is a good process in place and that they have plenty of time to make good decisions.

Ms. Reeves said she would like everyone in the audience to understand that the Board and staff have worked hard to provide a balanced program to serve them and the Board and staff are dedicated to the process.

### **Public Comments:**

Felix Aquino with the State Center Community College District in Fresno, California said that they submitted a proposal in the last round. As a result of the process, he would respectfully like to suggest some modifications in the process. He addressed the issue of inter-reader reliability. The changes that he proposes would add some safeguards to minimize the great discrepancies in the scores among different readers of the same proposal. The training process for proposal readers should address the issue of inter-reader reliability and incorporate mechanisms for enhancing the reliability. Also, an additional reviewer should be incorporated in the process for a total of three reviewers per application. He suggested that the CCHE staff review scores and comments to assure that they are consistent and that all point deductions are supported by explanatory comments. There should be an opportunity for applicants to appeal results based on significant discrepancies in scores or other evidence of possible reviewer error.

Charmaine Jefferson, former deputy and acting commissioner of Cultural Affairs for the City of New York said she applauds the staff for wanting to try to bring some consultants to the table and suggested that there might be some conversation with the National Endowment for the Arts and the National Endowment for the Humanities because they have been utilizing outside consultants for quite some time. They gather a pool of consultants and all of them get a certain honorarium, a certain amount of money and it is a fixed amount. Secondly the City of New York has a very extensive process and they utilize other agencies. She also suggested that as the staff thinks through its lead time, that it assumes that the field needs at least six months in order to complete the depth of detail that is required for this particular application.

Mr. De La Torre said he agrees with the comment of increasing the readers to three.

Chair Hildreth said she thinks the concept of three reviewers is great but there is a challenge in identifying readers who do not have involvement in any of the applications. It seems that the cultural world is fairly small. Staff is hoping to attain three reviewers in the next round.

Delegate Spehn said the next Board meeting is in October. A comment was made from the public that a six-month lead time is needed in the field. It is hoped that at the October meeting that Ms. Matsuda will be prepared to lay out a timeline that is reasonable. If the January 31<sup>st</sup> deadline for Round 3 needs to be changed she wants to be sure that the information gets to the public as soon as possible.

#### **10. Public Comment.**

Dorene Soto from the City of Alameda said after hearing the comments from today's meeting it sounds as if refinement for the next round will happen. The City of Alameda submitted a grant application for the restoration of the

Timothy Pflueger Alameda Theater. The application was not considered for final review. The application scored high in every area except Section 5, which was regarding sustainability. Reviewer number one and reviewer number two had completely different accounts. So in the end her application was not denied because of a lack of unworthiness, but basically because of a misunderstanding of redevelopment and the sustainability between the reviewers. She believes there should be an overlap between the reviewers.

Jennifer Ruffalo from California State Parks raised an issue having to do with the John Marsh House. CCHE funded this project both in Round One and in Round Two. In Round One CCHE awarded the City of Brentwood a grant for \$839,000 to do stabilization, and in Round Two CCHE awarded the John Marsh Trust \$200,000 for planning for additional stabilization and preservation. She believes that the Round One grant may have inadvertently gotten caught up in some of the issues that are being debated about Round Two projects in State Parks. The City of Brentwood signed their grant agreement in January, but the grant agreement has not yet been executed. It has been a year and a half since the Round One grant was awarded and the project is ready to go. The city has more than one million dollars in matching funds and she would appreciate it if CCHE could take a look at this and try to expedite completion of the grant agreement.

Anthony Radanovich, Executive Director of the Rural Media Arts and Education Project in the rural county of Mariposa, California, said this was a Round two application. They went through the process of the application and wrote their narrative on Microsoft Word and their budget in Microsoft Excel. Two days before the deadline he ran into a myriad of problems to where the fillable program was not working. The crux of the problem was Charts F and G were not printing and they alternately were not showing on the file. He contacted CCHE and was told to print Charts F and G and submit them. His application went through the process and scored 90 percent, minus charts F and G. CCHE sent an official statement specifying that the responsibility of the grant applicant is to make sure that the information included on the CD ROM is identical to the hard copy. He had talked to staff about the problem and done everything he could on his end. This is a serious flaw in the process and he would like to talk to the Board in more detail about this.

Marguerite Sprague from the Sierra State Parks Foundation said she was here checking in about the Bodie Stabilization Project. She had hoped it would be on today's agenda, but because of the DPR it was not on today's agenda. She would like the Board to keep in mind that in Bodie the work season is short. Her association's mission is very much in synch with DPR's missions. She invited the Board to "Friends of Bodie Night, the second Saturday in August so they could see the buildings and enjoy the park.

Karen Wahl from the City of Brentwood said the City Council executed the agreement with CCHE for their award in January. She contacted Frank Ramirez, CCHE staff liaison because she had not heard anything and he was advised that the agreement was signed in May, but she has not received it. She was also told not to proceed with the project. The city is in

a collaborative arrangement with State Parks and with the John Marsh Historic Trust. She would like to proceed with the project if the Board feels it is appropriate.

**11. Administrative Matters.**

Ms. Matsuda will poll the Board for an early September meeting date and get back to the Board members with the final outcome.

**12. Public Tour of Oakland Museum of California located at 1000 Oak Street, Oakland, CA 94607.**

The meeting recessed at 12:25 p.m.

**13. The Board Reconvenes**

The Board then reconvened for a public tour of the Oakland Museum of California. The public attended. No Board business too place.

Mr. James Irvine Swinden adjourned the meeting at 1:45 PM.