

SEPTEMBER 28, 2023

WASHINGTON STATE HOUSING FINANCE COMMISSION
COMMISSION MEETING PACKET

WSHFC



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Opening doors to a better life

**WASHINGTON STATE HOUSING FINANCE COMMISSION
COMMISSION WORK SESSION AGENDA**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Work Session** in the **28th Floor Board Room**, located at **1000 Second Avenue, Seattle, WA 98104-3601**, on Thursday, September 28, 2023, at 10:00 a.m., to consider the items in the agenda below.

Pursuant to RCW 42.30.030(2), which encourages public agencies to provide public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

To join virtually, please go to www.zoom.us, go to “Join a Meeting” or “Join” and enter:

Meeting ID: 839 5635 9904

Passcode: 088544

Participants who wish to participate telephonically in the United States, please dial either toll free number: 1 (888) 788-0099 or 1 (877) 853-5247

Participants wishing to provide public comments, please see public engagement opportunities on page two below for instructions.

- I. Steve Walker/Lisa DeBrock/Morgan Williams, National Fair Housing Alliance:**
Update on the Covenant Homeownership Program Activities (25 mins)
- II. Lisa Vatske/Darryl Smith, HomeSight:** PRI Investment Recommendation – Field Order 15 Fund (15 min.) **A**
- III. Lisa Vatske/Kate DeCramer/Keri Williams:** Bond Policy Program Changes (25 mins) **B**
- IV. Lisa Vatske:** Rent Stabilization Discussion Update (30 mins) **C**
- V. ~~Corina Grigoras:~~ Informational Report on Department of Commerce Activities** **D**
(if time allows)
- VI. Steve Walker:** Executive Director’s Report (if time allows) **E**

Note: There will be a break after the conclusion of the Work Session. The Commission Meeting will reconvene at 1 p.m.

Public Engagement at Commission Meetings

All Board meetings of the Washington State Housing Finance Commission are open to the public. Our intention is to welcome all members of the public and to provide a clear and reasonable process through which they can share their thoughts with us.

Different ways to Join a Commission Meeting:

1. Click [here](#) to go to the meeting directly
2. At www.zoom.us, go to “Join a Meeting” or “Join” and enter:
 - Meeting ID: **839 5635 9904**
 - Passcode: **088544**
3. To participate by phone, dial toll-free in the U.S. either: **1 (888) 788-0099 or 1 (877) 853-5247**
4. Members of the public can attend either or both the 10 a.m. Work Session and/or the 1 p.m. Special Meeting in-person in the 28th Floor Board Room, located at 1000 Second Avenue, Seattle, WA 98104-3601.

During Meetings:

During Commission board work sessions and board meetings, attendees can see and hear all presentations and business taking place. Microphones will be turned off except to receive comment during public hearings and the public general comment period.

Public Hearings:

Commission meetings often include public hearings for specific housing projects or other policy decisions. Please limit comments to those directly related to the public hearing topic.

Public Comment:

- **Purpose of Public Comment**
During this period, the Commissioners listen to public concerns and comments but do not generally engage in dialogue. Staff will follow up with commenters who request assistance or answers to questions, providing that contact information is shared. Anyone who wishes to speak during the public comment period can take this opportunity.
- **When to Comment**
The public comment period takes place near the end of the afternoon Commission board meeting (not the morning work session). The starting time for the public comment period depends on the length of the Commission’s other business. Typically, the public comment period is reached after about an hour (2 p.m.) but may be sooner or later.
- **Raising Your Hand in Zoom or Through Phone Participation**
To give us a sense of the number of people wishing to speak and help us call on you in an orderly fashion, the meeting Chair will ask you to use the Zoom “raise hand” feature to indicate you would like to speak. People participating on the telephone can press *9 to virtually “raise a hand.” Whether or not you are able to virtually raise a hand, the chair will provide time and opportunity for all to share their comments before closing the public comment period.
- **Timing of Comments:**
We ask that speakers keep their comments brief (2 to 3 minutes). The chair may ask you to begin bringing your statement to a close after that time, especially if others are waiting to speak. Our intention is not to impose a specific time limit unless it seems necessary to give a large number of speakers an equal chance to share their comments.

**WASHINGTON STATE HOUSING FINANCE COMMISSION
COMMISSION MEETING AGENDA**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Special Meeting** in the **Commission’s Board Room**, located at 1000 Second Avenue, 28th Floor, Seattle, Washington 98104-3601, on Thursday, September 28, 2023, at 1:00 p.m. to consider the following:

- I. Chair: Approval of the Minutes from the August 24, 2023, Special Meeting.** **1**
(5 min.)

- II. Chair: Conduct a Public Hearing on the following:**

 - A. MLK Mixed-Use and Early Learning Center, OID # 22-40A** **2**
Dan Schilling: The proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 148-unit multifamily housing facility located at 7544 Martin Luther King Jr. Way S. and 7529 Renton Avenue S., Seattle, WA 98118, to be owned by North MLK Development LLLP, a Washington limited liability limited partnership. The notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$34,000,000. (5 min.)

 - B. Squire Park Plaza, OID # 23-72A** **3**
Dan Schilling: The proposed issuance of one or more series of tax-exempt revenue bonds to refinance all or a portion of existing taxable debt used by the Borrower to finance the acquisition and rehabilitation of an existing facility located at 1710 S. Jackson Street, Seattle, WA 98144, to be owned by NHCDI/LIHI Squire Park Plaza LLC, a Washington limited liability company, a subsidiary of New Hope Community Development Institute and Low Income Housing Institute (LIHI), both of which are Washington nonprofit corporations and organization described under section 501(c)(3). Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$9,500,000. (5 min.)

 - ~~**C. Apollo by Vintage, OID # 23-83A** **4**~~
~~**Jason Hennigan:** The proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the new construction of a 255-unit multifamily housing facility located at 23601 Highway 99, Edmonds, WA 98026, to be owned by [Apollo by Village, LP (to be created)], a Washington limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$60,000,000. (5 min.)~~

 - D. Proposed Bond/4% Policy changes for the 2024 allocation round** **5**
Lisa Vatske: A public hearing on the proposed changes to the 4%/bond policies for the 2024 allocation round. (10 min.)

- E. **Jacob Richardson:** Recommend and present Projects for Allocation of Low-Income Housing Tax Credits from the 2023 funding round. (5 min.) 6

TC #	Project Name	City	County	Annual Tax Credit Amount
23-20	Kenmore Supportive Housing	Kenmore	King	\$3,124,753

III. Consider and Act on the Following Action Items:

- A. **Resolution No. 23-77 for the 2023 Allocation of Credit for the Housing Tax Credit Program** 7

Lisa Vatske: A resolution authorizing the Executive Director to make reservations and/or allocations of 2023 Low-Income Housing Tax Credits. (3 min.)

TC #	Project Name	City	County	Annual Tax Credit Amount
23-20	Kenmore Supportive Housing	Kenmore	King	\$3,124,753

- B. **Proposed Bond/4% Policy changes for the 2024 allocation round** 8

Lisa Vatske: Request approval of the proposed changes to the bond/4% policies for the 2024 allocation round. (5 min.)

- C. **Resolution No. 23-78, Seattle Academy Project, OID # 23-62A** 9

Lisa Vatske: A resolution approving the issuance of one or more series of tax-exempt revenue bonds to (i) refund outstanding bonds previously issued by the Commission for the benefit of the Borrower to demolish prior structures, construct an approximately 70,000 square foot addition with educational, administrative, gymnasium and parking facilities, and pay costs of issuing the refunded bonds, (ii) finance and/or refinance the demolition of existing structures and the acquisition, construction and equipping of a new approximately 5-story, 105,000 square foot academic building and approximately 11,000 square feet of outdoor courtyard space, (iii) finance and/or refinance the rehabilitation, renovation, equipping and remodeling of existing educational facilities, (iv) fund a debt service reserve fund for the Bonds, (v) finance capitalized interest on the Bonds, and (vi) pay all or a portion of the costs of issuing the Bonds. The project is owned and to be owned by Seattle Academy of Arts and Sciences, a Washington nonprofit corporation and organization described under section 501(c)(3) and is located the one block area bounded by 12th Avenue, E Union Street, 13th Avenue, and E Spring Street, in Seattle, WA 98122. The total estimated bond amount is not expected to exceed \$142,500,000. The public hearing was held August 24, 2023. (5 min.)

- D. ~~**Resolution No. 23-69, Blue Thistle Villa, OID # 23-66A**~~ 10

~~**Lisa Vatske:** A resolution approving the issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition, construction and equipping of a 32-unit multifamily housing facility located at 1104 Walnut Street, Kelso, WA 98626, to be owned by Blue Thistle Villa LLLP, a~~

Washington limited liability limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$12,000,000. The public hearing was held July 27, 2023. (5 min.)

E. ~~Resolution No. 23-82, Apollo by Vintage, OID # 23-83A~~ 11

~~**Lisa Vatske:** A resolution approving the issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the new construction of a 255-unit multifamily housing facility located at 23601 Highway 99, Edmonds, WA 98026, to be owned by [Apollo by Village, LP (to be created)], a Washington limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$60,000,000. The public hearing was held September 28, 2023. (5 min.)~~

F. ~~Resolution No. 23-80, Mercy Angle Lake Family Housing, OID # 23-37A~~ 12

~~**Lisa Vatske:** A resolution approving the issuance of one or more series of revenue bonds to finance a portion of the costs for the acquisition, construction and equipping of a 130-unit multifamily housing facility located at 2650 S. 200th Street, SeaTac, WA 98198, to be owned by MHNW 21 Angle Lake Family LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$42,000,000. The public hearing was held August 24, 2023. (5 min.)~~

G. ~~Resolution No. 23-81, Vintage at Everett, OID # 23-44A~~ 13

~~**Lisa Vatske:** A resolution approving the issuance of one or more series of revenue notes to finance a portion of the costs for the acquisition and rehabilitation of a 259-unit multifamily housing facility for seniors located at 1001 East Marine View Drive, Everett, WA 98201, to be owned by Vintage at Everett 2, LP, a Washington limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$50,000,000. The public hearing was held August 24, 2023. (5 min.)~~

H. Lisa Vatske: Request approval to allocate \$1,000,000 from the Racial and Social Equity Reserve fund to fund the Field Order 15 Fund. (10 min.) 14

I. Bob Peterson/Emily Northrup: Acceptance and endorsement of the Commission's new Mission, Vision, and Values statements. (15 min.)

IV. Executive Director's Report (if necessary after Work Session) (10 min.)

V. Commissioners' Report (10 min.)

VI. Chair: Consent Agenda (5 min.)

A. Homeownership & Homebuyer Education Programs Monthly Activities Report 15

B. Multifamily Housing and Community Facilities Monthly Activities Report 16

C.	Asset Management and Compliance Monthly Activities Report	17
D.	Financial Statements as of August 31, 2023	18
VII.	Chair: Miscellaneous Correspondence and Articles of Interest (5 min.)	
A.	Miscellaneous Correspondence and Articles of Interest	19
B.	HFC Events Calendar	20
VIII.	Chair: Public Comment	
IX.	Executive Session (if necessary)	
X.	Adjourn	

Nicole Bascomb-Green, Chair

Consent Agenda items will only be discussed at the request of a Commissioner.

Program Related Investments Application Form

Program Name: Field Order 15 Fund

Program Purpose: Investment into Pre-development and Technical Assistance fund for single family homeownership development

Amount Requested: \$1,000,000 from the Racial and Social Equity reserve fund

A. Please describe the proposed program investment:

Please provide specifics of the program(s) or organization(s) the funds will be invested in. Describe how the funds will be administered, i.e., by the Commission in the PRI program or by an external partner of the Commission? (Attach any supporting documentation including correspondence, brochures, etc. Include how the investment will be administered.)

The Field Order 15 Fund (FO15F) is a predevelopment fund and technical support fund housed at HomeSight. The fund is named after Union General William T. Sherman's Special Field Order No. 15, issued near the end of the Civil War, which redistributed roughly 400,000 acres of land to newly freed Black families in forty-acre segments. The order was overturned after the assassination of President Abraham Lincoln and its promise never realized. The fund is being established to provide grants and low-cost loans to BIPOC developers of affordable ownership homes in South Seattle, South King County, and North Pierce County. It puts into practice the funding principles established by Black Homeownership Initiative (BHI).

FO15F will provide technical assistance to developers supported by a navigator who will walk with them through their development journeys and help problem-solve as impediments arise. Early small grants will be made available to cover the cost of the exploration and due diligence of preliminary project feasibility. Then, if the project is viable, a low-interest predevelopment loan will be made available along with continued technical support. Together, this will take developers and their projects through the phases of due diligence to the point of essentially having an application in hand with which to secure construction financing.

Commission PRI funds will only be used for the low-interest predevelopment loan portion but will help to leverage the grant dollars and additional sources for predevelopment lending.

B. Please describe specifically how will the proposed program investment will meet the Commission's Mission to increase housing access and affordability and to expand the availability of quality community services according to the definitions below:

Definitions: Addresses the supply and need for affordable home ownership stock and promotes access and equity to developers that have traditionally been harmed and have not had access to capital to build and develop housing.

C. Source of PRI Investment

The amount of available Undesignated PRI Funds from the Racial and Social Equity Reserve is \$9,000,000.

COMMISSION INVESTMENT:

Total Request of Commission funds for this investment: **\$1,000,000**

Is the entire Commission Investment to come from existing PRI Undesignated Funds as shown above?

Yes

If yes, continue to the next section, EXTERNAL INVESTMENTS, otherwise complete Schedule A and attach it to this application.

EXTERNAL INVESTMENTS:

Are there external or partner funds to be invested in this program administered by the Commission through PRI?

No

If yes, please complete Schedule B and attach it to this application.

However, the Fund currently has secured commitments of close to \$1,000,000 and will be looking to secure and leverage additional dollars for the fund. The fund will be administered by Homesight and not by the Commission,

D. Return of PRI Investment

Please describe the investment repayment to the Commission. (Grants are not an eligible use of PRI monies.) Will the Investment/Loan term be longer than ten years?

No

Investment/Loan term: 5 year term with 5 year extension

Amortization method and period: 1% interest, annually

Principal

How often will the Commission receive **principal** payments? (monthly, quarterly, annually, etc.)

Deferred for 5 years, with a 5 year extension.

If principal payments are to be made less than annually, please describe the steps the borrower will take to assure funds will be available for repayment?

Will the **principal** repayments return (revolve) for use in this program OR to PRI Undesignated?

If renewed, yes, if not, then back to undesignated

When will the **principal** payments stop revolving?

N/A

Interest

How often will the Commission receive **interest** payments? (monthly, quarterly, annually, etc.)?

Interest Payments will be paid annually.

Will the **interest** repayments return (revolve) for use in this program OR to PRI Undesignated?

The interest payments will revolve back into the Racial and Social Equity Reserve

When will the **interest** payments stop revolving??

When principal is paid in full.

Funds that do not revolve will revert to undesignated funds no less than quarterly.

Please describe the proposed return on investment. (From 0-5%, compounded annually.)

- i. 1% interest only, paid annually.
- ii. Shared Appreciation terms, if any:

N/A

Proposed Related Investments Risk Analysis

Please provide an analysis of the investment risk. Please describe what makes it risky and what steps will be taken to mitigate the risks.

The fund is structured to provide a high level of technical assistance and support to help build in as much success and mitigate risk as possible. It is possible that borrowers are not able to repay if projects aren't able to move forward, but the model is tailored to address this and ensure borrowers are successful.

Division presenting the application:

Division Director: Lisa Vatske _____ Date:9/14/2023 _____

EMT Recommendation: Approved 9/14/2023 _____

Executive Director (or Designee) Signature _____

Date _____

Commission Action: _____

Date: _____

SCHEDULE A

Detailed Source of Funds for a Program Related Investment

Program Application Name: Farmland Protection and Affordability Investment (FarmPAI)

Total Amount of PRI Funding request: \$5,000,000

If there are insufficient funds in the current PRI Undesignated category, please identify the current investments that are to be transferred by the Commission to fulfill the funding request.

Other programs from which funds will be transferred:

Current Program Name	Amount to Undesignate
Click here to enter text.	Click here to enter text.

Sum of program transfers

Click here to enter text.

Current PRI Undesignated Funds to be used

Click here to enter text.

Total of the above funds

Click here to enter text.

SCHEDULE B
Program Related Investments
Schedule of External or Partner Funds to be Invested in a
Commission-Administered Program

Please provide the following:

1. Attach a copy of the contract or other agreement. **Not Applicable**
2. List the name, address and contact information including their Federal Employer Identification Number for the external partner organization **Not Applicable**
3. List the name and contact information of the person at that organization administering these funds. **Kate Delavan, Office of Farmland Preservation, Washington State Conservation Commission, kdelavan@scc.wa.gov**
4. Describe any specific restrictions on the use of the external funds (demographic, etc.)? **The funds would be used for agricultural conservation easements. Criteria are still to be drafted but would be in alignment with the FarmPAI selection criteria and goals.**
5. When does the agreement and availability of the funds end? **We are seeking funding from the Supplemental Capital budget for FY22.**
6. Is there a matching requirement, and, if so, what ratio of external funds will be matched used to PRI funds? **Program guidelines will be finalized once funding is secured. Our intent with this request is to create a flexible and ready source of conservation easement takeout dollars to support FarmPAI. Removing the match requirement would streamline the easement acquisition.**
7. Describe the reporting requirements to the External Partner and what Commission position will complete them. **As these funds would be managed by the Conservation Commission, there would be no reporting requirements to the WSHFC.**
8. Are the External Partner funds to be returned? **Not applicable. Funds would be administered by the Conservation Commission.**
9. If yes, how often? What is the trigger for repayment? (quarterly based upon repayments we've received? only after payoff?, following agreement termination?)
10. How much is to be repaid? **Not Applicable**
 - Principal only
 - Earnings only (please describe calculation, could include interest, shared appreciation, other)
 - Principal and Earnings only (please describe calculation, could include interest, shared appreciation, other)
11. If Federal grant, please include CFDA number: **Not Applicable**

2024 Bond/Tax Credit Program Proposed Changes

Lisa Vatske
*Multifamily Housing and Community
Facilities Division*

September 28, 2023



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**



Context and Factors

- Tax-exempt bonds with 4% LIHTC are highly competitive - 2023 round was oversubscribed by threefold!
- Balancing Public Priorities: New vs Preservation, Geography (King/Snohomish & balance of State), Public Funding
- Continuing progress on racial equity goals – elevate BIPOC and community involvement

Federal Level resources needed: AHCI A!!



2024 – Policy Changes and Clean Up



- Focused Policy Changes
 - Bond Cap Allocation Process – Seattle/King County
 - Projects By and For Community/CBOs
 - Energy Efficiency
- Clean Up
 - Language – Aligning/clarifying Policy with intent and practice
 - Procedural – technical fixes of forms and process

Summary of Engagement and Feedback Received

- Held Interested Parties Meetings: One General & One Specific for CBOs; these were well attended.
- Offered a Survey Option: Small pool of responses received
 - 41 Started/**18 Completed**
 - 56% (10) Developer/Owners; 28% (5) Development Consultants; 11% (2) Public Funders; 6% (1) Other
 - 94% (17) White; 6% (1) Hispanic or Latino
 - 61% (11) King County; 33% (6) Balance of State; 6% (1) Snohomish

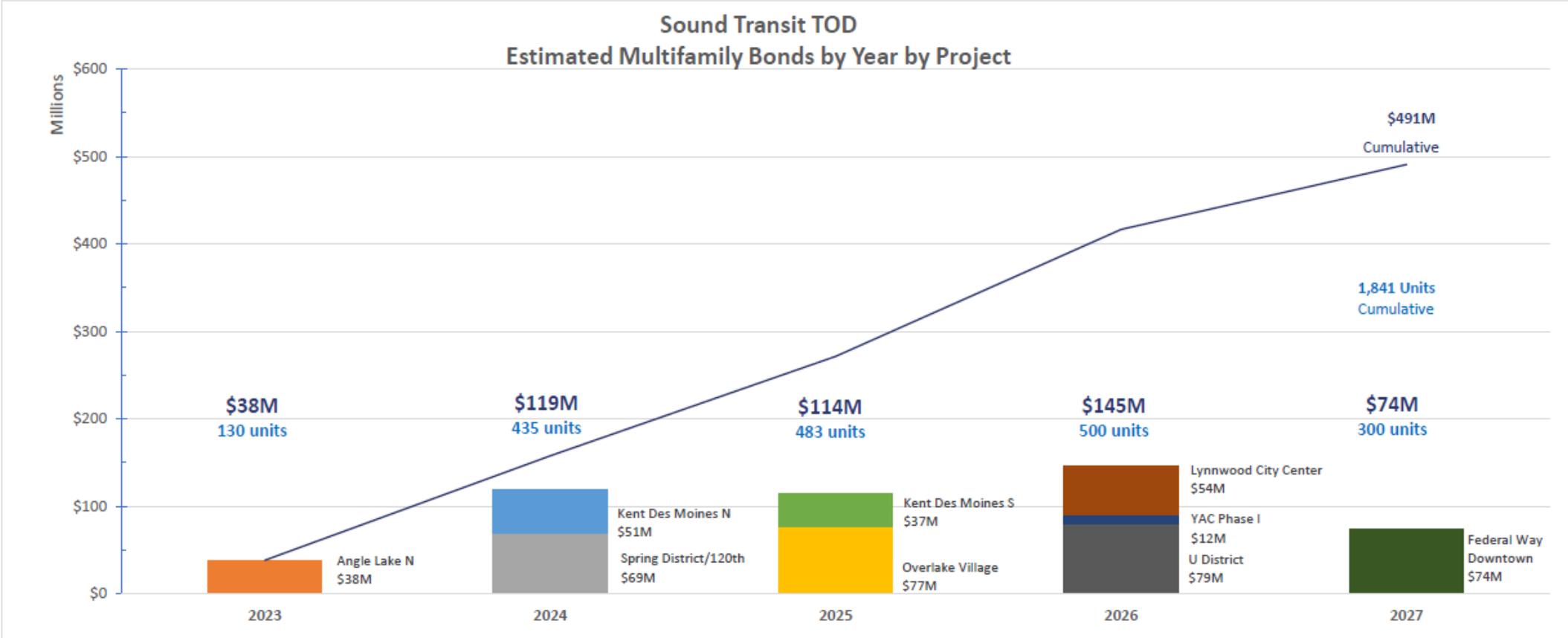
Feedback Summary – not many comments or suggested updates to the proposed changes; only making minimal edits/adjustments to the proposed updates.

King County Pipeline: Tax Credit/Bonds

More Context: Sound Transit MOU

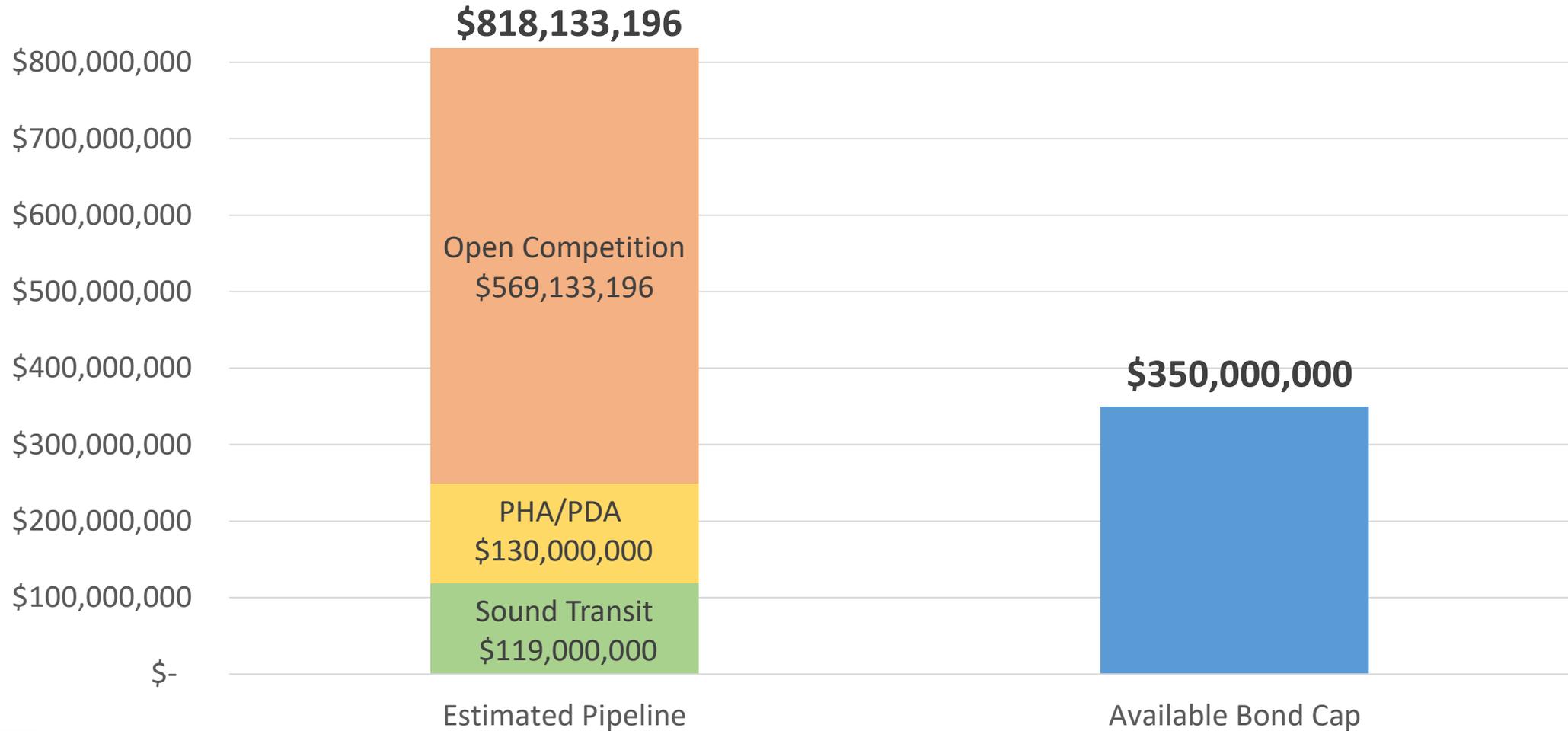
- Purpose: To coordinate affordable housing investments at or near ST stations
- Highlights:
 - Reserves up to \$200M in tax exempt bonds over 5 years for ST TOD projects
 - No more than \$100M per year
 - Projects come in to WSFHC when ready post the ST RFP process
 - Projects must meet the minimum score
 - ST Pipeline is robust over the next few years

Sound Transit Projected King County Pipeline*



*The projected pipeline is Sound Transit’s best estimate in terms of project quantity, size and timing, and is subject to change.

Estimated 2024 Seattle King Pipeline & Current Bond Estimates



Math Problem: Resources vs Pipeline

Estimated Total Seattle/King 2024	~\$350M
Sound Transit MOU (up to)	~\$100M
Remaining Pipeline	~\$250M

- Total estimate assumes historical amount available
- \$250M estimated for Remaining Pipeline includes PDAs
- Consideration factors: public leverage, geography and preservation vs. new production targets

Themes Surfaced

- How do we collectively prioritize, intentionally and transparently?
- How to we develop shared messaging and advocacy about resources available?
- How do we create predictable "Lanes/Tracks" for Projects?
 - 5 types of projects identified:

Sound Transit

CBO/By&For/EDI or
Community Driven

Developer Driven
(for & non-profit)

Strategic Public Land

PHAs & PDAs



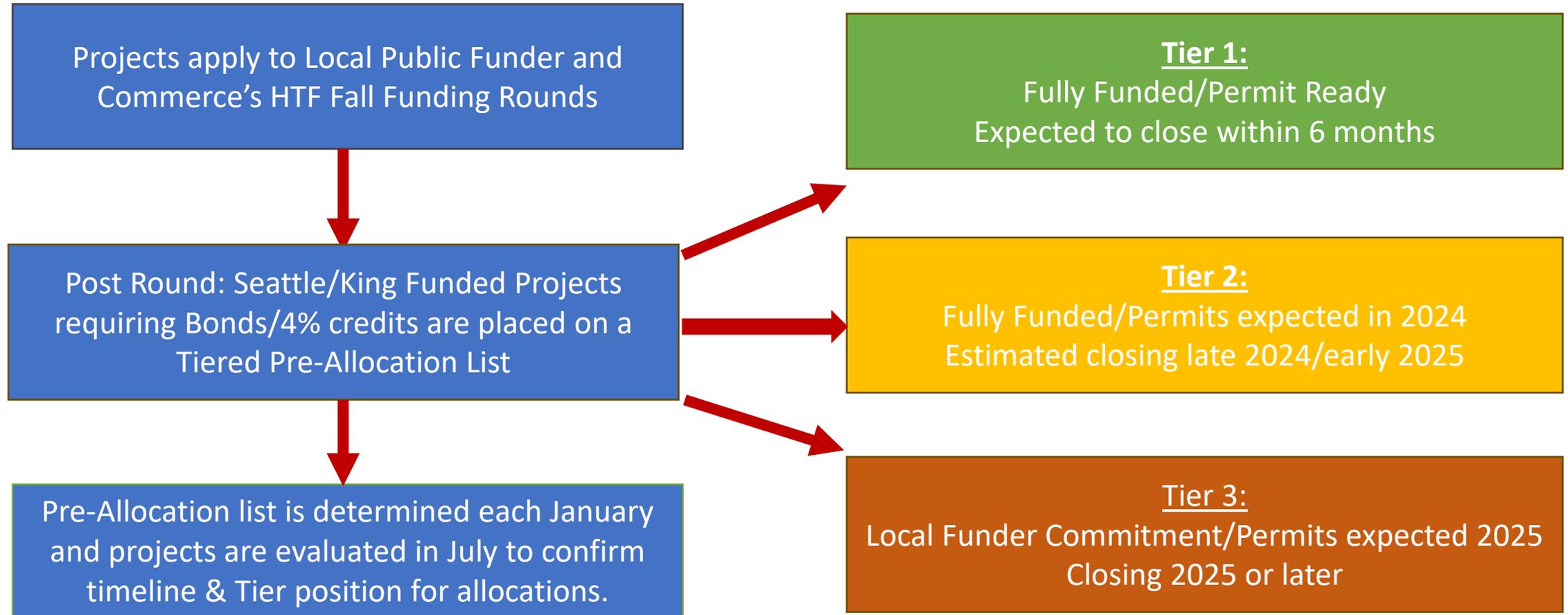
Proposed Change: Section 1.1.1.1 (Tiered Approach)

For King County, projects must have at least 10% public support in Seattle and 5% in King County to be considered for an allocation of bond cap. Project will apply to city, county, and/or state funders in their standard rounds of competitive financing. **Projects awarded funding are then put on a tiered list.** Projects apply for bond financing only when they are on Tier 1 and ready to proceed to closing. Projects with expiring DDAs and QCTs or other expiring funding eligibility may be given priority.

- 1) **Tier 1 projects** are fully-funded and permit-ready, with the process to secure lender and investor commitments in progress, and ready to hold their initial scoping meeting. They are expected to close within six months of being placed on Tier 1. Projects that fail to close within six months will have their allocation revoked and will be moved to Tier 2. The King County public funders will establish a process to determine further priority in the Tier if necessary.
- 2) **Tier 2 projects** are fully-funded and expect to receive permits in the calendar year. Projects in this tier may be elevated to Tier 1 depending on bond cap availability and project readiness.
- 3) **Tier 3 projects** have local funder commitments and expect to receive permits in the next calendar year.

Each January and July, the Commission may re-evaluate which projects are on which Tier and reposition projects in accordance with bond cap availability and readiness.

Example of New Process – More detail coming soon!



Related Changes: Sections 1.2

Section 1.2: Bond Policy Values and Outcomes

Snohomish Projects: (Policy Change): Projects in Snohomish County will compete with other projects in Balance of State. The Commission will allocate bonds to no more than one project or no more than 10% of the available bond cap, whichever is larger, in any one calendar year, unless waived by the Division Director.

Tracking Targets Over Time: (Language Clean Up): Targets may be considered over a rolling multi-year period, where some targets may be over or under in any given allocation round, but target prioritization will adjust accordingly over a three-year period to achieve these stated goals.



Related Changes Section 3.15 Project Financing

*Removes appraisal deposit requirement

3.15.1.a Projects located in King County: The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender's signed term sheet that has been accepted by the Applicant.

3.15.1.b Projects located in Balance of State: The lender(s) and/or credit enhancer involved in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the bank that includes the following information:

- Estimated maximum tax-exempt bond amount and interest rate
- Estimated maximum taxable bond amount (if applicable) and interest rate
- Identification of other sources of financing and estimated amounts
- The number of units, low-income set-asides, and any special populations served
- History of working with the developer and/or WSHFC



Related Changes Section 3.15 continued

3.15.2 Tax Credit Investor

- The tax credit investor/syndicator **must also be engaged at the time of application.**
- 3.15.1.a Projects located in King County
 - Applicants must submit a copy of the Tax Credit Investor's Letter of Intent (LOI) as an attachment to the Application.
- 3.15.1.a Projects located in King County
 - Investors in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. **The applicant must submit a letter of interest from the investor that includes the following information:**
 - Estimated pricing of the tax credits
 - Identification of other sources of financing and estimated amounts
 - The number of units, low-income set-asides, and any special populations served
 - History of working with the developer and/or WSHFC

2.3 Maximizing the Use of Alternatives to Bond Cap



2.3 Maximizing the Use of Recycled Bond Cap → Maximizing the Use of Alternatives to the Bond Cap

- More flexibility for Commission to maximize resources beyond Recycled Bonds and aligns with program's value of Use Resources Efficiently
- Alternative Bonds:
 - Taxable Bonds: Commission can issue taxable bonds, with income or rental restrictions
 - Nonprofit Bonds: Commission can issue tax-exempt nonprofit bonds to qualified 501c(3) organizations
 - Recycled Bonds

Projects By and For Community/CBOs



Section 4 Bond Cap and Tax Credit Allocation Criteria:

Projects outside King County must select a minimum of **25** points below to apply for the Bond/Tax Credit Program (**4 of which must be in Section 4.5 Projects that are By and For the Community**). Projects located in King County must select a minimum of **30** points (**5 of which must be in Section 4.5 Projects that are By and For the Community**).

Section 4.5 Projects that are By and For the Community:

All applicants must score a minimum of points in Section 4.5 Projects that are By and For the Community to be considered for an allocation.

1. Seattle/King County must score a minimum of 5 points
2. Balance of State must score a minimum of 4 points



Section 4.5 Related Changes

Section 4.5.2: CBO Inclusion: Removes ability to claim points for nonprofit donation in two separate point categories (4.5.2: CBO Inclusion-Financial Benefit and 4.6: Donation in Support of Local Nonprofit Programs). CBO benefits financially from the partnership, as determined by the CBO. **As an example, the CBO pays below-market rent for space in the project. Donations made to the CBO under Section 4.6 Donation in Support of Local Nonprofit Programs do not count towards meeting this criterion.**

Section 4.5.3 Meaningful Community Engagement: changes term from “Meaningful Community” to “**Potential Tenant**” Engagement

Section 4.5: CMI Relevance to Project - Note: CMI term is changed to **Community Most Harmed (CMH)**

The relevance of the Community Most Harmed (CMH) to the project will be addressed in the CBO Interview process and the Community Engagement Response Form instructions but will not be included in the actual policy.

Section 4.5 CBO Interview Schedule: 1)The developer must identify the CMH, as well as the CBO partner at Intent to Apply. 2) Repeat CBO's will have a streamlined interview to verify information. 3)Second CBO interview is only necessary to verify information/ ask questions raised based on applications received and will not be required for every applicant.

CBO/BIPOC Ownership Survey Question

Q: Given that engagement will require more time than currently available to gather meaningful feedback on this policy, which of the following options would you advise the Commission to take at this time:

***1. Leave the policy, and the procedure for documentation of identity, in place while engagement is conducted, and then make policy/procedure changes that result from the engagement in future years.**

2. Remove the policy, and all points associated with it, while engagement is conducted. The results of the engagement will be turned into a new policy/procedure in future years.

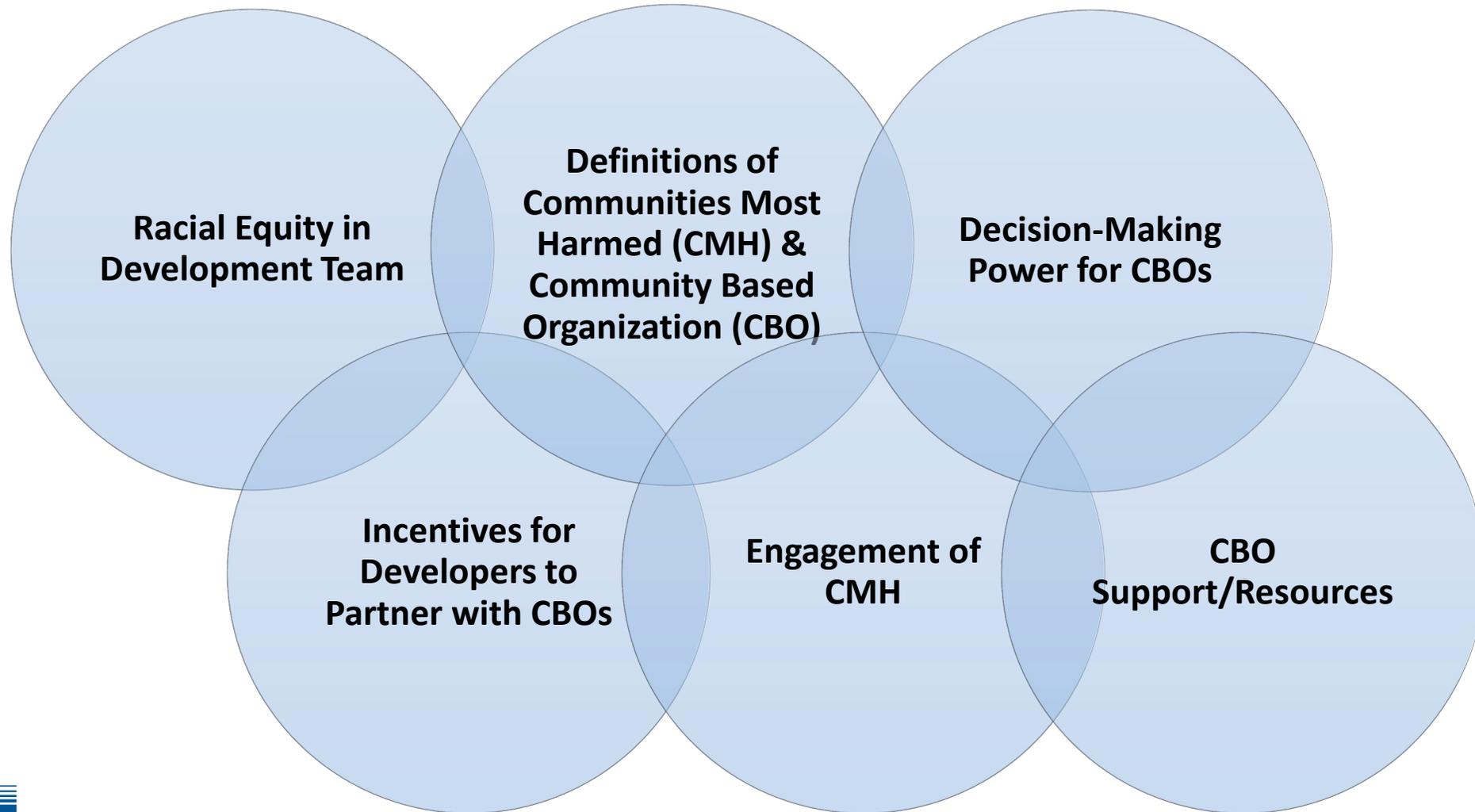


Deep and Broad CBO Engagement Plan

Timeline for 2025 Bond/4% Tax Credit Policy Engagement



Topic Areas for 2025 Bond/4% Tax Credit Policy Engagement



Healthy & Sustainable Homes



- **Added Value:** Foster Healthy & Sustainable Homes in a Changing Climate
- **Technical Fixes**
 - 4.8.2 New Construction Buildings – *The sponsor must include **a letter** from the energy efficiency consultant, project architect, or engineer detailing which additional efficiency measures the project plans to integrate.*
 - 4.8.3 EV Charging – **RESIDENTIAL** parking spaces



Healthy & Sustainable Homes



New Construction: NEW 4.8 sub-section

- 11 points if building to the 2021 WSEC for solar, additional efficiency, and EVs
- Points remain unchanged if building to the 2018 WSEC

Rehab: Requirements for Cooling

- Move section 4.9.2 Rehab Heat Pump **Option** to section 3.18 Rehab **Requirements**
- Projects are **required** to implement the ductless or ducted heat pump options from ESDS Section 5.09



Language Clean Up: For Clarity of Intent/Practice

- **3** *Minimum Threshold Requirements* is now **Program Requirements**
- **3.1 Complete Application and Appropriate Fee:** The application fee is due no later than 10 business days after the application due date. If the fee is not received within 10 business days, the Application may be deemed incomplete, and ineligible for further consideration for financing.
- **3.2 Project Sponsor:** Must be in good standing with the Commission and financially solvent
- **3.28 Minimum and Additional Low-Income Housing Commitments and Application Update: Income Averaging** – allows units to serve households earning as much as 80% of the AMI as long as a range of AMI options below 60% AMI are provided and the average income/ rent limit in the property is 60% or less of AMI. Also includes a new Average Income Certification form.
- **4 Bond Cap and Tax Credit Allocation Criteria:** Clarifies current practice for weighing portfolio deals, average score of the properties weighted by the number of units in each project.
- **9.1.2 Official Intent Declaration (OID) Request Fee and Section 1.1.1 Projects Financed with Commission Issued Bonds:** Clarifies what is an OID and when it may be appropriate to request and issue one, advises applicants to seek legal counsel through this process

Procedural Changes: Updates the Following



- Add process to Request Additional Bond Cap
- Nonprofit Donation at Placed in Service
- Utility Incentive Form
- Add CBO Legal Representation to contact lists
- Add Services Tab to Application Workbook
- Add Architect's Permitting Timeline to Checklist as part of Project Schedule
- Clarified process and applicable policies for Public Housing Authority projects



Next Steps for 2024

- Changes go to the Board on September 28th
- Revised Policy document and application posted by end of Oct
- Check out the full timeline here:

[2024BondTCPolicyRevisionsTimeline.pdf \(wshfc.org\)](https://www.wshfc.org/2024BondTCPolicyRevisionsTimeline.pdf)



Thank you!!



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Rent Stabilization Discussion Update

September 28, 2023

Lisa Vatske
Director, Multifamily Housing &
Community Facilities



2023-2025 Operating Budget Proviso

- Report to the legislature on efforts taken to stabilize rents for residents of affordable housing units financed by the Commission.
- Rent stabilization efforts include, but not limited to; limiting or mitigating the impacts of rent increases for residents of qualifying units.
- Interim report due by December 1, 2023.
- Final report by December 1, 2024.

*Note Department of Commerce has a similar requirement.

Guiding Principles: We Value



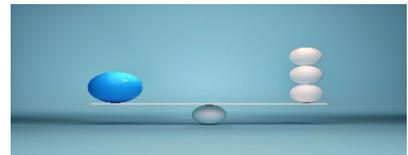
Housing stability as an essential foundation



Financial and physical health of rent restricted housing properties



Property owners serving our most vulnerable residents rely on subsidies



Low-income residents need manageable rent increases to avoid displacement, particularly BIPOC residents

We acknowledge that these values are inherently in conflict and seek to find balance to ensure that both residents and the buildings within which they live are healthy and stable.



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Context Setting

Core Issue is Lack of Housing Supply



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Future housing needs by Area Median Income (AMI) groups



1.1 Million new homes will be needed in the next 20 years

*Permanent supportive housing (PSH)

*Ref: [Washington state will need more than 1 million homes in next 20 years - Washington State Department of Commerce](#)

Income to Rent Gap

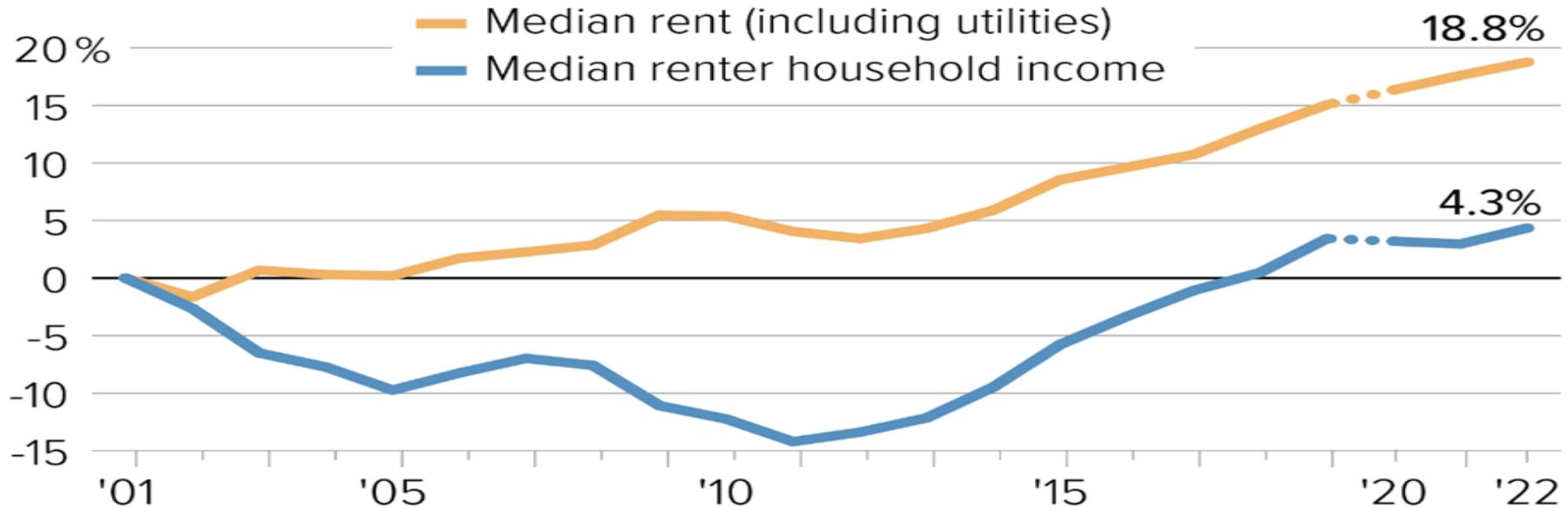


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Renters' Incomes Haven't Caught Up to Rising Housing Costs

Percent change since 2001, adjusted for inflation



Source: CBPP tabulations of the Census Bureau's American Community Survey

Note: Dashed line indicates missing 2020 1-year ACS data due to pandemic-related data collection issues.



The cost to operate and maintain properties has increased dramatically over the last several years, including:

- Insurance costs & deductibles
- Materials for repairs
- Labor and staffing costs
- Interest rates

Developers and Owners are still managing the ripple effects of inflation, making it harder to forecast financial feasibility.

Context: HUD Sets Income and Rent Limits



Income and Rent Methodology

HUD's rent limit methodology is based on median income data from the Census Bureau's American Census Survey (ACS) that lags by three years from the year the limits become effective. Changes in median income are unpredictable and can result in varied rent limit changes year over year.

New Rent Limits:

HUD published 2023 income and rent limits on May 15th, 2023.

The cap is less than 6%, which is less than was originally projected earlier in the year.

Myth Busting:

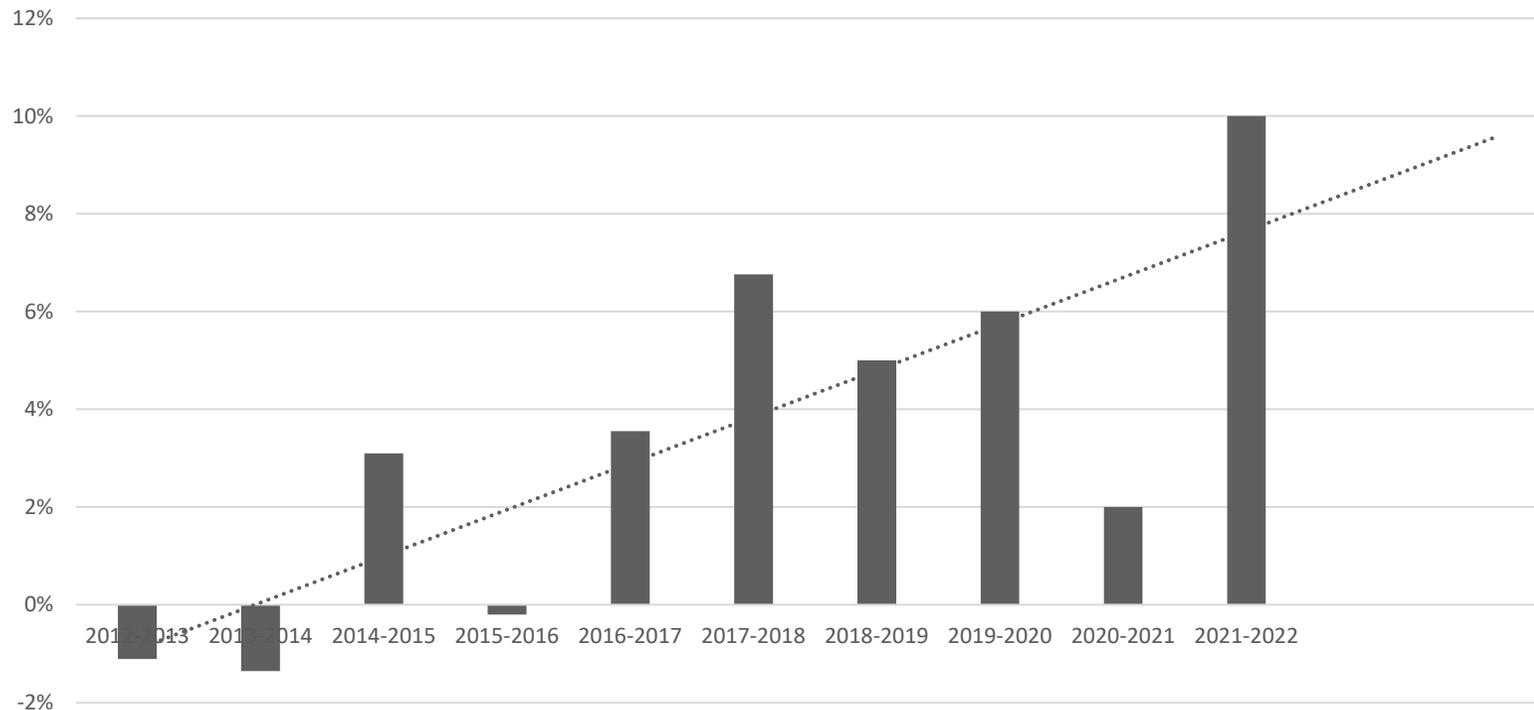
Rents are **NOT** set at a percentage of a household's income – that would be public housing OR a resident's portion due coupled with a rental subsidy such as Section 8.

HUD Rent Limit Trends

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Average Percent Change 2012-2022

Average Percentage Change



Counties: Clark, Grant, King, Kitsap, Pierce, Skagit, Snohomish, Spokane, Thurston, Whatcom, Yakima

Trends

- Data covers rent limit changes for 11 counties with 25 projects and more
- The biggest average year over year increase for each analyzed county is 4% and the smallest is 3%
- The lowest percentage change year-over-year was -1% in 2012-2014



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Update on Efforts

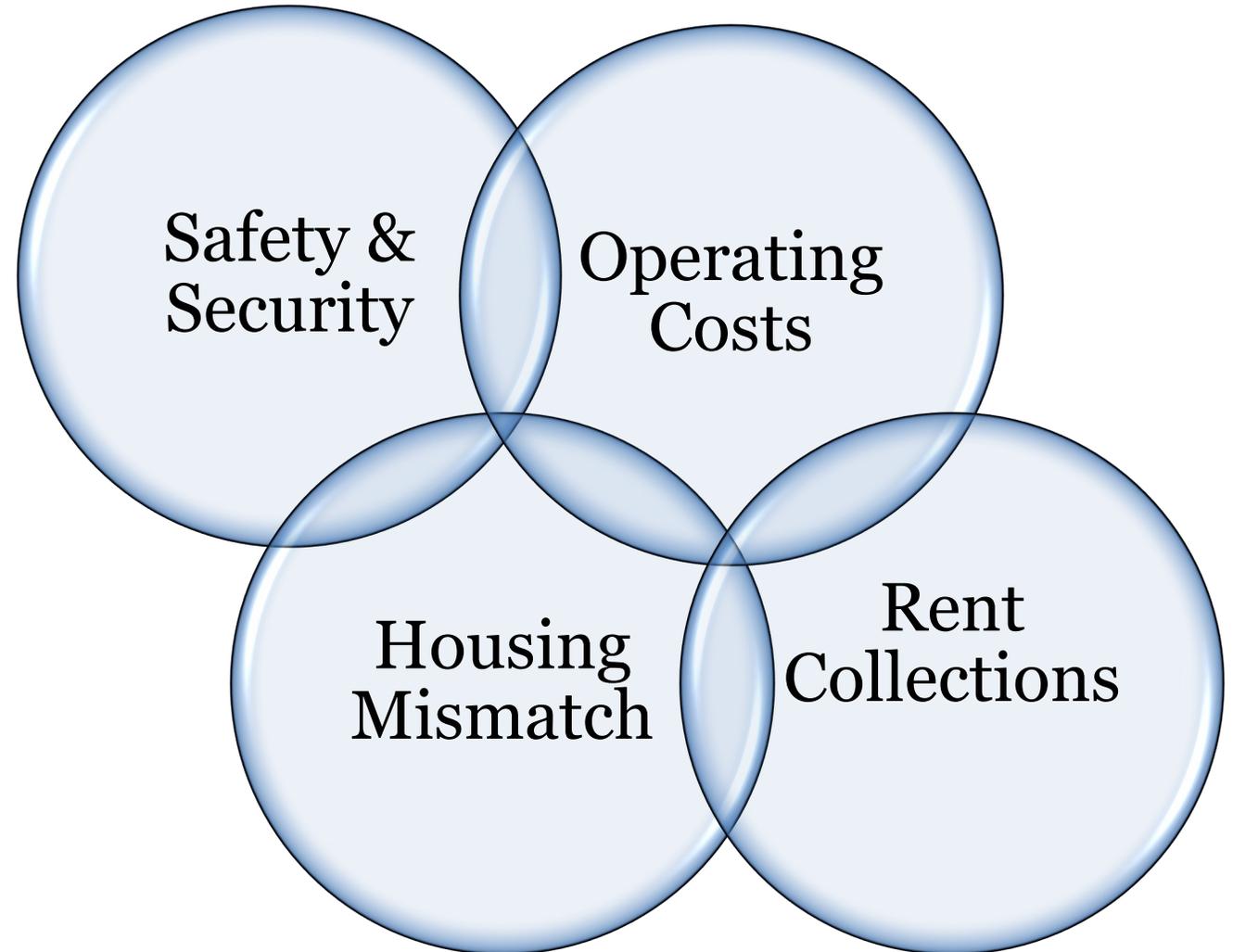
Engagement Efforts & Surfaced Themes



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- Small group conversations with affordable housing partners
- Other funder partners
- Housing WA Panel
- Policy research ongoing



Examples



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Theme	Example
Operating Costs	Insurance: deductible/costs up 25% year over year; deductibles are now \$10K per occurrence versus \$2,500; Materials increased 40% since 2020
Rent Collections	Accounts Receivable historically 2% is now 10%; some report delinquency rates >10%
Safety & Security	24-hour security averages \$100K per month per property; high staff turnover and some resident turn over
Housing Mismatch	No ability to move tenants to PSH or similar service enriched housing, if needed; 3-day notice to vacate for emergency safety issues not allowable

Separate Solutions Are Needed



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Operational issues raised require solutions outside of the Commission's purview such as;

- Operating or rental subsidies
- Insurance or Legal system changes - local or state level

The Commission can explore:

- Review/Update of Commission Allocation Policies
- Explore incentives
- Best Practices to equitably implement rent increases
- Rent Increase Cap policies

Note: an assessment of staffing capacity and any administrative impacts will be needed.

Interim Report & Plan Forward



Interim Report Due 12/1/2023:

- Summarize efforts to date
- Name challenges raised from engagement
- Identify potential strategies to explore and engagement plan for 2024

Going forward in 2024 – Final Report due 12/1/2024*

- Continue Outreach & Engagement to explore/develop strategies
- Continue Research and Analysis
- Document efforts and surfaced strategies for implementation

*May require additional resources.



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Comments/Questions?

Department of Commerce updates for the Housing Finance Commission meeting

Housing Division

Homeownership Unit

Contact: Ann Campbell, Ann.Campbell@commerce.wa.gov

- Homeownership Capital NOFA: 2023 Fall Capital Funding Round applications are due by noon on September 29.
- HB 1474 implementation: Contract between Commerce and WSHFC to fund special purpose credit program work to implement HB 1474 was executed on 9/18/23. Final edits to the contract draft are under consideration for HB 1474 oversight committee funding with the Department of Financial Institutions.
- Foreclosure Fairness Program staff changes: Zoe Myers has retired from administering the Foreclosure Fairness Program. Kyle Jung, who has been working in the program, assisting Zoe, for the last several years, was promoted to administer the program.
- Decision Package updates: Commerce submitted decision packages seeking \$55M for homeownership capital projects, including \$5M for initial capital investment in emerging community land trusts.

Multifamily Housing Unit

Contact: Nathan Lichti, Nathan.Lichti@commerce.wa.gov

- Multifamily Capital NOFA: Applications were received for 87 projects, \$437 Mil. in requests, seeking to develop 6046 units.

Housing Policy Unit

Contact: Kirsten Jewel, Kirsten.Jewell@commerce.wa.gov

- Rights of Way Safety Initiative: On September 1, the Sleater Kinney encampment in Thurston County was fully resolved. One hundred fifty-two people were on the site during the creation of the by-names list, and 128 moved into temporary housing.



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MEMO

DATE: September 27, 2023
TO: Board Commissioners
FROM: Steve Walker
RE: Executive Directors Report

This memo is a summary of activities for each division as well as highlights of some of my activities from August 22 – September 25, 2023. Please contact Tera to set up a call with me or a division director should you have any questions.

Multifamily & Community Facilities:

- Staff (Lisa V, Claire, Jacki, Steve) hosted a successful Health and Housing Initiative convening in the Tri-cities last week. It brought together approximately nine counties, and sixty-five folks centered around the Accountable Communities of Health- the Greater Columbia Basin. Participants included housing developers, health care providers as well as Commerce, Health Care Authority, DSHS and banks. It was a great opportunity to learn about and facilitate community collaborations around housing and health care needs. We are in the final stages of our co-hort work and will be providing a final report by December on the learnings and deliverables for this grant and initiative.
- Work has begun on one of our key action items in the Race and Equity Strategic plan, interested party mapping. This work is iterative and will continue to build upon and increase our knowledge, awareness, outreach, and engagement of our programs.
- Staff have been working on, planning for, and preparing sessions for the Multifamily Housing Development track for Housing WA.

Homeownership:

- Homeownership staff continues to consider the impacts resulting from historic and systemic racism on Commission programs and processes and develop tools to mitigate.
- Homeownership is developing content aimed at reaching renters of multifamily properties and continues to work on marketing and outreach to reach underserved communities and communities of color groups in our homeownership programs to include outreach to renters in WSHFC-financed multifamily properties.
- Homeownership staff proactively searches for new partnerships and outreach events to provide information on homeownership programs and recently attended multiple Black

Homeownership Initiative events. Kat is developing written content for multifamily e-news letters on homeownership.

A Language Line interpreting service for incoming callers was implemented. Staff received quotes from vendors to interpret our brochures into various languages and are in the process of evaluating.

- Staff seeks to translate homeownership materials into multiple languages and have translation services available to assist clients by June 30, 2024.

Covenant Homeownership:

- On September 14th, key stakeholders provided input to the National Fair Housing Alliance on the covenant homeownership study and process.
- Homeownership staff along with Pacifica continue to meet with NFHA on a regular basis.
- Homeownership staff continues to work closely with NFHA and HDC on communications.
- Community Forum listening sessions are scheduled and public comment is currently being solicited to reflect the lived experience of Washingtonians who were denied homeownership through discrimination by Washington State.

Homeownership Assistance Fund:

- As of September 20, 2023, over 1,950 grants have been funded totaling nearly \$40 million dollars in grant assistance.
- The program continues to demonstrate excellent geographic distribution of funding and continues to show the success of our marketing in reaching underserved communities and communities of color. Outreach to underserved communities regarding the HAF Program continues to reach all areas of the state and in multiple languages. Advertising in social media, along with local publications and radio stations, has shown results through the steady traffic to our HAF Program landing site (WashingtonHAF.org) as well as the “Hotline” at the Washington Homeownership Resource Center.
- We continue our bi-weekly meeting with our counseling network to talk through program ideas, concerns, and best practices to make sure that the entire network is supported and working towards a common goal. They continue to report that the program is easy to use and our program administrator, HOTB, is of tremendous assistance to them and homeowners.

- Our HAF Team will be attending the upcoming NCSHA Annual Conference, and NCSHA will be hosting a special gathering of the states' HAF Program Administrators. We will be joined at the conference by the Washington HAF Program Administrators HOTB Software, and we will use this time together to discuss potential program enhancements.
- We are also excited to let you know that the team at HOTB Software will be joining the November Commission Meeting Work Session to provide an update on the program.

Other:

- In August, we had \$143 million in new reservations assisting 398 households.
- The Homeownership division continues to collaborate weekly with our seller servicer consultant to develop internal policies and continue to work on Quality Control. We have developed and have begun to implement policies on vendor management, participating lender approvals, and prefunding QC.
- In partnership with the Washington Mortgage Bankers Education Committee, Lisa DeBrock interviewed a realtor and homebuyer who shared their journeys with downpayment assistance programs on September 20th.

Asset Management & Compliance:

- Our September Fundamentals Online Training closed out successfully with seventy-five registrants in attendance. Our instructors were Allie Delano, Erik Giesen, Chrystal White, Duane Bakke, Lanakay Lipp, Michael Soper, Sarah Watson, and Shawna Higgins.
- Our October AMC Bond Training registration is now open, this will be an online Zoom training.
- We are finalizing coordination for our 2nd In person training for November AMC TC Fundamentals training, we are planning on an Eastside location, Bellevue/Renton area.
- We held interviews for our Portfolio Analyst, and we have finalized our new hire and hope to announce soon.

- AMC is working with Apple Health and Home Program to determine how to break down barriers to qualifying high-needs applicants for permanent supportive housing and this work is still ongoing.

Finance:

- We successfully priced the 2023-2 single family fixed rate mortgage revenue bonds, which included approximately \$85 million of tax-exempt bonds and \$100 million taxable bonds. The taxable bonds were especially well received by investors: thirty accounts placed orders for these bonds and all maturities were oversubscribed that resulted in repricing of the bonds in our favor, i.e., rate reductions on every maturity (1–5 bps across the entire curve). Of note, our taxable Planned Amortization Class (PAC) bonds had the tightest spread of any taxable PAC issued by an HFA in the past year. The \$100M taxable bond proceeds will be used to fund Home Advantage loans while the \$85M tax-exempt bond proceeds for the House Key program. In addition, we also successfully re-marketed \$30 million of single-family variable rate bonds originally issued in 2018. Both the fixed rate and variable rate transactions were closed earlier this month.
- On the heels of obtaining a AAA rating with the stable outlook for both single family deals, senior Finance staff met with Moody’s analysts at the annual HFA meeting for an update and discussion of our single-family loan performance, program trends and financing plans.
- Commissioner Lowel Krueger chaired the entrance conference with the independent auditor Eide Bailly to kick off our FY 2023 financial audit earlier this week. Commissioner Ken Larsen and senior Finance staff also participated in the meeting.

Steve Walker:

- NCSHA Recommended Practices in Housing Credit Administration Task Force - For over a year now I have served on this NCSHA Executive Director taskforce, with support from Lisa Vatske and Wubet. The purpose of this group is to revise consider input from industry and advocacy organizations and propose revisions to the Recommended Practices (last done several years ago) by making final recommendations for the NCSHA Board to consider at its October 15 meeting in Boston.

In summary, based upon our meeting earlier this week, the Task Force is positioned to recommend to the Board a comprehensive set of revisions to the Recommended Practices in nearly all the areas that have been considered.

Other Events and Meetings

I participated in the following events and meetings:

CHA meeting; BHI Policy Group meeting; CSH Health & Home; WEDA Workforce meeting; WCRA Board of Directors meeting; Rent Stabilization Discussion with legislators; Meeting with CSG; H3C Learning Community Engagement; Criticized Credit Advisory, and the monthly NCSHA Recommended Practices in Housing Credit Administration Task Force.

WASHINGTON STATE HOUSING FINANCE COMMISSION MINUTES

August 24, 2023

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:07 p.m. in the 28th Floor Board Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Seattle, Washington 98104 and via Zoom. Those Commissioners present via Zoom were: Alishia Topper, Corina Grigoras, Lowel Krueger, and Ken Larsen. Chair Bascomb-Green, Bill Rumpf, Brian Surratt, and Mike Pellicciotti were present in-person in the 28th Floor Board Room.

Mr. Steve Walker, Executive Director, mentioned that this was Ms. Bascomb-Green's first Commission board meeting presiding as Chair!

Approval of the Minutes

The July 27, 2023 Commission meeting minutes were approved as distributed.

Public Hearing: Seattle Academy Project, OID # 23- 62A

The Chair opened a public hearing for the Seattle Academy Project, OID # 23-62A, at 1:09 p.m.

Mr. Jason Hennigan, Senior Bond & Housing Credit Analyst, of the Multifamily Housing and Community Facilities (MHCF) Division, said this is a public hearing for the proposed issuance of one or more series of tax-exempt revenue bonds to: (i) refund outstanding bonds previously issued by the Commission for the benefit of the Borrower to demolish prior structures, construct an approximately 70,000 square foot addition with educational, administrative, gymnasium and parking facilities, and pay costs of issuing the refunded bonds; (ii) finance and/or refinance the demolition of existing structures and the acquisition, construction and equipping of a new approximately five-story,

August 24, 2023

Page | 1

105,000 square foot academic building and approximately 11,000 square feet of outdoor courtyard space; (iii) finance and/or refinance the rehabilitation, renovation, equipping and remodeling of existing educational facilities; (iv) fund a debt service reserve fund for the Bonds; (v) finance capitalized interest on the Bonds; and (vi) pay all or a portion of the costs of issuing the Bonds. The project is owned and to be owned by Seattle Academy of Arts and Sciences, a Washington nonprofit corporation and organization described under section 501(c)(3) and is located the one block area bounded by 12th Avenue, East Union Street, 13th Avenue, and East Spring Street, in Seattle, WA 98122. The total estimated bond amount is not expected to exceed \$142,500,000.

Mr. Hennigan then introduced Mr. Rob Phillips, Head of School, Seattle Academy of Arts & Sciences (SAAS).

Mr. Phillips stated that this would be SAAS' third bond issue with the Commission, the two previous bond issues were in 2000 for their new art center and gymnasium, and in 2016 for the construction of their new middle school. He stated further that this bond issue would be for the construction of a new 105,000 square foot high school and the relocation of the high school from existing rented buildings, along with the other items mentioned earlier by Mr. Hennigan.

He added that SAAS was established in 1983, and when he joined SAAS, there was a student body of about 110 students (compared to 2023, the student body is now about 1,170 students), located in the Capitol Hill neighborhood across from Seattle University. He mentioned that the students come primarily from King County, but some come from as far as Snohomish County. He mentioned further that 47% of the total student body are persons of color, and that 25% of the student body has received some sort of financial aid. Also, SAAS reaches out to a variety of students who have a wide range of learning styles, compared to other private schools that are more narrowly focused and far more selective.

He concluded that SAAS is a very active partner in the local community and they partner with numerous organizations.

Mr. Phillips concluded that the project budget for the new high school is \$107 million with construction starting in December and completion in Fall, 2025.

There were no other comments from members of the public, and the public hearing was closed at 1:17 p.m.

**Public Hearing:
Ardea @ Totem
Lake, OID # 22-
61A**

The Chair opened a public hearing for Ardea @ Totem Lake, OID # 22-61A, at 1:09 p.m.

Mr. Dan Schilling, Senior Bond & Housing Credit Analyst, of the Multifamily Housing and Community Facilities (MHCF) Division, said this is a public hearing for the proposed issuance of one or more series of revenue bonds to finance a portion of the costs for the acquisition, construction and equipping of a 170-unit multifamily housing facility for seniors located at 12700 - 116th Avenue NE, Kirkland, WA 98034, to be owned by Ardea TWG, LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$38,000,000. Mr. Schilling also noted that the Commission currently has an ELAP loan outstanding for this project in the amount of \$3,675,000 that will be repaid at bond closing.

Mr. Schilling then introduced Mr. Allen Dauterman, Senior Development Director, TWG Development.

Mr. Dauterman stated that TWG Development is a national developer of affordable housing located in 18 states, with a local office based in Newcastle. He stated further that this would be the second project in the Totem Lake area of Kirkland that TWG is developing. TWG is partnering with Imagine Housing. He added that this would be a transportation-oriented development (TOD) located close to three transit stations/centers on the Interstate 405 corridor, and within a quarter mile of Evergreen Medical Health Center.

Mr. Dauterman mentioned that the project would have 170 total units, serving seniors that earn 40 to 60% or less of the local area median income (AMI).

Amenities would include: an outdoor patio, an outdoor rooftop gathering area, an area to view a large wetland area next door, and a multipurpose room inside the building. He concluded that TWG is anticipating obtaining their SEPA determination and building permits within the next 30 days.

In response to a question from Mr. Rumpf, Mr. Dauterman stated that Imagine will be providing residential services for the tenants.

There were no other comments from members of the public, and the public hearing was closed at 1:22 p.m.

**Public Hearing:
Mercy Angle Lake
Family Housing,
OID # 22-37A**

The Chair opened a public hearing for Mercy Angle Lake Family Housing, OID # 22-61A, at 1:22 p.m.

Mr. Hennigan said this is a public hearing for the proposed issuance of one or more series of revenue bonds to finance a portion of the costs for the acquisition, construction and equipping of a 130-unit multifamily housing facility located at 2650 South 200th Street, SeaTac, WA 98198, to be owned by MHNW 21 Angle Lake Family LLLP, a Washington limited liability limited partnership. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$42,000,000.

He noted that this is the first project under an MOU with Sound Transit, with more to come. He complimented the staff of Sound Transit who were excellent to work with. He also noted that although there was no total development cost (TDC) waiver form included for this project in the board packet, it be included in the board packet for this project and any future bond projects at the time of the bond/note financing resolution, when the final financial numbers and costs will be better known.

Mr. Hennigan then introduced Ms. Alisa Luber, Senior Project Developer, Mercy Housing NW; and Ms. Robin Tatsuda, Executive Director, The Arc of King County (“The Arc”).

Ms. Luber also introduced Ms. Stacia Irons, Board President, The Arc, who was also in attendance. Ms. Luber stated that Mercy Housing NW (“Mercy”), established about 30 years ago, is a Seattle-based nonprofit owner, developer, and manager of affordable housing with 47 total communities throughout Washington along with a new community in Northern Oregon, with 2,700 total units of both family and senior housing. She thanked the Commission for their recent support of the TOD Cedar Crossing project in Seattle, and for the Trail View and Evergreen Ridge projects both located in Bellingham.

Ms. Luber mentioned that Sound Transit sold the surplus land adjacent to the Angle Lake Station in SeaTac to Mercy in 2021 at an 85% discount to market value. She mentioned further that this was Mercy’s sixth such partnership with Sound Transit to create new affordable housing and community services in close proximity to light rail.

She then mentioned that this project would construct a new headquarters for The Arc and also provide 130 units of affordable housing serving those making 30, 50, & 60% or less of the local AMI. In addition, there will be 26 set-aside units for persons with IDD (intellectual &/or developmental disabilities) along with on-site services provided/coordinated by The Arc. Mercy is grateful to its funding partners from the Commission, the Department of Commerce, Umpqua Bank, National Equity Fund, and the Amazon Housing Equity Fund. Building permits will be issued in September with construction starting the following month, with a completion date of April, 2025.

Ms. Tatsuda mentioned that The Arc serves about 36,000 persons throughout King County that have IDD. She thanked Mercy for partnering with The Arc for this innovative and much needed project to better serve persons with these special needs. She noted that the State DSHS came out with a recent report stating that 10,000 persons with IDD statewide are in need of services and that listed three goals: 1.) Improve housing stability for adults with IDD; 2.) Improve housing service coordination for this population; and 3.) create new IDD developers in Washington. Ms. Tatsuda concluded that The Arc will achieve all three of these goals with their services they will offer for the residents of this

particular community.

Mr. Walker commented that these projects like this make the Commission feel really good in the work that it does, and he complimented both Ms. Luber and Ms. Tatsuda.

There were no other comments from members of the public, and the public hearing was closed at 1:32 p.m.

**Public Hearing:
Vintage @ Everett,
OID # 23-44A**

The Chair opened a public hearing for Vintage @ Everett, OID # 23-44A, at 1:32 p.m.

Mr. Hennigan stated that this was the proposed issuance of one or more series of revenue notes to finance a portion of the costs for the acquisition and rehabilitation of a 259-unit multifamily housing facility for seniors located at 1001 East Marine View Drive, Everett, WA 98201, to be owned by Vintage at Everett 2, LP, a Washington limited partnership. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$50,000,000.

Mr. Hennigan then introduced Mr. Ryan Patterson, President, Vintage Housing, along with Mr. Brian Tarrance, President, Veterans Village.

Mr. Tarrance stated that Veterans Village has partnered with Vintage Housing in the past, and is looking forward to doing so again, with their first rehabilitation project for Vintage @ Everett. He mentioned that this entire complex is in dire need of renovations; everything from the siding, to addressing safety and current building code issues (such as replacement of the current balcony railings, and electrical issues, and the asphalt in the parking areas/common areas to name just a few). He noted that there are great on-site amenities for residents such as a day room and a library, and that the complex is located on a bus line.

Mr. Rumpf asked if the residents will be relocated while renovations are being

done. Mr. Patterson replied that it would be a stay in place renovation with hospitality units available.

There were no other comments from members of the public and, the hearing was closed at 1:38 p.m.

**Public Hearing:
Projects for
Allocation of Low-
Income Housing
Tax Credits in the
2023 funding round**

The Chair opened a public hearing on the recommended allocation of 9% Low-income Housing Tax Credits (“LIHTC”) for the following three projects at 1:38 p.m.:

TC #	Project Name	City	County	Annual Tax Credit Amount
23-04	Pacific Apartments Rehabilitation	Seattle	King	\$1,235,483
23-06	Scriber Place	Lynnwood	Snohomish	\$1,497,756
23-12	Hifumi En	Spokane	Spokane	\$2,163,557

Mr. Richardson stated that three projects are up for consideration for allocation of 2023 Low-Income Housing Tax Credits (LIHTCs) this month, with seven out of 12 total projects already receiving the Commissioners’ approval in previous months; and depending on project readiness, the remaining two projects for consideration at next month’s meeting.

Pacific Apartments Rehabilitation

Mr. Richardson stated that Pacific Apartments is developed by Plymouth Housing, with 89 units, located on 317 Marion Street in Downtown Seattle, and is in the Metro King County allocation pool. He noted that this project was approved for a TDC waiver for 8% over the TDC limits.

Mr. Richardson then introduced Ms. Michelle Umadhay, Senior Real Estate Developer, Plymouth Housing.

Ms. Umadhay stated that Plymouth Housing is a nonprofit housing provider, developer, manager, owner, and service provider that has currently 17 apartment

buildings in its portfolio to provide permanent supportive housing for those who are homeless. She mentioned that The Pacific Apartments, located at 4th and Marion in Downtown Seattle, were formerly two separate buildings, The Pacific Hotel and the Leamington Apartments, both built in 1915 & 1916.

Ms. Umadhay stated that Plymouth Housing received LIHTCs for this property back in 1994, and that 30 years plus a pandemic later, this property is in need of additional renovations, thus their request for an allocation of LIHTCs this year. She added that all of the current SRO units in the west wing will be converted to studio units, which will continue/enhance their purpose to provide permanent supportive housing. She concluded that the unit mix will be 79 studio units and ten 1-bedroom units, and the community space will move up to the first floor to enhance visibility for staff and residents.

Ms. Umadhay also mentioned that the building's east wing will receive renovations including a new electrical panel and elevator cab replacement to bring the building up to current building codes and ADA. Also, the building's historical outdoor façade will receive a thorough restoration/renovation. She noted that the property also applied and received Historical Tax Credits and received funding from Federal, State, and local sources. She concluded that construction will begin in November, 2023, with the east wing done in Fall, 2024, and the west wing in Fall, 2025. Residents will be relocated during the renovations.

Scriber Place

Mr. Richardson stated that Scriber Place will be located in Lynnwood at the parcel northwest of the intersection of 194th Street SW & 58th Avenue West, and is part of the Metro LIHTC pool. He added that there will be 52 units planned for this development, and an approved TDC waiver was approved for 15.6% over TDC limits. He then introduced Mr. Bobby Thompson, Chief Housing Officer, Housing Hope.

Mr. Thompson also introduced Ms. Rachel Downes, Strategic & Initiatives Manager from Housing Hope, who was in attendance. Mr. Thompson stated that Scriber Place has been in development for a very long time, and is a unique and special opportunity on surplus land offered by the Edmonds School District to Housing Hope for \$1. Housing Hope will also be in collaboration with the Edmonds School District once construction is completed.

Mr. Thompson stated further that all 52 units will be set aside for homeless students, despite the proforma listing half of the units at 30% or less of the local AMI, and the other half at 50% or less of the local AMI. Also, Housing Hope is working with the Housing Authority of Snohomish County to provide a total of 52 project-based vouchers. He mentioned that this particular location will have 4-bedroom units, a first for Housing Hope. Also, a community space with picnic tables and playground will be in front of the property. He concluded that the location is excellent as it is close to shopping, transit, and other schools that are close by.

Mr. Thompson added that permitting is under way, and Housing Hope is hoping to receive these from the City of Lynnwood sometime in April, 2024 with a placed-in-service date goal of August, 2025.

Hifumi En

Mr. Richardson stated that Hifumi En is located in Spokane on 926 East Eighth Street, and is in the Metro LIHTC pool, with 86 total units to be developed. He then introduced Ms. Pam Parr, Executive Director, Spokane Housing Authority and former WSHFC Commissioner.

Ms. Parr stated that it was a pleasure to come in person to present Hifumi En to the Commission board. She added that the Spokane Housing Authority (SHA) is a housing authority that serves six counties in Eastern Washington in addition to the City of Spokane.

Ms. Parr stated that Hifumi En is currently in SHA's portfolio with 41 existing one-bedroom units serving tenants with tenant protection vouchers, and that it was originally developed by the Japanese-American Society to take care of the elderly and creating affordable housing. She added that Hifumi En in Japanese, means "first, second, and third generation." She noted that the current two-story facility was built in 1972 and at the time, there was a very large Japanese-American community that was located there in Spokane along with a Methodist Church that also served the same community. Fifty years or so later, this community has diminished as families aged and moved on. She noted that SHA acquired the current Hifumi En in 2004.

Ms. Parr then stated that SHA will build the "new" Hifumi En on the same site as the current building, and eventually, the existing facility will be demolished. There will be two new buildings connected by a center common facility which will have 86 to 88 units total, which offers double the number of units what the existing building has. The new facility will still serve those who are 55+ years old, with 20% of the total units set aside for persons with disabilities. Also the new facility will be in full compliance with ADA requirements and visibility guidelines, plus SHA offering supportive services to the residents on-site. In addition, SHA will offer 25 project-based vouchers.

Ms. Parr commented that SHA is currently in negotiations with the Hifumi En Japanese-American Society that originally built and sponsored the project to keep their ties and interest to this project. SHA will also redevelop and maintain the extensive gardens on property which the residents take pride in, and SHA will attempt to move a couple of pieces of Japanese art to the new facility, if at all possible. She concluded that SHA hasn't developed a 9% LIHTC property in well over 15 years, yet they have developed numerous 4% bond/LIHTC properties in this timeframe.

There were no other comments from members of the public and the hearing was closed at 1:59 p.m.

**Action Item:
Resolution No. 23-68, 2023 Allocation of Credit for the Housing Tax Credit Program**

Mr. Richardson said this is a resolution authorizing the Executive Director to make reservations and/or allocations of 2023 LIHTCs for the following three projects:

TC #	Project Name	City	County	Annual Tax Credit Amount
23-04	Pacific Apartments Rehabilitation	Seattle	King	\$1,235,483
23-06	Scriber Place	Lynnwood	Snohomish	\$1,497,756
23-12	Hifumi En	Spokane	Spokane	\$2,163,557

Mr. Richardson stated that the public hearing for all three projects were just held prior to the consideration of this resolution.

Mr. Larsen moved to approve the resolution. Mr. Krueger seconded the motion. The resolution was unanimously approved.

**Action Item:
Resolution No. 23-69, Blue Thistle Villa, OID # 23-66A**

This item was pulled from the agenda.

**Action Item:
Resolution No. 23-67, Holly Ridge Apts., OID # 18-131A**

Ms. Claire Petersky, Manager, MHCF Division, said this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to finance and reimburse a portion of the costs for the construction and equipping of a 121-unit multifamily housing facility, located at 121 112th Street SW, Everett, WA 98204, owned by Holly Ridge, LLC, a Washington limited liability company. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$3,200,000. The public hearing was held June 22, 2023.

Ms. Petersky stated that this project has already placed in service, and is asking for additional bond proceeds due to increasing costs as a result of the pandemic. She noted that this is becoming a trend with other bond/tax credit projects, and that at the September board meeting, proposed updates to the bond/tax credit policies will be presented for Commissioners' feedback and for consideration/approval.

Mr. Krueger moved to approve the resolution. Ms. Topper seconded the motion. The resolution was unanimously approved with one abstention from Chair Bascomb-Green, due to a conflict of interest, as her employer is the lender for this project.

**Action Item:
Resolution No. 23-
71, Citi
Securitization
Transaction**

Ms. Petersky stated that this is a resolution authorizing the issuance of municipal certificates to provide funds for the Commission’s purchase of a portfolio of existing Citibank-financed Washington State affordable housing tax-exempt notes in a stated notional amount of not to exceed \$375 million.

She explained that this transaction securitizes 12 projects; 11 of which the Commission had financed, and one that was financed by the Housing Authority of Snohomish County. Citibank (“Citi”) is the largest lender in the Commission’s bond tax credit program, and this resecuritization gives Citi the ability to replenish the funds that they have.

Ms. Petersky also noted that this is the second of these types of securities securitizations that the Commission has done with Citibank. The securitization aggregates previously finance projects. Also it does not use additional bond cap, and this transaction does not affect the Commission's debt capacity.

Mr. Rumpf moved to approve the resolution. Mr. Larsen seconded the motion. The resolution was unanimously approved.

**Action Item:
Approval of CLT &
Habitat set aside
under the House
Key Program**

Ms. Lisa DeBrock, Director, Homeownership Division, stated that the Commission has partnered with the land trusts throughout our state for many years. In the last program year alone, the Commission assisted 27 community land trust (CLT) homebuyers in King, Clark, Kittitas, Pierce, Spokane, and Whatcom counties with purchasing their first home. CLTs have been a wonderful and valued partner of the Commission. CLTs transform lives and communities by putting the stability and wealth building benefits of homeownership within financial reach of income qualified households. They use a leasehold ownership model, with the CLT remaining the underlying property

owner and the homeowner purchasing the home. This ensures that the homes remain affordable in perpetuity.

She added that currently, the Commission has special provisions under the House Key program - which is the below market interest rate program - for land trusts. The Commission allows land trust borrowers to use the House Key program regardless of the borrower's income when purchasing a home in the land trust model. So in other words, within House Key, while the Commission generally caps the income to approximately 80% of AMI for the general public, the Commission doesn't do this with the land trusts.

The Homeownership Division has a long-standing partnership with Habitat for Humanity ("Habitat") and offers low income borrowers under their sweat equity model an even lower interest rate in the House Key program. So, representatives at the land trusts approached the Commission to see if we could offer the same program for them. The staff analyzed the Commission's portfolio and involved the Commission's Finance Team to help, so that we could right size a program that works equitably for both the land trusts and Habitat.

She then introduced Mr. Dietrich Schmitz, the Commission's Downpayment Administrator, for further remarks and a recommendation for Commissioners for consideration and approval.

Mr. Schmitz stated the House Key program as Ms. DeBrock mentioned, is the Commission's below market interest rate program which typically serves lower income borrowers making under 80% of AMI who also need downpayment assistance. Due to limited bond cap, the Commission typically assist 300-500 homebuyers per year which equates to approximately \$120 million in production. Last fiscal year, the Commission assisted 462 households.

The recommendation from staff is to create a program for both CLT borrowers and Habitat for Humanity ("Habitat") borrowers who meet certain income criteria. This proposal would provide an even lower rate than the Commission offers for House Key borrowers, although from time to time the interest rate may

be the same as House Key depending upon market conditions and availability of funds. Based upon both his and Ms. DeBrock's analysis of both the Habitat and CLT loan purchases over the past program year, the Commission would like to limit the AMI for now to 65% of area median income, but reserving the flexibility to adjust the income limits up to the House Key income limits (which are also approved by the Commission) as we continue to evaluate volume.

According to the Commission's analysis, it looks like the majority of Habitat and CLT homebuyers would be assisted within this 65% of AMI limit. Staff anticipates approximately \$10 million in volume for the program per year, but the amount of lendable proceeds amount may change with the market with each bond issue.

Mr. Larsen moved to approve the CLT and Habitat set aside under the House Key Program recommendation presented and proposed by both Ms. DeBrock and Mr. Schmitz. Ms. Topper seconded the motion. The motion was unanimously approved.

**Action Item:
Program Related
Investments – re:
reallocation of
excess PRI funds
among DPA
programs**

This item was pulled from the agenda.

**Action Item:
Program Related
Investments**

Ms. Fenice Taylor, Senior Director, Finance Division stated that this is an annual request to allocate undesignated Program Related Investments (PRI) funds into existing programs. Ms. Taylor stated that this was first proposed to Commissioners and discussed at the Commission Budget & Planning Session in May.

She reminded Commissioners that at the end of the fiscal year (on June 30th), the Commission generally transfers available net revenue above that deemed necessary to maintain in the General Operating Fund to Program-Related

Investments (PRI). There, they are used to compliment and extend the impact of the Commission's programs that are not otherwise supported by our regular funding sources, i.e., the sale of tax exempt or taxable bonds, the issuance of Housing Tax Credits and certain Homeownership programs. She added that Finance obtained Commissioners' approval to transfer General Operating Reserves above \$30 million as of June 30, 2023 to PRI. She added further that while we have not yet completely closed the books on the previous fiscal year, the amount of the transfer is anticipated to be about \$26 million.

Ms. Taylor added that at the 2015 Commission Budget and Planning Session, the Commissioners provided guidance regarding how they wanted to move forward with Program-Related Investments in the near term. This guidance has been reviewed periodically since then and has remained consistent to this date:

- We should look to support the most widely used and significant PRI programs in cooperation with our partners.
- We should combine allocation categories whenever possible and provide consistent terms when feasible for better accounting and reporting purposes.
- We should limit the use of "one-off" allocations for specific organizations or purposes unless it is the only way to promote our mission and meet a significant need.

In addition, we should avoid repetitive, small allocations within categories by being more flexible in our use of repayments. However, we should remain flexible in recognition of changing circumstances for the use of PRI to meet newly recognized needs that cannot be met with other resources. Each year shortly after the new fiscal year begins, we have been requesting designations of PRI resources into ongoing, successful programs and retaining a relatively small amount of undesignated funds for additional allocation throughout the year.

Ms. Taylor mentioned that following the protocol previously described, staff has prepared the following requests for allocation from PRI Undesignated, to the programs as listed (see table below):

PRI Program	Current PRI Allocation*	Amount Requested	Program Description
Critical Community Response (Preservation)	\$31 million	\$6.5 million	Helps organizations with acquisition, rehabilitation, construction, preservation, and repurposing of community facilities critical to the population such as low-income housing or services that are not otherwise available in the community that have financing gaps.
Community Land Trust (CLT) Program	\$7 million	\$2.5 million	Financing to Community Land Trusts for land, predevelopment, and construction.
Manufactured Housing	\$27.3 million	\$3 million	Assists in the preservation of manufactured home communities which generally serve lower-income homeowners. Eligible organizations include Resident Owned Communities as well as non-profits.
Farmland Protection and Affordability Investment (Farm PAI)	\$10 million	\$4 million	Initiative to preserve farmland and assist BIPOC farmers. New requests mirrors Legislative appropriation to Conservation Commission for farmland easements.
Capital Plus (WCRA)	\$12 million	\$5 million	Partnership with WCRA to fund below-market financing to nonprofits with capital needs under up to \$1,500,000.
Racial and Social Equity Reserves	\$4 million	\$5 million	Provides a reserve for future Racial & Social Equity PRI Programs
Total Amount Requested:		\$26 million	

* Note: Amount of PRI funds that have been allocated to the program not including partner investments, if any, as of 6/30/23. Total current assets in the program may exceed this amount as interest is earned and loans revolve.

Ms. Taylor stated that after this \$26 million allocation, there will be a remaining available balance of \$2 million that is undesignated, for unanticipated needs for the balance of the year - whether it is for an existing program or for a new program.

Ms. Taylor then asked staff members of MHCF and Mr. Walker to briefly describe the PRI categories listed above in a little more detail along with remarks.

The following individuals provided detailed remarks:

- Mr. Dan Rothman, Senior Development Analyst, MHCF Division, Community Critical Response (Preservation) & Community Land Trust (CLT) categories
- Mr. Richardson, Manufactured Housing category
- Mr. Schilling Farmland Protection & Affordability Interest (Farm PAI) category
- Ms. Petersky, Capital Plus (WCRA) category

Mr. Walker gave some final remarks regarding the Racial & Social Equity Reserves PRI category, which is the newest PRI category, in effect now for two years.

Mr. Rumpf thanked the presenters from the MHCF Division and Mr. Walker, and then asked that after the discussions back at the May Budget & Planning Meeting, the question arose whether PRI funds should also be used to shore up additional funding for core Homeownership programs. Ms. Taylor replied that there is over \$100 million available for downpayment assistance programs, which is more than adequate funding for this fiscal year. Mr. Walker added that the Commissioners have previously authorized staff to utilize tools and strategies to do what it takes stimulate and increase the amount of loan closings as needed.

Mr. Krueger moved to approve the allocation of excess undesignated reserves to the six PRI categories presented. Ms. Grigoras seconded the motion. The motion was unanimously approved.

Ms. Grigoras gave a report from the Department of Commerce (“Commerce”) as follows:

**Informational
Report on
Department of
Commerce
Activities**

Commerce has been working on our decision packages that are due to the Governor's office at the beginning of September. There we have a few technical fixes. We are finalizing our request for affordable housing dollars, mainly the Housing Trust Fund as well as Apple Health and Homes.

The Multifamily Housing and Homeownership Unit programs have both have their notice of funding availabilities (NOFAs) out. Applications are due September 18 for Multifamily and September 29 for Homeownership. Commerce is expecting a high number of applications as there is \$302 million available for multifamily and \$39 million for homeownership.

The Growth Management Housing Team has put out three different books on guidance for updating housing elements, as required by the Governor. In addition, they are also making available programs and resources for local communities and governments to plan for their housing needs. There is a new legislative requirement for this team to work on a middle housing model ordinance. They have released an RFP to select the consultant, and they have made this that selection: Markers Architecture & Urban Design. The company will be working with the Growth Management Team at Commerce to create this housing model ordinance. There will be opportunity for public input and stakeholder groups to provide their feedback and suggestions.

Executive Director's Report

Mr. Walker gave the Executive Director's Report as follows:

Multifamily Housing & Community Facilities (MHCF):

Interested party meetings have taken place and the proposed changes to the tax credit policies are posted. Input is currently being accepted and any changes will be made and presented back to interested parties in early September, with the final proposed changes to be brought to the Board at the September meeting. In addition to a general meeting of interested parties, Keri and Tara put together and led a discussion with a group of interested community-based organizations facilitating and soliciting input specifically on our By and For community points.

Most of the changes are minor language changes to help provide clarity. There are three main changes being proposed. One is related to increasing the minimum scoring needing to be achieved in order to get an allocation, with at least a certain amount of points in the By and For community section. The other relates specifically to the process for allocation in the Seattle/King County area. In conjunction with the other Seattle/King County funders and Sound Transit we are proposing moving to a “pipelining” process, where a pre-allocation list will be established with either Sound Transit or projects that have investment from the other public funders.

There will be three tiers created, the first being the most permit ready and fully funded, the second being fully funded working towards permitting. Related to this change is the need to pull out Snohomish County and we are proposing creating a separate lane in the balance of state bucket specifically for Snohomish, as it was originally grouped in with Seattle/King. The overall target of up to 40% in balance of state remains, not including Snohomish County. The third being locally funded projects which may still need HTF funding or are closer to being ready a year/plus out.

The other main change relates to adding to our values statement the same value statement that was approved in our 9% program for Fostering Healthy Foster Healthy and Sustainable Homes in a Changing Climate and adjusting some of our energy points to align with and acknowledge the potential of the new energy code. An overview will be presented at the Sept work session, with the action item at the Sept Board meeting.

Homeownership:

Covenant Homeownership:

Staff and Pacifica Law Group continue to meet with NFHA on a regular basis.

The study is moving along. NFHA is working with our communications staff on a landing page for this project. They developed their interview protocols for key informant interviews which are all scheduled.

NFHA will be meeting in-person with key interested parties in Seattle on September 14. Any Commissioners that are interested in participating should inquire with Steve. Also a special thank you to Chair Bascomb-Green for her participation.

Homeownership Assistance Fund:

As of August 16, 2023, over 1,700 grants have been funded totaling nearly \$34 million dollars in grant assistance.

In July of 2023, slight program adjustments were made to expand the program's reach to those households that need assistance the most. Earlier this month, our vendor, HOTB reached out to homeowners that had previously applied but were declined under the old program guidelines that could now be eligible. That outreach, along with our partner housing counseling agencies doing their own outreach, has resulted in a significant response and those applications are being updated and re-evaluated to see if they are eligible for assistance.

Since the last report, Commission staff and HOTB met with the U.S. Department of the Treasury for a check-in on the HAF Program. The meeting went very well, and Treasury agreed that our program was sound and on the right path to fully expend the funds by the required program closing date.

The program continues to demonstrate excellent geographic distribution of funding and continues to show the success of our marketing in reaching underserved communities and communities of color. Outreach to underserved communities regarding the HAF Program continues to reach all areas of the state in multiple languages. Advertising in social media, along with local publications and radio stations, has shown results through the steady traffic to our HAF

Program landing site (WashingtonHAF.org) as well as the “Hotline” at the Washington Homeownership Resource Center.

Finally, we want to acknowledge the benefit homeowners throughout the State of Washington receive from our non-profit counseling partners. Not only do they provide great assistance in the HAF Program itself, but they provide tremendous support and assistance to homeowners in working with the servicers beyond that of our HAF Program.

Asset Management & Compliance (AMC):

Our first in-person AMC Tax Credit Fundamentals Training since 2019 was on August 16th-17th, 2023 and is now officially closed.

We had 32 Fundamentals attendees and 34 Advanced attendees. The training was held at the Spokane Hampton Inn & Suites, Spokane Valley. Our instructors were Chrystal White & Erik Giesen.

We are in the middle of our September Fundamentals Online Training registration, so far, we have 67 registrants.

Finance:

We are completing our very first in-house agency-wide risk assessment to ensure compliance with state requirements and continuously improve our internal controls.

Other information from Steve:

Housing Washington <https://www.housingwa.org> is right around the corner; October 3-5 in Tacoma. The agenda is settling, and our conference sponsorships now surpass both this year’s goal and last year’s \$114k in revenues. We continue to be on an excellent path. Any Commissioners that are interested in attending, please reach out to Tera.

Steve participated in a housing roundtable with U.S. Representative DelBene and her staff, ARCH, King County Housing Authority and the City of Bellevue. DelBene's staff and Bellevue's external affairs staff framed the event as an opportunity to talk about the people living in housing, the demand for affordable housing, and local efforts to encourage housing development.

He also met with Emily Caddick, CEO of the Affordable Housing Tax Credit Coalition to discuss the Housing credit Improvement Act, status of congressional support and the important role Washington state legislators play in its passage.

Steve has continued meeting regularly with a small team of legislators and CBO leaders to remain in close coordination and communication regarding all activities on the Covenant Homeownership Act Program (CHAP).

He also stated that he and staff held interviews with five search firm agencies last week to help with the search for our next DEI Director. A decision will be made this week in order to begin search as soon as possible.

Commissioners' Reports

Chair Bascomb-Green mentioned that she recently sat on a panel for Habitat for Humanity of Seattle-King-Kittitas Counties along with Habitat's international CEO, Seattle Mayor Bruce Harrell, and Lt. Governor Denny Heck. She commented that they all had great commentary regarding closing the racial homeownership gap from the perspective of Habitat and what it does. Also, over 100 people were in attendance. She added that she is excited about the direction of homeownership in Washington State despite the challenges present with the racial and wealth gaps.

Consent Agenda

The consent agenda was approved as distributed.

Public Comment

Ms. Robin Amadon, a development consultant, commended the Commission on posting not just board meeting agendas online, but now the full board packets as

well, and this has been done for the past 4 years. She remembered that in previous years, board packets were not made readily available. She complimented Mr. Bob Peterson, Deputy Director for being receptive to her regarding this.

Ms. Amadon then asked if the scoring for the bond cap rounds be included with the project summary when the bond financing resolution is done. She mentioned that many indeed had their scores listed, but one in particular the TWG project in Factoria did not have this score listed, she thinks perhaps that was an isolated oversight on the Commission's part. She concluded that she very much appreciates the Commission's transparency to the public.

Adjournment

The meeting was adjourned at 2:54 p.m.

Signature

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the "Commission") will hold an open public hearing with respect to a proposed plan of financing for the issuance by the Commission of one or more series of tax-exempt revenue obligations (the "Notes") to finance a portion of the costs for the acquisition, new construction and equipping of a multifamily housing facility in Seattle, Washington, to be owned by North MLK Development LLLP, a Washington limited liability limited partnership. The Notes may be issued as one or more series issued from time to time and may include one or more series of refunding obligations. The public hearing will be held starting at 1:00 p.m., Thursday, September 28, 2023 in the 28th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601. Participants wishing to join telephonically in the United States, please dial either toll free number: (888) 788-0099 or (877) 853-5247. Participants wishing to attend in person may attend in the 28th Floor Board Room of the Commission’s offices located at 1000 Second Ave., Seattle, Washington 98104-3601.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this public hearing can also be viewed via Zoom or joined telephonically.

To join virtually, please go to www.zoom.us, go to “Join a Meeting” and enter:

Meeting ID: 839 5635 9904
Passcode: 088544

The Notes will be issued pursuant to Chapter 43.180 Revised Code of Washington for the purpose of financing a qualified residential rental facility under Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”).

The proceeds of the Notes will be used to provide financing for the following project:

Project:	MLK Mixed-Use and Early Learning Center
Project Address:	7544 Martin Luther King Jr. Way S. & 7529 Renton Avenue S. Seattle, WA 98118
Total Estimated Project Cost:	\$62,670,381
Estimated Maximum Note Amount:	\$34,000,000

Proceeds of the Notes will be used to provide a portion of the financing for the acquisition, construction and equipping of a 148-unit multifamily housing facility in Seattle, WA, and to pay all or a portion of the costs of issuing the Notes. Each apartment will be a complete and separate dwelling unit consisting of living, eating and sanitation facilities. A percentage of the total units will be set aside for persons or households with low incomes.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Code. Written comments with respect to the proposed Project and the proposed plan of financing for the Notes may be mailed or faxed to the attention of Dan Schilling, WSHFC, MHCF Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587-5113, for receipt no later than 5 p.m. on Wednesday, September 27, 2023. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the project will receive funding from tax-exempt and/or taxable obligations. Testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the MHCF division at (206) 464-7139 or 800-767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

Multifamily Housing Program

Project Name MLK Mixed-Use and Early Learning Center

Developer Low Income Housing Institute

Description The MLK Mixed-Use building is in the heart of the Othello neighborhood in Seattle, located 1 block south of the Othello light rail station. The new 6-story building will provide 148 affordable housing units for low-income individuals and families, as well as a 6-classroom, 9,900 square-foot Early Learning Center (ELC) operated by Refugee Women's Alliance (ReWA).

ReWA is a Seattle Preschool Program provider and plans to serve 102 children, ages 3-5 (with 16 infant slots), and their families at the MLK site. ReWA will provide referrals to the families it serves to MLK Mixed-Use housing while LIHI will provide service referrals to residents to ReWA.

In addition to the 6 classrooms noted above, the ELC will also include teacher rooms, a staff break room, an outdoor play area, and a kitchen for site-cooked meals reflecting the cultures of the children attending the ELC.

Location 7544 Martin Luther King Jr. Way S
Seattle, WA 98118

Project Type New Construction

Units	Studio	29
	One Bedroom	74
	Two Bedroom	14
	Three Bedroom	31
	Total	148

Housing Tax Credits Yes

Income Set-Aside 30% at 60% AMI
70% at 50% AMI

Regulatory Agreement Term Minimum 40 years

Evaluation Plan Scoring	Cost Efficient Development	7
	Additional Low-Income Housing	6
	Commitments	
	Commitments for Priority Populations	2
	Systemic Barrier	5
	CBO Inclusion	5
	Community Engagement Process	2
	Application of Community Engagement	2
	Donation in Support of Local Nonprofit Programs	2
	Property Type	3
	Energy Efficiency, Healthy Living, & Renewable Energy – New Construction	3
	Total Points	37

Estimated Tax-Exempt Note Amount (Not to exceed) \$34,000,000

Note Structure Private Placement

Lender KeyBank Community Development Lending

Development Budget

Acquisition Costs	\$1,239,000
Construction	\$43,667,947
Soft Costs	\$4,115,000
Financing Costs	\$3,420,156
Capitalized Reserves	\$601,800
Other Development Costs	\$1,152,750
Total Development Costs	\$60,196,653

Permanent Sources

City of Seattle	\$12,345,183
Perm Debt	\$6,617,096
Deferred Dev Fee	\$1,500,000
Amazon	\$11,200,000
Sponsor Equity, EDI, Donations	\$2,501,954
Tax Credit Equity at \$0.8900 per credit x 10 years	\$26,032,420
Total Permanent Sources	\$60,196,653

Total Development Cost Limit

Project's Total Development Cost Limit	\$72,813,515
Total Development Cost (minus land and reserves)	\$58,375,853

Waiver

Not required

Project Operations

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
Studio	\$1,425	\$1,097
One Bedroom	\$1,725	\$1,168
Two Bedroom	\$2,300	\$1,396
Three Bedroom	\$2,900	\$1,597

Action

Public Hearing for OID # 22-40A

Anticipated Closing Date

November 2023

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing for the purpose of considering the issuance by the Commission of one or more series of tax-exempt revenue bonds (the “Bonds”) to refinance debt previously incurred for the acquisition and rehabilitation of a mixed-use facility in Seattle, Washington, to be owned by NHCDI/LIHI Squire Park Plaza LLC, a Washington limited liability company (“Borrower”), a subsidiary of New Hope Community Development Institute, a Washington nonprofit corporation, and Low Income Housing Institute (LIHI), a Washington nonprofit corporation, both of which are organizations described under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Bonds may be issued as one or more series issued from time to time and may include one or more series of refunding obligations. The public hearing will be held starting at 1:00 p.m., Thursday, September 28, 2023. Participants wishing to join telephonically in the United States, please dial either toll free number: (888) 788-0099 or (877) 853-5247. Participants wishing to attend in person may attend in the 28th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104–3601.

Pursuant to RCW 42.30.030(2), which encourages public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

To join virtually, please go to www.zoom.us, go to “Join” or “Join a Meeting” and enter:

Webinar/Meeting ID: 839 5635 9904

Passcode: 088544

The Bonds will be issued pursuant to the Revised Code of Washington, Chapter 43.180 for the purpose of financing an exempt facility under Section 145 of the Code.

The proceeds of the Bonds will be used to provide financing for the following project:

Project:	Squire Park Plaza
Project Address:	1710 S. Jackson Street Seattle, WA 98144
Total Estimated Project Cost:	\$18,500,000
Estimated Maximum Bond Amount:	\$9,500,000

Proceeds of the Bonds may be used to refinance all or a portion of existing taxable debt used by the Borrower to finance the acquisition and rehabilitation of an existing facility, and to pay all or a portion of the costs of issuing the Bonds.

This notice and the provision of toll-free telephone access to the hearing are intended to comply with the public notice requirements of Section 147(f) of the Code. Written comments with respect to the proposed Project and the proposed plan of financing for the Bonds may be mailed or faxed to the attention of Dan Schilling, WSHFC, Multifamily Housing and Community Facilities Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587–5113, for receipt no later than 5:00 p.m. on Wednesday, September 27, 2023. Public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the project will receive funding from a tax-exempt and/or taxable bonds. Testimony and

written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Multifamily Housing and Community Facilities Division at (206) 464-7139 or 800-767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

Nonprofit Housing Program

Project Name	Squire Park Plaza
Developer	Low Income Housing Institute
Description	Squire Park Plaza is a refinance of existing taxable debt used by the Borrower to finance the acquisition and rehabilitation of an existing facility It is in Seattle's Central District neighborhood. The building will serve individuals and families at all income levels (0-100% AMI) with the majority serving low-income tenants. 10 units at 30% AMI, 18 units at 50% AMI, 15 units at 60% AMI, 10 units at 80% AMi and 7 units at market rate.
Location	1710 S Jackson Street Seattle, WA 98144
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing
Project Type	Refinance of an existing debt
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$9,500,000
Bond Structure	Public Sale
Lender	KeyBanc Capital Markets Inc.
Underwriter	
Action	Public Hearing for OID # 23-72A
Anticipated Closing Date	November 2023



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Mr. Steve Walker
Executive Director

memorandum

To: Commissioners

From: Lisa Vatske

cc: Steve Walker

Date: September 18, 2023

Re: Bond/4% Program 2024 Proposed Changes

Overview

After two years of implementing the reset and framework for allocating the highly competitive bond cap, we remain dedicated to the values and outcomes that were developed and are being achieved. Although there are many proposed changes for 2024, they mostly reflect language clarifications. We are proposing a change in process for allocating resources in Seattle/King County, which then results in a change to our geographic goals. Given the continued competitiveness and now that we have had time with implementing the policy changes, we are also proposing to increase the minimum score as well as ensuring that some points are taken in the By and For Community category- which is still our largest point category and highest priority.

A full chart of proposed changes, including our process and technical edits were posted to our website on August 8th. At the same time, we conducted a survey to provide input on the proposed changes. In addition, we held several interested-party meetings to provide an overview and discussion of all the changes. Meetings were held with the Seattle/King County Housing Development Consortium tax credit affinity group, a specific meeting was convened with community-based organizations, as well as two general interested party convenings. Several smaller group meetings were held as well to ensure there was understanding and the ability to provide space for input in a less formal setting. Minor edits have been made from all the dialogue and input we received, and an update was posted on September 5th, with final comments due September 15th. No further comments have been made.

We plan to provide an overview of the chart below at the September work session, and then hold a public hearing and bring forward the below changes for action all at the September meeting. Once approved, we will update our policy document. We have only included this chart for review and approval, instead of the full policy document.

Highlights of the more substantial changes:

Pipelining the Seattle/King bond cap allocation process.

One of the main changes for 2024 is in our process for allocating bond cap to projects in Seattle/King County. The public funders, including staff from Sound Transit, City of Seattle, King County, South King County and ARCH (East King County Housing Consortia) as well as the HTF have spent many hours over the past several months, analyzing the current demand and projects seeking bond cap in the Seattle/King County area utilizing public funds. Given the priority the Commission has to leverage the Sound Transit investments, along with the other public funders and the robust demand for resources from community-based organizations as well as our larger regional non-profit developers, it is painfully evident that the need outstrips the resources significantly and that continuing to have projects apply and turning more than half of them down is a continued stress and cost to the system as a whole. We are proposing to more strategically and transparently provide a pipelining approach that will line projects up based on readiness and geographic distribution throughout the County, including the Sound Transit properties. We will create a 3-tiered list pre-allocation approach, that will be reviewed at least twice a year and informed by the public funding rounds. The intent is to more transparently line projects up, that are fully funded and ready to go streamlining the application process, so only those projects that can close apply when they are ready. Utilizing this approach in Seattle/King will impact the statewide geographic targets we had previously, so we are proposing a slight change in the targeting to 50% of the bond cap to Seattle/King. Snohomish will be considered balance of state, with no more than 10% of the total allocation available to Snohomish and keeping the 40% balance of state target to continue to encourage projects beyond King and Snohomish Counties. We are also proposing this as a 3-year average, so tracking these percentages over time.

Increase the minimum points required for a bond cap allocation.

To ensure projects meet our highest priority of selecting projects that embrace and at least meet a minimum approach to inclusion in our By and For Community category, we are proposing the minimum score include points in this category. To move to a pipelining process, we also want to ensure that projects are still competitive and meet key criteria. We continue to have distinct minimum thresholds in balance of state to acknowledge the differences in our geographic regions.

The table attached shows the changes being proposed for 2024.

Bond Tax Credit Program Policy – 2024 Proposed Amendments - Updated 9/18/2023

(Includes all proposed changes in bold with redlines as applicable)

Existing Policy	Proposed Changes	Rationale
<p>Section 1 Introduction</p> <p>The Bond/Tax Credit Policies guide the allocation of Private Activity Bond Volume Cap (“Bond Cap”) and the 4% Low-Income Housing Credit (“4% Credit”) to eligible projects. These Policies apply only to projects using both types of financing, and they apply regardless of whether the bonds are issued by the Commission or another agency.</p>	<p>Updates language:</p> <p>The Bond/Tax Credit Policies guide the allocation of Private Activity Bond Volume Cap (“Bond Cap”) and the 4% Low-Income Housing Credit (“4% Credit”) to eligible projects. These Policies apply only to projects using both types of financing. Issuers other than the Commission of bonds for housing under the Bond Cap may have different policies apply, as identified in section 1.1.2. Projects Financed with Bonds Issued by an Issuer Other Than the Commission.</p>	<p><i>Policy Change</i></p> <p>Clarifies applicability of policies for Public Housing Authorities.</p>
<p>Section 1.1.1 Projects Financed with Commission Issued Bonds</p> <p>Commission-issued bonds for Qualified Residential Rental Projects, hereafter referred to as Multifamily Housing Bonds, are often referred to as Private Activity Bonds since the bonds are issued by a public entity to provide low-cost financing for private projects that serve a public purpose.</p> <p>These bonds (with the limited exception of certain bonds, see Section 2.3), also allow for the generation of 4% low-income housing tax credits (“LIHTCs”). LIHTCs are equity dollars. An allocation of 4% credits yields tax credits over a 10-year period with a present value of 30% of eligible costs to construct the low-income units. The 4% credit is also referred to as the</p>	<p>Adds language:</p> <p>1.1.1 Projects Financed with Commission-Issued Bonds</p> <p>Commission-issued bonds for Qualified Residential Rental Projects, hereafter referred to as Multifamily Housing Bonds, are issued to provide low-cost financing for private projects that serve a public purpose. In addition, Multifamily Housing Bonds may be used to reimburse a Borrower for costs incurred before bonds are issued, including certain preliminary “soft costs” and other capital expenditures if they are paid after or not more than 60 days before the Commission issues an Official Intent Declaration (OID). An OID is created at the time of project application, however, an applicant may request an OID in advance of submitting an application (see related Section 9.1.2 Official Intent Declaration (OID) Request Fee). The Commission recommends consulting with legal counsel early in the financing to determine eligibility for tax-exempt financing and conditions for such a financing including tax rules regarding reimbursements.</p> <p>Multifamily Housing Bonds, (with the limited exception of certain bonds, see Section 2.3), also allow for the generation of 4% Low-Income Housing Tax Credits</p>	<p>Language Clean Up</p> <p>Clarifies what an OID is, why and when it is recommended or appropriate to request and/or issue one.</p>

Existing Policy	Proposed Changes	Rationale
<p>noncompetitive tax credit, since 4% credits are not limited to an annual federal per capita restriction as the 9% LIHTCs.</p> <p><i>See also changes for Section 9.1.2.</i></p>	<p>(“LIHTCs”). LIHTCs are equity dollars. An allocation of 4% credits yield tax credits over a 10 year period with a present value of 30% of eligible costs to construct the low-income units. The 4% credit is also referred to as the noncompetitive tax credit, since 4% credits are not limited to an annual federal per capita restriction as the 9% LIHTCs.</p>	
<p>Section 1.1.1.1 Competitive Application Rounds</p> <p>For most of the program’s history, the Commission has been able to allocate to eligible projects on a first-come, first-served basis. In recent years, market factors combined to increase demand for housing cap, resulting in a record-setting low amount of cap available to carry forward into future years. As long as demand continues to exceed supply, the Commission will hold competitive application rounds announced by the end of October of the preceding year. Competitive rounds will implement strict closing deadlines. Projects should only apply for an application round in which they can meet the closing deadline and project readiness criteria as set forth in Section 4, Bond Cap and Tax Credit Allocation Criteria. Sponsors should be confident of permit timing, lender approvals, and investor commitments when they apply. Commission staff may verify key readiness criteria with applicable jurisdictions before Bond Cap awards are made. Projects will be ranked according to point scores, bond cap requested per unit, and cost per unit. Projects not receiving an allocation may be placed on a waiting list for that application round only and will be required to apply in any subsequent application rounds to receive an allocation of bond cap. See the Bond Cap and Tax Credit Allocation Criteria in Section 4 for minimum points and point criteria.</p>	<p>Updates language specific for Seattle/King County projects ONLY:</p> <p>1.1.1.1 Application Rounds For most of the program’s history, the Commission has been able to allocate to eligible projects on a first-come, first-served basis. In recent years, market factors combined to increase demand for housing cap, causing the Commission to hold competitive rounds. Even greater competition in King County for this resource has compelled the Commission to allocate bonds differently for projects located there, beginning in 2024.</p> <p>For King County, projects must have at least 10% public support in Seattle and 5% in King County to be considered for an allocation of bond cap. Project will apply to city, county, and/or state funders in their standard rounds of competitive financing. Projects awarded funding are then put on a tiered list. Projects apply for bond financing only when they are on Tier 1 and ready to proceed to closing. Projects with expiring DDAs and QCTs or other expiring funding eligibility may be given priority.</p> <p>1) Tier 1 projects are fully-funded and permit-ready, with the process to secure lender and investor commitments in progress, and ready to hold their initial scoping meeting. They are expected to close within six months of being placed on Tier 1. Projects that fail to close within six months will have their allocation revoked and will be moved to Tier 2. The King County public funders will establish a process to determine further priority in the Tier if necessary.</p> <p>2) Tier 2 projects are fully-funded and expect to receive permits in the calendar year. Projects in this tier may be elevated to Tier 1 depending on bond cap availability and project readiness.</p>	<p>Policy Change</p> <p>Updating process for Seattle/King County projects where there is extreme demand for bond cap; furthers the Commissions Align Resources value.</p>

Existing Policy	Proposed Changes	Rationale
	<p>3) Tier 3 projects have local funder commitments and expect to receive permits in the next calendar year.</p> <p>Each January and July, the Commission may re-evaluate which projects are on which Tier and reposition projects in accordance with bond cap availability and readiness.</p> <p>In competitive rounds in the balance of state, projects should only apply for an application round in which they can meet the closing deadline and project readiness criteria as set forth in Section 4, Bond Cap and Tax Credit Allocation Criteria. Sponsors should be confident of permit timing, lender approvals, and investor commitments when they apply. Commission staff may verify key readiness criteria with applicable jurisdictions before Bond Cap awards are made. Projects will be ranked according to point scores, bond cap requested per unit, and cost per unit. Projects not receiving an allocation may be placed on a waiting list for that application round only and will be required to apply in any subsequent application rounds to receive an allocation of bond cap. See the Bond Cap and Tax Credit Allocation Criteria in Section 4 for minimum points and point criteria. When competitive rounds are in effect, projects will also be expected to provide a Bond Cap Reservation Fee.</p>	
<p>Section 1.1.2 Projects Financed with Bonds Issued by an Issuer Other Than the Commission</p> <p>To continue maximizing the use of bond cap, the Commission closely coordinates with the Association of Washington Housing Authorities (AWHA) and local public development authorities. Together, the issuing authorities queue a potential pipeline of projects that will need bond cap each year and coordinate the timely transfer of bond cap to meet demand. The Commission request that Public Housing and Development Authorities submit a Bond Cap Request Form by month end of November of the</p>	<p>Updates Section to the following language:</p> <p>To continue maximizing the use of bond cap, the Commission closely coordinates with the Association of Washington Housing Authorities (AWHA) and local public development authorities. Together, the issuing authorities queue a potential pipeline of projects that will need bond cap each year and coordinate the timely transfer of bond cap to meet demand. The Commission requests that Public Housing and Development Authorities submit a Bond Cap Request Form by November 30 of the year prior to an expected allocation. In addition, the Application for Credits (Application) is due at least 60 days prior to the date the 42(m) letter is needed. Waiver requests must be received at least 60 days prior to submitting the Application. The Commission must be kept informed of the closing process and timing.</p>	<p>Policy Change</p> <p>Updating the process for Public Housing Authorities and identifies which policies apply.</p>

Existing Policy	Proposed Changes	Rationale
<p>year prior to an expected allocation. In addition, the Application for Credits (Application) is due at least 60 days prior to the date the 42(m) letter is needed. Waiver requests must be received at least 60 days prior to submitting the Application. The Commission must be kept informed of the closing process and timing.</p>	<p>Public Housing Authorities are not required to meet the scoring criteria but are subject to a separate list of criteria, under development to be posted on the Non-Commission Bond /Tax Credit Program webpage.</p> <p>Public Housing Authorities must comply with all other policies.</p>	
<p>Section 1.2 Bond Policy Values and Outcomes</p> <p>Our goal is to at least meet the minimums of our targets in Preservation, and public investment and not exceed the amount in balance of state, but we will prioritize New Production. We will not allocate to more acquisition/rehab projects simply to increase the dispersion of potential projects outside of King and Snohomish counties.</p>	<p>Adds language:</p> <p>Targets may be considered over a rolling multi-year period, where some targets may be over or under in any given allocation round, but target prioritization will adjust accordingly over a three-year period to achieve these stated goals.</p>	<p>Language Clean-Up</p> <p>Clarifies intent and provides flexibility to review targets over time to inform policy and/or procedure adjustments.</p>
<p>Section 1.2 Bond Policy Values and Outcomes - Value 3: Meet Affordable Housing Needs Everywhere</p> <p>We will compare similar projects and develop slightly different scoring criteria and minimums. Our target will be up to 40% of bonds and tax credits allocated to projects located outside King and Snohomish counties.</p>	<p>Updates language:</p> <p>Projects in Snohomish County will compete with other projects in Balance of State. The Commission will allocate bonds to no more than one project or no more than 10% of the available bond cap, whichever is larger, in any one calendar year, unless waived by the Division Director.</p>	<p>Policy Change</p> <p>As a separate track for King County projects is created, this change preserves a pathway for Snohomish county projects.</p>
<p>Section 1.2: Bond Policy Values and Outcomes</p>	<p>Adds Value: Foster Healthy and Sustainable Homes in a Changing Climate</p> <p>Federal and state policies of redlining and disinvestment in communities of color have long contributed to unequal access to healthy, safe housing and thus to unequal health outcomes among communities of color. Additionally, climate change brings more frequent waves of extreme heat and wildfire smoke that</p>	<p>Policy Change</p> <p>Currently Healthy/Sustainable Housing composes 10</p>

Existing Policy	Proposed Changes	Rationale
	<p>exacerbate health issues among vulnerable people in Washington, including those with cardiovascular, respiratory, and mental health conditions. How affordable housing is designed and built can mitigate some of these health impacts of climate change.</p> <p>Furthermore, the built environment is Washington’s second-largest carbon polluter behind transportation. Building emissions come from burning fossil fuels including gas and oil for furnaces, water heaters, and appliances.</p> <p>While climate change brings unequal health outcomes, state agencies have a window of opportunity to reduce those unequal outcomes and slow climate change’s speed. WSHFC envisions affordable housing in which residents live in a healthy environment with a comfortable temperature range, safe from the harmful effects of smoke. As we plan for future building-design criteria, we will incentivize housing that is healthier for residents, as well as energy efficient to minimize carbon emissions.</p>	<p>points total (solar, energy efficient buildings, and EVs). Including Healthy/Sustainable housing as a value better reflects our priorities in MHCF.</p>
<p>Section 2.3 Maximizing the Use of Recycled Bond Cap</p> <p>The Housing and Economic Recovery Act of 2008 allows for the recycling of bond volume cap. Recycled bond volume cap (“Recycled Bonds”) is derived from the pay down or pay off of multifamily bond issues if certain conditions are met. Recycled Bonds must be issued for a qualified residential rental project within six months of the repayment of the original bonds, the final maturity of the newly issued Recycled Bonds must be within 34 years of the initial issuance date of the original bonds and TEFRA and approval requirements must be met. Perhaps most significantly, Recycled Bonds are not eligible for 4% tax credits. The Commission intends to allocate Recycled Bonds to projects whenever possible. The use of Recycled Bonds will be</p>	<p>Update Section to the following language:</p> <p>2.3 Maximizing the Use of Alternatives to Bond Cap</p> <p>When demand for bond cap exceeds supply, the Commission may choose, at its discretion, to not allocate bond cap to a project, but require the use of alternative bond issues. None of these alternatives are eligible for 4% tax credits. By using alternative bonds for the portion of the bond issue that exceeds the minimum threshold of the “50% Test” (see Section 3.15) or for projects that do not need to generate 4% tax credits, the Commission will ensure that its current year and carry forward volume cap is prioritized to generate 4% tax credits. The Commission intends to target allocations of new-issue Bond Volume Cap to projects at an amount not to exceed 55% (5% above the 50% Test).</p> <p>Commission staff will discuss the use of these alternatives to bond cap with the project sponsor as soon as possible in the process, as to facilitate an efficient development of the financial and legal structure of the bond issue. The alternatives to bond cap include:</p>	<p>Policy Change</p> <p>Provides more flexibility for the Commission to maximize resources beyond Recycled Bonds specifically and aligns with the program’s Use Resources Efficiently Value.</p>

Existing Policy	Proposed Changes	Rationale
<p>discussed with the project sponsor well before the scheduled closing of the bonds. The use of such Recycled Bonds is dependent on availability. By using Recycled Bonds for the portion of the bond issue that exceeds the minimum threshold of the “50% Test” (see Section 3.15) or for projects that do not need to generate 4% tax credits, the Commission will ensure that its current year and carry forward volume cap is prioritized to generate 4% tax credits. The Commission intends to target allocations of new-issue Bond Volume Cap to projects at an amount not to exceed 55% on the 50% Test. Priorities for Recycled Bond Cap, in order:</p> <ol style="list-style-type: none"> 1. Finance the development of additional projects - if there is enough accumulated recycled bond cap to make an entire project feasible, staff reserves the right to first offer it to any projects that plan to structure their project as an 80/20 bond deal, i.e., not using tax credits or using minimal tax credits. If there are no projects considering this structure, then staff may offer the recycled bond cap to projects on the waiting list, in priority order based on point score. All projects receiving recycled cap under this priority would need to meet the following criteria: able to close by a specified date; use a nominal proportional amount of new bond cap; and, able to use most or all the expiring recycled cap 2. Lower the use of the bond cap 3. Finance what otherwise would be financed under taxable bonds. 	<p><u>Taxable bonds:</u> The Commission has the authority to issue taxable bonds for housing. It may require income or rent restrictions on the properties financed to achieve affordability goals.</p> <p><u>Nonprofit bonds:</u> The Commission has the authority to issue tax-exempt nonprofit housing bonds to advance the purposes of qualified 501(c)(3) organizations. Bond issues must conform to federal law and the Commission nonprofit housing program policies.</p> <p><u>Recycled bond cap:</u> The Housing and Economic Recovery Act of 2008 allows for the recycling of bond volume cap. Recycled bond volume cap (“Recycled Cap”) is derived from the pay down or pay off of multifamily bond issues if certain conditions are met. Recycled cap must be used for a qualified residential rental project within six months of the repayment of the original bonds, the final maturity of the newly issued Recycled Cap bonds must be within 34 years of the initial issuance date of the original bonds and TEFRA and approval requirements must be met. The use of such Recycled Cap is dependent on availability.</p> <p>Priorities for Recycled Cap, in order:</p> <ol style="list-style-type: none"> 1. Finance the development of additional projects: <ol style="list-style-type: none"> a. If enough Recycled Cap has accumulated to make an entire project feasible, staff reserves the right to first offer it to any projects that plan to structure their project as an 80/20 bond deal, i.e., not using tax credits or using minimal new volume cap and tax credits. b. If no developer has a project planning to use this structure, then staff may require projects that have applied for the bond/tax credit program to use Recycled Cap instead of new bond cap, at its discretion. All projects receiving Recycled Cap under this priority would need to meet the following criteria: be able to close by a specified date; use a nominal proportional amount of new bond cap; and, be able to use most or all the expiring recycled cap 2. Finance what otherwise would be financed under taxable bonds. 	
<p>Section 3 Minimum Threshold Requirements</p>	<p>Change title to Program Requirements</p>	<p><i>Language Clean-Up</i></p>

Existing Policy	Proposed Changes	Rationale
		Technical Fix to accurately reflect list of items in this section.
<p>Section 3 Minimum Threshold Requirements</p>	<p>Add previous missing policy language:</p> <p>3.2 Project Sponsor The Project Sponsor must be in good standing with all Commission programs and policies.</p> <p>3.23 Financial Solvency and Litigation Status As part of the Application and at such other times as required by the Commission, the Applicant must provide a certification with respect to the financial solvency of the Applicant, the project and certain project participants in the form required by the Commission. Bond / Tax Credit Program Policies Page 32 If the certification discloses any financial difficulties, risks, or similar matters that the Commission believes might substantially impair or harm the successful development and operation of the project as a qualified low-income housing project, the Commission may:</p> <ul style="list-style-type: none"> • refuse to allow the Applicant to participate in the Bond/Tax Credit Program; • reject or disqualify an application and cancel any Credit reservation and carryover allocation; or • demand additional assurances that the development, ownership, operation, or management of the project will not be impaired or harmed (such as, performance bonds, pledging unencumbered assets as security, opinions of financial solvency by an independent certified public accountant, or such other assurances as determined by the Commission). <p>The Applicant must also disclose throughout the development and operation of the project if there is a material change in the matters addressed in the certification.</p>	<p>Language Clean-Up</p> <p>Technical fix and clean up from a prior revision error.</p>
<p>Section 3.1 Complete Application and Appropriate Fee</p> <p>Please see Bond/Tax Credit Program Fees in Section 9 for details on application fees.</p>	<p>Adds additional language:</p> <p>The application fee is due no later than 10 business days after the application due date. If the fee is not received within 10 business days, the Application may be deemed incomplete, and ineligible for further consideration for financing.</p>	<p>Language Clean-Up</p> <p>Clarifies when application fees are expected, since</p>

Existing Policy	Proposed Changes	Rationale
	Please see Bond/Tax Credit Program Fees in Section 9 for details on application fees.	invoice and payment instructions are generated upon application submission.
<p>Section 3.15 Project Financing</p> <p>Projects using the tax-exempt bonds issued by the Commission must provide evidence in the Application that the project’s lender(s) and tax credit investor have been engaged. Project projects financed with bonds issued by an issuer other than the Commission are not subject to this requirement.</p> <p>3.15.1 Lenders The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant and proof that an appraisal deposit has been made.</p> <p>3.15.2 Tax Credit Investor The tax credit investor/syndicator must also be engaged at the time of application. Applicants must submit a copy of the Tax Credit Investor’s Letter of Intent (LOI) as an attachment to the Application.</p>	<p>Projects using the tax-exempt bonds issued by the Commission must provide evidence in the Application that the project’s lender(s) and tax credit investor have been engaged. Project projects financed with bonds issued by an issuer other than the Commission are not subject to this requirement.</p> <p>3.15.1 Lenders 3.15.1.a Projects located in King County The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant.</p> <p>3.15.1.b Projects located in Balance of State The lender(s) and/or credit enhancer involved in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the bank that includes the following information:</p> <ul style="list-style-type: none"> • Estimated maximum tax-exempt bond amount and interest rate • Estimated maximum taxable bond amount (if applicable) and interest rate • Identification of other sources of financing and estimated amounts • The number of units, low-income set-asides, and any special populations served • History of working with the developer and/or WSHFC <p>3.15.2 Tax Credit Investor The tax credit investor/syndicator must also be engaged at the time of application. 3.15.1.a Projects located in King County Applicants must submit a copy of the Tax Credit Investor’s Letter of Intent (LOI) as an attachment to the Application.</p>	<p>Policy Change</p> <p>Aligns policy with current practice.</p>

Existing Policy	Proposed Changes	Rationale
	<p>3.15.1.a Projects located in King County Investors in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the investor that includes the following information:</p> <ul style="list-style-type: none"> • Estimated pricing of the tax credits • Identification of other sources of financing and estimated amounts • The number of units, low-income set-asides, and any special populations served • History of working with the developer and/or WSHFC 	
<p>Section 3.15.1 Lenders</p> <p>The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant and proof that an appraisal deposit has been made.</p>	<p>Removes the requirement to have made an appraisal deposit.</p> <p>3.15.1 Lenders The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant.</p>	<p><i>Language Clean-Up</i></p> <p>Technical Fix – to align policy with existing practice</p>
<p>Section 3.18 Rehabilitation Requirements</p> <p>4.9.2 Rehab Heat Pump Option Five points will be awarded for projects that implement the ductless or ducted heat pump options from ESDS Section 5.09. The project must also implement the Performance Testing Option from ESDS 5.09, which requires using a qualified contractor to test and verify the systems meets the Performance Testing Comfort System (PTCS) requirements during commissioning. During submittal, the ESDS points used to comply with this section must be noted on the ESDS Checklist and Evergreen Owner Certification outlined in Section 3.5. Additionally, a brief narrative must be</p>	<p>Move section 4.9.2 Rehab Heat Pump Option to section 3.18 Rehabilitation Requirements. Delete current language and include proposed language below.</p> <p>3.18 Rehabilitation Requirements:</p> <ul style="list-style-type: none"> • Projects are required to implement the ductless or ducted heat pump options from ESDS Section 5.09. The project must also implement the Performance Testing Option from ESDS 5.09, which requires using a qualified contractor to test and verify the systems meets the Performance Testing Comfort System (PTCS) requirements during commissioning. Additionally, a brief narrative must be included that describes how the heat pumps will be implemented into the project’s scope of work. If the project is not updating the electrical system in Section 4.11 Rehabilitation of Major Systems, address in the CNA or provide a narrative describing how the existing systems can handle the increased electrical load. The qualified contractor’s PTCS report must be included in the Placed-in-Service Package. 	<p><i>Policy Change</i></p> <p>Requiring In Unit Cooling on all rehabs to mitigate the effects of climate change and support increasing healthy outcomes for tenants.</p>

Existing Policy	Proposed Changes	Rationale
<p>included that describes how the heat pumps will be implemented into the project’s scope of work. As part of the Placed-in-Service Package, the ESDS points used to comply with this section must be included in the Evergreen Project Implementation Plan and architect’s certification outlined in Section 3.5. The qualified contractor’s PTCS report must also be included in the Placed-in-Service Package.</p>	<ul style="list-style-type: none"> If the project is not able to accommodate the ductless or ducted heat pump options from ESDS Section 5.09, provide a narrative on how the project will provide an in-unit cooling solution for all residents to ensure resident comfort. 	
<p>3.28 Minimum and Additional Low-Income Housing Commitments and Application Update</p> <p>Or Income Averaging - allows units to serve households earning as much as 80% of the AMI as long as the average income/rent limit in the property is 60% or less of AMI. Criteria for Income Averaging: allowed on a “case by case” basis with the following:</p> <ul style="list-style-type: none"> Submit a plan and unit configuration, using the spreadsheet created by Novogradac, showing that the unit configuration meets the income averaging; all buildings must have the same election; Written agreement from the investor and any other public or private funders; Submit a market study that addresses income mix Commit and agree in writing to the compliance implications, as we understand them at the time of commitment <p>Note: Income averaging is not available for re-syndications or mixed income projects (with market rate units)</p>	<p>Or Income Averaging - allows units to serve households earning as much as 80% of the AMI as long as a range of AMI options below 60% AMI are provided and the average income/rent limit in the property is 60% or less of AMI. Criteria for Income Averaging: allowed on a “case by case” basis with the following:</p> <ul style="list-style-type: none"> Submit a plan and unit configuration, using the spreadsheet created by Novogradac, showing that the unit configuration meets the income averaging; all buildings must have the same election; unit mix is expected to provide for a range of AMI options above and below 60% AMI up to 80%AMI Written agreement from the investor and any other public or private funders; Submit a market study that addresses income mix Commit and agree in writing to the compliance implications, as we understand them at the time of commitment (Complete Average Income Certification Form) <p>Note: Income averaging is not available for re-syndications or projects with market rate units. mixed income projects (with market rate units)</p>	<p><i>Language Clean-Up</i></p> <p>Clarifies the Commissions intent and expectations and the Owners understanding of compliance required for Average Income Election.</p>
<p>3.3 Additional Bond Cap Requests</p> <p>No exiting policy.</p>	<p>Add New Section Language: Requests for Additional Bond Cap</p> <p>The Commission encourages project sponsors to submit realistic applications with reasonable contingencies to manage potential cost over-runs. At the same time, the</p>	<p><i>Procedural Change</i></p> <p>Documents and clarifies current</p>

Existing Policy	Proposed Changes	Rationale
	<p>Commission recognizes that situations beyond the control of the development team may increase a project’s need for bond cap.</p> <p>3.33.1 Requirements Project sponsors request additional bond cap through a letter to the Division Director. The request for additional bond cap must include:</p> <ul style="list-style-type: none"> • The reason(s) why an additional allocation of bond cap is needed • Any additional steps the project sponsor took to minimize cost increases, if any • Identification of all other potential sources of funding to cover any gaps • Specific uses for the additional bond cap • Acknowledgement from the bond purchaser agreeing to purchase the bonds at the increased amount, and from the investor to purchase the additional tax credits generated • A revised sources/uses spreadsheet <p>Commission staff may request additional information, depending on the project’s circumstances, to evaluate the request. Depending on the size of the request, the additional bond cap allocation may, under the tax code, generate the need to hold a public hearing for the additional amount. Further, the Commission may need to approve a new financing resolution.</p> <p>3.33.2 Timing After an initial allocation, project sponsors are allowed to request an allocation of additional bond cap in two instances: The need for additional bond cap is discovered prior to the bond closing through the development of the financing. Under these circumstances, if the request is granted, the Commission would endeavor to approve the request and provide the additional cap in time for project closing. The need for additional bond cap is discovered between closing and when the project is placed in service. Sponsors are responsible for bridging any financial gaps in this interval. The Commission only considers these requests when construction is complete and the project is ready to be placed in service. Because the additional allocation comes when all costs are known, the request for cap should be made as close as possible to meeting the 50% test.</p>	<p>practices for transparency.</p>

Existing Policy	Proposed Changes	Rationale
<p>Section 4 Bond Cap and Tax Credit Allocation Criteria (Note: linked to Section 4.5 Projects that are By and For the Community change)</p> <p>Projects outside King and Snohomish Counties must select a minimum of 20 points below to apply for the Bond/Tax Credit Program. Projects located in King and Snohomish Counties must select a minimum of 25 points.</p>	<p>Projects outside King County must select a minimum of 25 points below to apply for the Bond/Tax Credit Program (4 of which must be in Section 4.5 Projects that are By and For the Community). Projects located in King County must select a minimum of 30 points (5 of which must be in Section 4.5 Projects that are By and For the Community)</p>	<p>Policy Change</p> <p>Increase threshold points for Seattle/King projects to further align the Commissions values through a new pipelining process.</p>
<p>Section 4 Bond Cap and Tax Credit Allocation Criteria</p> <p>For scattered site or portfolio applications each property must meet the minimum for where the majority of the units are located. The portfolio score will be the weighted average score of the properties.</p>	<p>Updates language for weighing portfolio deals:</p> <p>For scattered site or portfolio applications each property must meet the minimum for where the majority of the units are located. The portfolio score will be the average score of the properties, weighted by the number of low-income housing units in each project.</p>	<p>Language Clean-Up</p> <p>Technical Fix to clarify how portfolio deals are weighted.</p>
<p>Section 4.5 Projects that are By and For the Community</p> <p>The goal of this policy is to address the needs of Communities Most Impacted (CMI) by housing disparities. This policy encourages applicants to identify and engage with a CMI to understand and respond to their specific concerns, issues, and requirements. CMI examples could include:</p> <ul style="list-style-type: none"> • Black, Indigenous, or other People of Color • Immigrants • Low-income LGBTQ People • Low-income People with Disabilities • Low-income Large Families • Low-income Seniors 	<p>Updates language:</p> <p>Points will be awarded to projects that can demonstrate that they are by and/or for their community. The goal of this policy is to address the needs of Communities Most Harmed (CMH) by housing disparities. This policy encourages applicants to identify and engage with a CMH to understand and respond to their specific concerns, issues, and requirements. CMH examples could include:</p> <ul style="list-style-type: none"> • Black, Indigenous, or other People of Color • Immigrants • Low-income LGBTQ People • Low-income People with Disabilities • Low-income Large Families • Low-income Seniors <p>This policy recognizes identity-based and geographically based communities. Identity-Based Communities share a common heritage, language, cultural, or other</p>	<p>Language Clean-Up</p> <p>Just changing the terms to help clarify the Commissions goal to elevate and amplify the voices of people harmed by the housing crisis in our state; further the Commission’s Racial Justice and Equity value.</p>

Existing Policy	Proposed Changes	Rationale
<p>This policy recognizes identity-based and geographically based communities. Identity-Based Communities share a common heritage, language, cultural, or other identity-based characteristic such as age, ability, or sexual identity and/or orientation. They also share a common set of community values, goals, and needs. Geographically Based Communities are centered around a specific place, such as a neighborhood.</p>	<p>identity-based characteristic such as age, ability, or sexual identity and/or orientation. They also share a common set of community values, goals, and needs.</p> <p>Geographically Based Communities are centered around a specific place, such as a neighborhood.</p> <p>Community Based Organization (CBO) is any organization or group with demonstrated ability to meaningfully represent one or more Communities Most Harmed (CMH).</p>	
<p>Section 4.5: CMI Relevance to Project (Note – has connection to the CMI definition change)</p>	<p>The relevance of the Community Most Harmed (CMH) to the project will be addressed in the CBO Interview process and the Community Engagement Response Form instructions but will not be included in the actual policy.</p>	<p><i>Procedural Change</i></p> <p>Update to forms/process to reflect changes in Section 4.5</p>
<p>Section 4.5 Projects that are By and For the Community</p>	<p>Updates language:</p> <p>All applicants must score a minimum of points in Section 4.5 Projects that are By and For the Community to be considered for an allocation.</p> <ul style="list-style-type: none"> • Seattle/King County must score a minimum of 5 points • Balance of State must score a minimum of 4 points 	<p><i>Policy Change</i></p> <p>Furtheres the Commission’s alignment under its Racial Justice and Equity Values. Ensures projects score points in the highest priority area in the allocation process.</p>
<p>Section 4.5 CBO Interview Schedule</p> <p>In 2023, the "CBO Response Form" was replaced by an interview process. CBOs were interviewed prior to application, where they asked to identify the CMI and verify their connection to and support of said CMI. A second interview was set to be scheduled for</p>	<p>Updates Process to the following:</p> <p>The team determined that 1) the developer must identify the Community Most Harmed (CMH), as well as the CBO partner, at Intent to Apply; 2) For repeat CBOs (that we've interviewed before), a streamlined interview can be conducted to verify information; 3) second CBO interview is only necessary to verify information/ask</p>	<p><i>Procedural Change</i></p> <p>Update process to more efficiently collect information from CBO’s, while limiting</p>

Existing Policy	Proposed Changes	Rationale
<p>CBOs attached to projects likely to get an allocation (high self-scoring). Those interviews ended up being follow-ups to questions raised during review, and it was unfeasible for staff to conduct interviews with CBOs that did not have questions raised during review.</p>	<p>questions raised based on the applications received, and will not be required for every applicant.</p>	<p>unnecessary burden.</p>
<p>Section 4.5.2: CBO Inclusion</p> <p>CBO benefits financially from the partnership, as determined by the CBO. Examples can include – nonprofit donation (under Section 4.6) goes to the CBO, CBO pays below market rent for space in the project.</p>	<p>Removes ability to claim points for nonprofit donation in two point categories.</p> <p>CBO benefits financially from the partnership, as determined by the CBO. As an example, the CBO pays below-market rent for space in the project. Donations made to the CBO under Section 4.6 Donation in Support of Local Nonprofit Programs do not count towards meeting this criterion.</p>	<p>Policy Change</p> <p>Removes ability to “double dip” – getting points for the nonprofit donation as well as points for CBO financial benefit.</p>
<p>Section 4.5.3 Meaningful Community Engagement</p> <p>4.5.3 Meaningful Community Engagement The Commission will award points for meaningfully engaging the community in the development of the project.</p> <p>4.5.3.1 Community Engagement Process</p> <ul style="list-style-type: none"> • Sponsor provides budgeted community engagement resources to partner CBO who conducts the community engagement process 2 points OR • Sponsor conducts a community engagement process using one of the toolkits provided by the Commission 1 point OR • Sponsor provides documentation of a community engagement process that meets or exceeds the standards of the approved toolkits, with pre-approval of the process ... 1 point 	<p>Updates language:</p> <p>4.5.3 Potential Tenant Engagement The Commission will award points for meaningfully engaging potential tenants in the development of the project.</p> <p>4.5.3.1 Potential Tenant Engagement Process</p> <ul style="list-style-type: none"> • Sponsor provides budgeted engagement resources to partner CBO who represents potential tenants, and conducts the Potential Tenant engagement process 2 points OR • Sponsor conducts a Potential Tenant engagement process using one of the toolkits provided by the Commission 1 point OR • Sponsor provides documentation of a Potential Tenant engagement process that meets or exceeds the standards of the approved toolkits, with pre-approval of the process 1 point <p>4.5.3.2 Application of Potential Tenant Engagement The Commission will award points for projects that can demonstrate that:</p> <ul style="list-style-type: none"> • Results of Potential Tenant input are implemented in the project development 	<p>Language Clean-Up</p> <p>Just changing the terms to clarify the Commissions intent and focus regarding the engagement process; distinguishing it from general “community engagement” required as part of design review/siting processes.</p>

Existing Policy	Proposed Changes	Rationale
<p>4.5.3.2 Application of Community Engagement The Commission will award points for projects that can demonstrate that: • Results of community input are implemented in the project development 2 points • A service provider partnership results from community input 1 point</p>	<p>2 points • A service provider partnership results from Potential Tenant input 1 point</p>	
<p>Section 4.6 Donation in Support of Local Nonprofit Programs</p> <p>The donation recipient must be approved by the Commission prior to the approval of the Project’s Finance Resolution and the donation must be paid at the time of bond closing.</p>	<p>Update to following process: Nonprofit Donation at Placed in Service (PIS)</p> <p>The Applicant must provide the Commission with a written request to approve a donation to a specific Nonprofit Organization. The Nonprofit Organization being supported must include in its service area the county in which the Project is located and must provide housing, housing-related services, or nearby community/social services that are available to the residents of the Project. At least 50% of the donation must be made to a CBO as defined in Section 4.5. The program receiving the donation cannot require participants to have a specific religious affiliation. Donations may be split among no more than four recipients. Up to 25% of the total donation may be made to an advocacy organization.</p> <p>The Applicant must provide the Commission with certifications (in a form acceptable to the Commission) from both the Applicant/donor and the recipient confirming that the contribution will be made or received, respectively, without any favor, benefit, gift, or other consideration. The Applicant must provide a letter from the approved Nonprofit Organization acknowledging receipt of the proper contribution amount as well as a copy of the cancelled check from the transaction. The letter must show receipt of the proper contribution amount, identify the low-income housing program, and specify how the funds will be used.</p>	<p><i>Procedural Change</i></p> <p>Incorporates timing into part of the PIS process and aligns with 9% program.</p>
<p>Section 4.8 Energy Efficiency, Healthy Living, & Renewable Energy (New Construction Only)</p>	<p>Adding a new subsection under 4.8:</p> <p>Regardless of the date the 2021 Washington State Energy Code (WSEC) goes into effect:</p> <p>1) If the project is building to the 2021 WSEC, the sponsor must show detailed proof from its energy consultant or engineer on how the project meets the 2021 WSEC code for solar, additional efficiency, and EVs, and receive 11 points. (If the</p>	<p><i>Policy Change</i></p> <p>Creating option to award one additional point to align Section 4.8 with the 2021</p>

Existing Policy	Proposed Changes	Rationale
	<p>project is located in the City of Seattle, the sponsor is not exempt from the solar requirement. To be eligible for the 11 points, the sponsor must submit proof of its plans to comply with the solar requirement of the 2021 WSEC.)</p> <p>2) If the project is building to the 2018 WSEC, the Bond/Tax Credit program existing policies in section 4.8 remain unchanged. These policies are:</p> <ul style="list-style-type: none"> • 4.8.1 Solar (3 pts) • 4.8.2 Additional efficiency (5 pts) • 4.8.3 EVs (2 pts) 	<p>WSEC Continue to support increased energy efficiencies.</p>
<p>Section 4.8.2 NC Energy Efficient Building</p> <p>Five points will be awarded for new construction projects that score an additional 10 ESDS points in ESDS section 5.02a. During submittal, the ESDS points used to comply with this section must be noted on the ESDS Checklist and Evergreen Owner Certification outlined in Section 3.5. As part of the Placed-in-Service Package, the ESDS points used to comply with this section must be included in the Evergreen Project Implementation Plan and architect's certification outlined in Section 3.5.</p>	<p>Five points will be awarded for new construction projects that score an additional 10 ESDS points in ESDS section 5.02a. The sponsor must include a letter from the energy efficiency consultant, project architect, or engineer detailing which additional efficiency measures the project plans to integrate to score an additional 10 ESDS points. During submittal, the ESDS points used to comply with this section must be noted on the ESDS Checklist and Evergreen Owner Certification outlined in Section 3.5. As part of the Placed-in-Service Package, the ESDS points used to comply with this section must be included in the Evergreen Project Implementation Plan and architect's certification outlined in Section 3.5.</p>	<p>Language Clean-Up</p> <p>Technical Fix - Clarifies documentation required.</p>
<p>Section 4.8.3 NC Electric Vehicle Charging Stations</p> <p>Two points will be awarded to projects that install electric vehicle charging stations in no less than 10% of parking spaces, with a minimum requirement of 1 in non-accessible parking and 1 in accessible stalls. 10%+ requirement applies to both accessible and non-accessible parking stalls.</p>	<p>Two points will be awarded to projects that install electric vehicle charging stations in no less than 10% of RESIDENTIAL parking spaces, with a minimum requirement of 1 in non-accessible parking and 1 in accessible stalls.</p> <p>10%+ requirement applies to both accessible and non-accessible parking stalls.</p>	<p>Language Clean-Up</p> <p>Technical Fix – clarifies intent to increase access for residential use not commercial.</p>
<p>Section 9.1.2 Official Intent Declaration (OID) Request Fee</p> <p>A project requesting an Official Intent Declaration (OID) in advance of submitting an application must pay a nonrefundable OID Request fee of \$750. The</p>	<p>Add and update to new language:</p> <p>9.1.2 Official Intent Declaration (OID) Request Fee</p> <p>If the applicant intends to use bond proceeds to reimburse itself for project expenditures incurred prior to the issuance of bonds, the applicant should request an Official Intent Declaration (OID) in advance of submitting their application and</p>	<p>Language Clean-Up</p> <p>Clarifies what an OID is, why and when it is</p>

Existing Policy	Proposed Changes	Rationale
<p>OID Request Fee is \$750 regardless of the number of sites in the project. The OID request fee is nonrefundable but may be applied toward the project's Application fee.</p>	<p>pay a nonrefundable OID Request fee of \$750. The OID Request Fee is \$750 regardless of the number of sites in the project. The OID request fee may be applied once toward the project's Application fee. The Commission recommends consulting with legal counsel for guidance on tax rules regarding reimbursable expenses.</p>	<p>recommended or appropriate to request and/or issue one.</p>
<p>Utility Incentive Form</p>	<p>Update Form as follows: Rename form from "Utility Incentive Contact" to "Utility & Energy Incentives." Also include:</p> <ul style="list-style-type: none"> - Date form was completed - Names of utilities - Names of contact person at the utilities - Description of available energy incentives beyond those offered by utilities, including solar. Specifically mention WSU Community Solar fund. 	<p>Language Clean-Up</p> <p>Technical Fix – clarifies energy incentives and questions on utilities.</p>
<p>Form Update: Contact List</p>	<p>Add CBO Legal Representation to contacts list in application materials.</p>	<p>Procedural Change</p> <p>Captures missing applicant information.</p>
<p>Application Update: Service Budget Tabs</p>	<p>Update Application Workbook to include two services budget tabs that are currently in the Public Funder Combined Application form.</p>	<p>Procedural Change</p> <p>More detail is needed on any planned services.</p>
<p>NEW! Application Update: Project Schedule</p>	<p>Add to the Application Checklist a requirement to include the Architect's Permitting Schedule as an attachment.</p>	<p>Procedural Change</p> <p>More detail is needed to determine project readiness</p>



The Washington State
HOUSING FINANCE COMMISSION

NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing for the purpose of considering the allocation by the Commission of federal low-income housing tax credits (the “Credits”) to sponsor multifamily residential projects. The project to be considered for an allocation of Credits is:

TC #	Project Name	City	County	Annual Tax Credit Amount
23-20	Kenmore Supportive Housing	Kenmore	King	\$3,124,753

The public hearing will be held in person and by telephone starting at 1:00 p.m., Thursday, September 28, 2023. Participants who wish to participate telephonically in the United States, please dial either toll free: (888) 788-0099 or (877) 853-5247. Participants wishing to attend in person may attend in the 28th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this public hearing can also be viewed via Zoom or joined telephonically.

To join virtually, please go to www.zoom.us, go to “Join a Meeting” or “Join,” and enter:

Webinar/Meeting ID: 839 5635 9904
Passcode: 088544

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Multifamily Housing and Community Facilities Division at 206.464.7139 or (800) 767-HOME (in state) at least 48 hours in advance of the hearing.

The Credits will be allocated pursuant to the authority of the Commission under Chapter 43. 180 RCW as amended, Executive Order 94-05, dated April 2, 1994, and the Internal Revenue Code of 1986, as amended. As a condition of receiving an allocation of tax credits and under a competitive process,

the developers commit to serving very low and extremely low income and special needs populations for up to 40 years.

Written comments with respect to the proposed projects and allocation of Credits may be emailed to lisa.vatske@wshfc.org, mailed or faxed to the Washington State Housing Finance Commission (Attention: Lisa Vatske, MHCF Division Director, 1000 Second Avenue, Suite 2700, Seattle, Washington, 98104-3601; fax number (206) 587-5113) for receipt no later than 5:00 p.m. on September 27, 2023. The public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the projects will receive Credits; however, the Commission will not consider testimony and written comments regarding land use, zoning, and environmental regulation, which should be directed to the local jurisdictions that are authorized to consider these matters when issuing building permits for the project.

Total Development Cost Limit Waiver Request (2023)

Date of Waiver Request:	8/30/2023	Program Type:	9% Credit
Project Name:	Kenmore Supportive Housing		
Project City, County:	Kenmore, King		
Sponsor Organization:	Plymouth Housing		
Project Contact:	Elizabeth Murphy, Real Estate Developer, emurphy@plymouthhousing.org		
Development Phase:	Closing - Final Bids		

1. Has this project received a TDC Waiver in the past? If so:
 Approval Date: 9/30/2022 Approved TDC: \$37,975,875

2. Please attach the following forms from the Combined Funder's Application:

- Form 2B: Square Footage Details
- Form 6C: LIHTC Budget
- Form 6D: LIHTC Calculation
- Form 7A: Financing Sources

3. Description of Project

Briefly describe the project, the location and population to be served. If project is considered an "Urban Type Project" for purposes of the TDC limit, explain how it qualifies for that determination.

Plymouth Housing plans to develop a mixed-use building consisting of 100 affordable housing units. Kenmore Supportive Housing will serve individuals who are at or below 30% of the Area Median Income, and will aim to serve seniors, veterans, and people with disabilities. With an ideal location in the Downtown area of Kenmore, the project will consist of commercial space on the ground floor that will provide a benefit to the community through a partnership with Kenmore-based Bastyr University. The subject property is in the heart of Kenmore's downtown neighborhood, surrounded by amenities such as recreation, a major transit route (SR-522), a library and Kenmore Senior Center, making it an ideal location to serve seniors, veterans, and individuals with disabilities.

4. Explain what this cost estimate is based on (bids, drawings, etc).

Where are you in the design/bidding process? Is a contingency or cost escalator included? If so, please explain what the assumptions are.

Kenmore Supportive Housing is in the design development stage. We have not finalized the bid set, but have gotten some initial estimates. The cost estimate was provided by the project's General contractor, Walsh Construction in consultation with subcontractors. The unit price estimate is based on today's market, but we assume a 4% inflation factor through December of 2023 to account for potential cost increases. As our industry is aware, costs have gone up significantly between when our initial TDC waiver was submitted to now.

5. Calculation of Project's Total Development Cost*

Total Residential Project Cost	\$47,642,092
- Land	\$1,890,000
- Offsite Infrastructure	
- Capitalized Reserves	\$1,135,000
Total Development Cost	\$44,617,092

6. Calculation of Project's TDC limit:

Which limits is this project subject to? Balance of King

	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Number of Units**	85	15	0	0	0
Average Square Feet of Units					
Appropriate Cost/Unit Limits	\$ 365,355	\$ 422,970	\$ 449,420	\$ 557,635	\$ 597,885
Max Cost by Unit Type	\$31,055,175	\$6,344,550	\$0	\$0	\$0
Project's Total Development Cost Limit:	\$37,399,725				
\$ Amount Above TDC Limit	\$7,217,367				

7. Cost Drivers

Select from drop down list to identify which cost drivers have caused the project to exceed the TDC Limit. What elements are unique to the project that cause it to exceed the Limit? The total amount in the cost column must match or exceed the amount above the Limit.

	Category	Cost	Abbreviated description
1.	Commercial Wage Rates	\$1,500,000	Delta between residential and commercial wage rates.
2.	Market Escalation	\$200,000	Seen across the industry as inflation continues to rise.
3.	Materials	\$200,000	Extra panels required to protect walls from wheelchair damage - high number of PSH residents use wheelchairs
4.	Design	\$450,000	Wide corridors to accommodate multiple wheelchairs - expected for PSH population and high concentration of seniors in building
5.	Materials	\$30,000	Hollow Metal Frames at unit doors required in order to withstand damage from wheelchairs, etc.
6.	Design	\$300,000	Floor drains are located in each unit - required for PSH population as flooding often occurs
7.	Service Space/Community Center	\$2,300,000	Project cost attributed to social service, medical and behavioral health delivery space and resident amenity needs. Including, but not limited to, accessibility and safety of tenants and staff.
8.	Infrastructure	\$77,000	PV array added to comply with ESDS requirements
9.	Materials	\$153,000	Enhanced security equipment required to keep staff and tenants safe.
10.	Materials	\$250,000	Solid surface countertops are necessary to keep ongoing maintenance costs down due to the population we are serving.
11.	Site-related	\$1,500,000	Soils report and adjacent property basement encroaching on property line indicates potential need for site improvements and structural considerations beyond what was originally contemplated as design development continues.
12.	Materials	\$500,000	Two elevators to accommodate population with high mobility issues.
13.	Materials	\$550,000	Finish carpentry, including high-quality wood casework in units and in community space. This is required due to population.
14.	Design	\$250,000	Accessible community space as per City of Kenmore requirements. Need for additional and durable landscaping.
15.	Materials	\$515,000	Storefront windows required for high visibility from offices and community spaces to outdoor areas for safety of residents, staff, and visitors to the courtyard.
	Location	\$176,000	ROW improvements, including sidewalks, curb cuts for accessibility, and bus stop improvements for the 522 bus stop adjacent to the property.
	Location	\$50,000	Street and sidewalk use and periodic shut downs.

Total **\$9,001,000**

Amount Project exceeds Limit **\$7,217,367**

8. Narrative explanation of each cost driver listed above.

Include reasons why higher cost items have been included in the project. Also identify and quantify steps that have been taken to mitigate costs. If the project includes long term sustainability components beyond the Evergreen Sustainable Development Standards (ESDS), identify each item, why the decision was made to include it, and quantify the upfront costs and long term benefits.

If project already has a current TDC Waiver Approval and this is an **additional** waiver request above that, clearly explain the cost differences between the approved Total Development Cost in the original request and the Total Development Cost in this waiver request.

The current TDC limits reflect State Prevailing Wages - Residential as well as Davis Bacon - Residential Wages.

Plymouth is excited to partner with the King County Housing Authority to provide project-based vouchers for all 100 units. As such, we have to pay Commercial Davis Bacon Wages as required by KCHA. As you can see by our explanation above, these wages are significantly higher than what was considered in the TDC limits.

As a Permanent Supportive Housing provider, Plymouth equips our units with durable materials to keep our maintenance and operating costs down, and provide for the safety and well being of our residents and staff. This upfront investment in finishes is a cost driver for our initial estimate, but necessary to consider when serving individuals exiting homelessness. Additionally, we will provide two elevators in the building to meet the needs of

our target population: seniors and people with disabilities.

Plymouth has also undergone a significant value engineering exercise for this project, and has compromised on many of our standard finishes in order to cut costs. These cuts to hard costs amount to roughly \$4,000,000 and include: removing a deck on L2 for a tenant garden, reduced quality flooring, less landscaping in the courtyard amenity area, deletion of a skylight in the design, less wood paneling, less durable paneling, revisions to siding, etc. In addition, we have cut nearly \$500,000 from soft and "other" development costs. Since submitting our original TDC waiver request, we have also reduced the amount of one bedrooms from 25 to 15 in favor of studios in order to cut construction costs, but that change also reduced our maximum cost by unit type. While our most recent cost estimate for the project's construction costs increased, Plymouth underwent an extensive value engineering exercise and increased Plymouth's Sponsor Loan contribution rather than requesting more from public funders.

We have also worked closely with the City of Kenmore to provide a design that fits into the feel of the newly developed Downtown Kenmore city center. As the city's first affordable housing project ever, and after an upfront investment of over \$5M of city funds, City leaders and neighbors have been intricately involved in the initial stages of planning for the project. Our design reflects the vision that the City of Kenmore has invested in for this important project.

Plymouth Housing is contributing a significant portion of its capital campaign dollars to the project, above and beyond what is usually expected for a nonprofit PSH provider. Due to the increased construction costs (and rising interest rates) Plymouth has significantly increased our sponsor loan by nearly \$500,000 since our original application (from \$950,000 to an increased amount of up to nearly \$1.5M). Plymouth is also paying for the commercial construction costs estimated at this time to be \$1,541,500. Plymouth's \$3M contribution is absorbing nearly 42% of the amount by which the project exceeds the limit. To further demonstrate Plymouth's efforts to control and/or minimize costs, as the project sponsor, Plymouth is only requesting a 6% developer fee of \$3M. Essentially Plymouth is contributing 100% of the developer fee to "offset" the current construction industry's high construction costs. In addition, the percentage of tax credit equity to TDC is low at 62%.

9. Complete the following:

Number of Units by Building Type:

<input type="checkbox"/>	Single Family Detached
<input type="checkbox"/>	Townhouse/Duplex
<input type="checkbox"/>	Walk-Up/Garden Style Apartments
<input type="checkbox"/>	Low-Rise (2-3 stories with elevator)
<input checked="" type="checkbox"/>	Mid-Rise (4-6 stories with elevator)
<input type="checkbox"/>	High Rise (7+ stories with elevator)

<input checked="" type="checkbox"/>	New Construction
<input type="checkbox"/>	Rehabilitation
<input type="checkbox"/>	State Prevailing Wages - Residential
<input type="checkbox"/>	State Prevailing Wages - Commercial
<input type="checkbox"/>	Davis Bacon Wages - Residential
<input checked="" type="checkbox"/>	Davis Bacon Wages - Commercial
<input type="checkbox"/>	No wage requirements

Parking

<input type="checkbox"/>	Number of Structured Parking† Stalls (Residential Only)
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*The Total Development Cost submitted in the Application may not exceed the Total Development Cost in the waiver request. Please see Chapter 3.2 of the 9% Housing Credit Policies for the full Total Development Cost Limit Policy.

** Include Low-Income, Market Rate and Common Area Units.

† Structured parking is defined as an above-grade or underground structure specifically designed for vehicle parking.



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

WSHFC Staff Use Only

Project Name: Kenmore Supportive Housing

Reviewed by: Tanya Scratchley

Date: 9/19/2023

Recommendation: Approve as Requested

Rationale:

Kenmore Supportive Housing exceeds the 2023 Balance of King limit by 19.30%, or \$7.217M. Plymouth Housing identified the following cost drivers that have caused total project costs to exceed the limit:

- Commercial Wage Rates \$1,500,000 Delta between residential and commercial wage rates.
- Market Escalation \$200,000 Seen across the industry as inflation continues to rise.
- Materials \$200,000 Extra panels required to protect walls from wheelchair damage - high number of PSH residents use wheelchairs
- Design \$450,000 Wide corridors to accommodate multiple wheelchairs - expected for PSH population and high concentration of seniors in building
- Materials \$30,000 Hollow Metal Frames at unit doors required in order to withstand damage from wheelchairs, etc.
- Design \$300,000 Floor drains are located in each unit - required for PSH population as flooding often occurs
- Service Space/Community Center \$2,300,000 Project cost attributed to social service, medical and behavioral health delivery space and resident amenity needs. Including, but not limited to, accessibility and safety of tenants and staff.
- Infrastructure \$77,000 PV array added to comply with ESDS requirements
- Materials \$153,000 Enhanced security equipment required to keep staff and tenants safe.
- Materials \$250,000 Solid surface countertops are necessary to keep ongoing maintenance costs down due to the population we are serving.
- Site-related \$1,500,000 Soils report and adjacent property basement encroaching on property line indicates potential need for site improvements and structural considerations beyond what was originally contemplated as design development continues.
- Materials \$500,000 Two elevators to accommodate population with high mobility issues.
- Materials \$550,000 Finish carpentry, including high-quality wood casework in units and in community space. This is required due to population.
- Design \$250,000 Accessible community space as per City of Kenmore requirements. Need for additional and durable landscaping.
- Materials \$515,000 Storefront windows required for high visibility from offices and community spaces to outdoor areas for safety of residents, staff, and visitors to the courtyard. Location \$170,000 PDM improvements, including sidewalks, curb cuts,

safety of residents, staff, and visitors to the courtyard. - Location \$176,000 ROW improvements, including sidewalks, curb cuts for accessibility, and bus stop improvements for the 522 bus stop adjacent to the property.
- Location \$50,000 Street and sidewalk use and periodic shut downs. projecting a fall 2023 construction commencement date.

Approved by:

Lisa Vatske

Signature:

Lisa Vatske _____

Date:

9/19/2023

9% Competitive Housing Tax Credit Program

Project Name	Kenmore Supportive Housing		
Sponsor	Plymouth Housing Group		
Description	<p>This City of Kenmore-owned property was selected to become the first mixed-use building consisting of 100 units all with rent assistance. The project will also include commercial space on the ground floor that will provide a benefit to the community through a partnership with Kenmore-based Bastyr University. Currently, the vision for the space includes a café/ healthy eatery and a community health clinic. Located in the heart of Kenmore’s downtown neighborhood, it is in an ideal location to serve individuals experiencing homelessness, disabilities as well as seniors and veterans.</p>		
Location	6232 NE Bothell Way Kenmore, WA 98028		
Credit Pool	King County		
Project Type	New Construction without Federal Subsidies		
Low-Income Housing Units	Studio	85	
	One Bedroom	15	
	Total	100	
	50% of units at 30% AMI		
	50% of units at 50% AMI		
Income Set-Asides	Additional Low-Income Housing Set-Aside		60
	Additional Low-Income Use Period (22 Years)		44
	Housing Commitments for Priority Populations		35
	Leveraging		7
	Public Funding		2
Scoring	Project-Based Rental Assistance (PBRA)		4
	Developer Fees		10
	Location Efficient Project		2
	Area Targeted by a Local Jurisdiction		2
	Community Revitalization Plan		1

Transit Oriented Development	1
Located in a High/Very High Opportunity Area	1
Nonprofit Sponsor	5
Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
Total Points	181

Credit Request **\$3,124,753**

Development Budget

Acquisition Costs	\$1,920,000
Construction	\$36,007,360
Soft Costs	\$4,849,729
Financing Costs	\$2,575,000
Capitalized Reserves	\$1,135,000
Other Development Costs	\$1,155,000
Total Development Costs	\$47,642,089

Permanent Sources

Federal National HTF	\$4,223,011
City of Kenmore	\$5,490,000
ARCH	\$3,279,729
Plymouth Sponsor Loan	\$1,442,761
FHLB	\$1,000,000
State HTF	\$2,146,385
State Direct Appropriation	\$1,000,000
Tax Credit Equity at \$0.9300 per credit x 10 years	\$29,060,203
Total Sources	\$47,642,089

Total Development Cost Limit

Project's Total Development Cost Limit	\$37,399,725
TDC less Land, Offsite Infrastructure, and Reserves	\$43,369,331
Waiver	Required

Project Operations

Unit Size	Market Rents	Proposed Rent Range
Studio	\$ 1,740	\$ 1,660 *PBRA rents apply
One Bedroom	\$ 2,040	\$ 1,740 *PBRA rents apply

**WASHINGTON STATE HOUSING FINANCE COMMISSION
RESOLUTION NO. 23-77**

**A RESOLUTION of the Washington State Housing Finance Commission
authorizing the Executive Director to make reservations and/or
allocations of 2023 federal low-income housing tax credits.**

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), authorizes tax credits for the construction, acquisition or rehabilitation of residential rental projects meeting the requirements of the Code, including the set-aside of rental units for low-income tenants; and

WHEREAS, the Code authorizes the housing credit agency of a state to allocate the limited amount of federal low-income housing tax credits (the "Credit") available for projects within the state among such projects; and

WHEREAS, by Executive Order No. 94-05, the Governor of the State of Washington has designated the Washington State Housing Finance Commission (the "Commission") as the housing credit agency of Washington for the purposes of allocating Credit and has authorized the Commission to allocate such Credit in accordance with the terms and conditions of such Executive Order; and

WHEREAS, in order to provide decent, safe and affordable housing, the Commission is authorized pursuant to RCW 43.180.050(d) to participate fully in federal programs and to take such actions as are necessary and consistent with RCW 43.180.010 et seq. to secure to itself and the people of the State of Washington the benefits of those programs; and

WHEREAS, the Commission has approved a Qualified Allocation Plan (the "Allocation Plan") for the allocation of Credit, the Allocation Plan has been approved by the Governor in accordance with WAC 262-01-120; the Commission has approved rules (WAC 262-01-130) for the administration of the tax credit program (the "Rules"); and the Commission has issued policy statements advising the public about the Commission's current opinions, approaches, and likely courses of action in implementing the tax credit program (the "Policies"); and

WHEREAS, the Commission has received applications from developers of residential projects for consideration in the Commission's 2023 allocation program (the "Program"); and

WHEREAS, staff has reviewed the application(s) for the project(s) listed below in accordance with the Allocation Plan, the Rules and the Policies and has presented a recommendation to the Commission for the allocation of Credit to selected projects; and

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1. The Commission authorizes the Executive Director to reserve and/or allocate 2023 Credit in the anticipated amount, to the project or projects listed below, subject to the conditions set forth below. The Commission authorizes the Executive Director to take such actions as are necessary to make such reservations and/or allocations in accordance with the Code, the Allocation Plan, the Rules, and the Policies, including the criteria contained in Chapter Five of the

Policies (Project Ranking Policies”) and project feasibility and viability and other requirements as described in Chapters Two through Seven of the Policies.

Project(s):

TC #	Project Name	City	County	Annual Tax Credit Amount
23-20	Kenmore Supportive Housing	Kenmore	King	\$3,124,753

Section 2. All actions previously taken by the Commission or its staff or agents in furtherance of the Program are hereby ratified and confirmed.

ADOPTED by the Washington State Housing Finance Commission at a special meeting duly noticed and called this 28th day of September 2023.

WASHINGTON STATE
HOUSING FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

WASHINGTON STATE HOUSING FINANCE COMMISSION
9% Housing Tax Credit Program
2023 Allocation List

Final Allocation amounts may change if new Federal resources are made available.

King County Pool (November 2022 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations						
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless		
23-08	Approved 4/27/2023	Fifth & Seneca	YWCA Seattle King Snohomish	Seattle	King	188	\$27,640	\$2,736,984	114	57	29	0	28	0	0	0	0	0	86	
23-18	Approved 6/22/23	DESC 15th Avenue	Downtown Emergency Service Center	Seattle	King	185	\$20,604	\$2,163,396	105	53	0	52	0	0	0	0	0	0	79	
23-20	Scheduled for 9/28/23	Kenmore Supportive Housing	Plymouth Housing	Kenmore	King	181	\$21,638	\$3,124,753	100	50	0	50	0	0	0	0	0	0	75	
23-04	Approved 8/24/2023	Pacific Apartments Rehabilitation	Plymouth Housing	Seattle	King	180	\$14,201	\$1,235,483	87	44	0	43	0	0	0	0	0	0	66	
									King County Credit Allocated:	\$9,260,616	406	204	29	145	28	0	0	0	0	306
									King County Credit Available:	\$5,484,236										
									Balance:	(\$3,776,380)										

King County Waiting List

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Metro Pool (November 2022 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations						
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless		
										\$0	0					0	0	0	0	0

New Production

23-05	Approved 7/27/2023	Lincoln Place II	Vancouver Housing Authority	Vancouver	Clark	170	\$27,640	\$1,105,600	40	20	0	20	0	0	0	0	0	0	20
23-14	Approved 7/27/2023	Lincoln District Senior Housing	Asia Pacific Cultural Center	Tacoma	Pierce	168	\$27,640	\$2,128,280	77	39	0	38	0	0	0	0	0	0	39
23-12	Approved 8/24/2023	Hifumi-en	Spokane Housing Authority	Spokane	Spokane	167	\$25,158	\$2,163,557	86	22	43	0	21	0	0	86	18	0	0
23-06	Approved 8/24/2023	Scriber Place	Housing Hope	Lynnwood	Snohomish	158	\$28,803	\$1,497,756	52	26	0	26	0	0	0	0	0	0	26
									Total Metro Credit Allocated:	\$6,895,193	255				0	0	86	18	85
									Metro Credit Available:	\$6,779,081									
									Metro Balance (Total):	(\$116,112)									

Metro Wait List

23-15	Application	Salish Family Haven	Catholic Housing Services of Eastern Washington	Spokane	Spokane	171	\$27,990	\$1,959,280	70	35	7	0	28	0	0	0	0	0	35	
									Metro Waiting List Balance:	\$1,959,280	70				0	0	0	0	0	35

Non-Metro Pool (November 2022 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations					
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless	
Preservation and Recapitalization Pool																			
Non-Metro Rehab Credit Allocated:									\$0	0					0	0	0	0	0
New Production																			
23-22	Approved 7/27/23	Clarkston Family Housing	Horizon Housing Alliance	Clarkston	Asotin	186	\$27,515	\$1,926,069	70	35	7	0	28	0	0	0	0	35	
23-07	Application	Rocky Point Housing Development	Othello Housing Authority	Othello	Adams	184	\$27,521	\$1,100,851	40	4	20	16	0	30	0	0	0	0	
23-16	Approved 6/22/23	The Cape at Interlake	Trillium Housing Services	Moses Lake	Grant	184	\$25,499	\$1,784,920	70	7	35	28	0	53	0	0	0	0	
23-11	Approved 6/22/23	Sunrise Village	Longview Housing Authority DBA Housing Opportunities of S	Longview	Cowlitz	181	\$28,289	\$1,131,560	40	20	4	0	16	0	0	0	0	20	
Non-Metro Credit Allocated:									\$5,943,400	220				83	0	0	0	55	
Non-Metro Credit Available:									\$3,045,315										
Non-Metro Balance:									(\$2,898,085)										
Non-Metro Wait List																			
23-09	Application	Colville Homes V	Confederated Tribes of the Colville Reservation	Omak	Okanogan	174	\$28,456	\$711,400	25	13	3	0	9	0	5	0	0	5	
Non-Metro Waiting List Balance:									\$711,400	25				0	5	0	0	5	
Non-Metro Non-Fully Funded - Unranked																			
23-13	Application	CCHS Casa de la Mora (Yakima East)	Catholic Charities Housing Services	Yakima	Yakima	183	\$27,848	\$2,005,040	72	18	36	0	18	0	0	0	0	36	
23-17	Application	Alderwood Apartments	Trillium Housing Services	Yakima	Yakima	176	\$25,344	\$1,774,082	70	7	35	28	0	53	0	0	0	0	
23-19	Application	CCHS Grant County Preservation	Catholic Charities Housing Services	Quincy	Grant	175	\$17,237	\$1,603,018	93	10	47	36	0	70	0	0	0	0	
23-21	Application	Camas Flats	Opportunity Council	Oak Harbor	Island	173	\$27,810	\$444,960	16	8	0	8	0	0	0	0	0	8	
23-01	Application	Farmview Village	Housing Authority of Skagit County	Burlington	Skagit	171	\$29,302	\$879,053	30	0	8	22	0	23	0	0	0	0	
Non-Metro Unranked Balance:									\$6,706,153	281				146	0	0	0	44	
Statewide Allocation Round Totals:																			
Total Project Applications: 20						Total Credit Requested: #REF!			#REF!			#REF!		#REF!		#REF!		#REF!	
Total Projects Above Line: 8						Total Credit Above Line: \$22,099,209			881			83		0		86		18	
Application Success Percentage: TBD						Total Credit Available: \$ 15,308,632.50													
						Statewide FWD Commit: (\$3,014,197)													
<p>*Final King County Pool project rankings pending additional public funding award announcements Final Allocation amounts may change if new Federal resources are made available.</p>																			

9% Housing Tax Credit Program Credit Summary

State Credit Authority	Status		Population	Per Capita Rate	Credit
2023 Per Capita Credit	Confirmed	*IRS Notice 2023-12	7,785,786	\$ 2.75000	\$ 21,410,912
2023 National Pool	Not Confirmed				\$ -
					\$ 21,410,912
Total 2023 Credit Authority for Geographic Credit Pool Division					\$ 21,410,912
Less 2022 Forward Commitment			Taken From Pools Below		\$ (6,102,279)
King County					
35% of Total Credit Authority			35%		\$ 7,493,819
less 2022 KC fwd allocation of 2023 KC Credit					\$ (2,009,583)
plus KC Returned Credit					\$ -
Credit Allocated					\$ (9,260,616)
King County Balance					\$ (3,776,380)
Metro Credit					
37% of Total Credit Authority			37%		\$ 7,922,037
less 2022 Metro fwd allocation of 2023 Metro Credit					\$ (1,142,956)
plus Metro Returned Credit					\$ -
Credit Allocated					\$ (6,895,193)
Metro Balance					\$ (116,112)
Non-Metro Credit					
28% of Total Credit Authority			28%		\$ 5,995,055
less 2022 NM fwd allocation of 2023 NM Credit					\$ (2,949,740)
plus NM Returned Credit					\$ -
Credit Allocated					\$ (5,943,400)
Non-Metro Balance					\$ (2,898,085)
Metro Pool per County Limit 35% of Pool Authority			35%		\$ 2,772,713
Non-Metro per County Limit 35% of Pool Authority			35%		\$ 2,098,269
Statewide Accounting of 2023 Credit					
Total 2023 Credit Authority					\$ 21,410,912
2022 Unused Credit					\$ -
2022 KC Forward Commitment					\$ (2,009,583)
2022 Metro Forward Commitment					\$ (1,142,956)
2022 Non-Metro Forward Commitment					\$ (2,949,740)
Returned Credit from King County					\$ -
Returned Credit from Metro Pool					\$ -
Returned Credit from Non-Metro Pool					\$ -
Credit Allocated to King County					\$ -
Credit Allocated to Metro					\$ -
Credit Allocated to Non-Metro					\$ -
Balance of 2023 Credit					\$ 15,308,633
% of credit authority forward committed					
Qualified Nonprofit Allocations					
Total 2023 Credit Authority for Geographic Credit Pool Division					\$ 21,410,912
2023 Unused Credit					\$ -
Returned Credit from King County					\$ -
Returned Credit from Metro Pool					\$ -
Returned Credit from Non-Metro Pool					\$ -
Total 2023 Credit Authority for QNP Requirement					\$ 21,410,912
Credit Allocated to QNPs					
			Fifth & Seneca		\$ 2,736,984
			Lincoln District Senior Housing		\$ 2,128,280
			DESC 15th Avenue		\$ 2,163,396
			Pacific Apartments Rehab		\$ 1,235,483
			Sunrise Village		\$ 1,131,560
Percent allocated to QNPs					44%
Forward Commitment RACs of 2023 Credit					
		Pacific Apartments Rehabilitation	King		\$ 1,235,483
		Kenmore Supportive Housing	King		\$ 2,163,800
					\$ 3,399,283
					Total
					\$ 3,399,283
Summary for 8610					
2023 Per Capita Credit					\$ 21,410,912
2023 National Pool Credit					\$ -
2023 Returned Credit					\$ -
Less forward Commitment from 2022					\$ (6,102,279)
TOTAL credit to allocate					\$ 15,308,633
2023 credit allocated (all pools)					\$ -
Forward commitment of 2023 credit					\$ -

Bond Tax Credit Program Policy – 2024 Proposed Amendments - Updated 9/18/2023

(Includes all proposed changes in bold with redlines as applicable)

Existing Policy	Proposed Changes	Rationale
<p>Section 1 Introduction</p> <p>The Bond/Tax Credit Policies guide the allocation of Private Activity Bond Volume Cap (“Bond Cap”) and the 4% Low-Income Housing Credit (“4% Credit”) to eligible projects. These Policies apply only to projects using both types of financing, and they apply regardless of whether the bonds are issued by the Commission or another agency.</p>	<p>Updates language:</p> <p>The Bond/Tax Credit Policies guide the allocation of Private Activity Bond Volume Cap (“Bond Cap”) and the 4% Low-Income Housing Credit (“4% Credit”) to eligible projects. These Policies apply only to projects using both types of financing. Issuers other than the Commission of bonds for housing under the Bond Cap may have different policies apply, as identified in section 1.1.2. Projects Financed with Bonds Issued by an Issuer Other Than the Commission.</p>	<p>Policy Change</p> <p>Clarifies applicability of policies for Public Housing Authorities.</p>
<p>Section 1.1.1 Projects Financed with Commission Issued Bonds</p> <p>Commission-issued bonds for Qualified Residential Rental Projects, hereafter referred to as Multifamily Housing Bonds, are often referred to as Private Activity Bonds since the bonds are issued by a public entity to provide low-cost financing for private projects that serve a public purpose.</p> <p>These bonds (with the limited exception of certain bonds, see Section 2.3), also allow for the generation of 4% low-income housing tax credits (“LIHTCs”). LIHTCs are equity dollars. An allocation of 4% credits yields tax credits over a 10-year period with a present value of 30% of eligible costs to construct the low-income units. The 4% credit is also referred to as the</p>	<p>Adds language:</p> <p>1.1.1 Projects Financed with Commission-Issued Bonds</p> <p>Commission-issued bonds for Qualified Residential Rental Projects, hereafter referred to as Multifamily Housing Bonds, are issued to provide low-cost financing for private projects that serve a public purpose. In addition, Multifamily Housing Bonds may be used to reimburse a Borrower for costs incurred before bonds are issued, including certain preliminary “soft costs” and other capital expenditures if they are paid after or not more than 60 days before the Commission issues an Official Intent Declaration (OID). An OID is created at the time of project application, however, an applicant may request an OID in advance of submitting an application (see related Section 9.1.2 Official Intent Declaration (OID) Request Fee). The Commission recommends consulting with legal counsel early in the financing to determine eligibility for tax-exempt financing and conditions for such a financing including tax rules regarding reimbursements.</p> <p>Multifamily Housing Bonds, (with the limited exception of certain bonds, see Section 2.3), also allow for the generation of 4% Low-Income Housing Tax Credits</p>	<p>Language Clean Up</p> <p>Clarifies what an OID is, why and when it is recommended or appropriate to request and/or issue one.</p>

Existing Policy	Proposed Changes	Rationale
<p>noncompetitive tax credit, since 4% credits are not limited to an annual federal per capita restriction as the 9% LIHTCs.</p> <p><i>See also changes for Section 9.1.2.</i></p>	<p>(“LIHTCs”). LIHTCs are equity dollars. An allocation of 4% credits yield tax credits over a 10 year period with a present value of 30% of eligible costs to construct the low-income units. The 4% credit is also referred to as the noncompetitive tax credit, since 4% credits are not limited to an annual federal per capita restriction as the 9% LIHTCs.</p>	
<p>Section 1.1.1.1 Competitive Application Rounds</p> <p>For most of the program’s history, the Commission has been able to allocate to eligible projects on a first-come, first-served basis. In recent years, market factors combined to increase demand for housing cap, resulting in a record-setting low amount of cap available to carry forward into future years. As long as demand continues to exceed supply, the Commission will hold competitive application rounds announced by the end of October of the preceding year. Competitive rounds will implement strict closing deadlines. Projects should only apply for an application round in which they can meet the closing deadline and project readiness criteria as set forth in Section 4, Bond Cap and Tax Credit Allocation Criteria. Sponsors should be confident of permit timing, lender approvals, and investor commitments when they apply. Commission staff may verify key readiness criteria with applicable jurisdictions before Bond Cap awards are made. Projects will be ranked according to point scores, bond cap requested per unit, and cost per unit. Projects not receiving an allocation may be placed on a waiting list for that application round only and will be required to apply in any subsequent application rounds to receive an allocation of bond cap. See the Bond Cap and Tax Credit Allocation Criteria in Section 4 for minimum points and point criteria.</p>	<p>Updates language specific for Seattle/King County projects ONLY:</p> <p>1.1.1.1 Application Rounds For most of the program’s history, the Commission has been able to allocate to eligible projects on a first-come, first-served basis. In recent years, market factors combined to increase demand for housing cap, causing the Commission to hold competitive rounds. Even greater competition in King County for this resource has compelled the Commission to allocate bonds differently for projects located there, beginning in 2024.</p> <p>For King County, projects must have at least 10% public support in Seattle and 5% in King County to be considered for an allocation of bond cap. Project will apply to city, county, and/or state funders in their standard rounds of competitive financing. Projects awarded funding are then put on a tiered list. Projects apply for bond financing only when they are on Tier 1 and ready to proceed to closing. Projects with expiring DDAs and QCTs or other expiring funding eligibility may be given priority.</p> <p>1) Tier 1 projects are fully-funded and permit-ready, with the process to secure lender and investor commitments in progress, and ready to hold their initial scoping meeting. They are expected to close within six months of being placed on Tier 1. Projects that fail to close within six months will have their allocation revoked and will be moved to Tier 2. The King County public funders will establish a process to determine further priority in the Tier if necessary.</p> <p>2) Tier 2 projects are fully-funded and expect to receive permits in the calendar year. Projects in this tier may be elevated to Tier 1 depending on bond cap availability and project readiness.</p>	<p>Policy Change</p> <p>Updating process for Seattle/King County projects where there is extreme demand for bond cap; furthers the Commissions Align Resources value.</p>

Existing Policy	Proposed Changes	Rationale
	<p>3) Tier 3 projects have local funder commitments and expect to receive permits in the next calendar year.</p> <p>Each January and July, the Commission may re-evaluate which projects are on which Tier and reposition projects in accordance with bond cap availability and readiness.</p> <p>In competitive rounds in the balance of state, projects should only apply for an application round in which they can meet the closing deadline and project readiness criteria as set forth in Section 4, Bond Cap and Tax Credit Allocation Criteria. Sponsors should be confident of permit timing, lender approvals, and investor commitments when they apply. Commission staff may verify key readiness criteria with applicable jurisdictions before Bond Cap awards are made. Projects will be ranked according to point scores, bond cap requested per unit, and cost per unit. Projects not receiving an allocation may be placed on a waiting list for that application round only and will be required to apply in any subsequent application rounds to receive an allocation of bond cap. See the Bond Cap and Tax Credit Allocation Criteria in Section 4 for minimum points and point criteria. When competitive rounds are in effect, projects will also be expected to provide a Bond Cap Reservation Fee.</p>	
<p>Section 1.1.2 Projects Financed with Bonds Issued by an Issuer Other Than the Commission</p> <p>To continue maximizing the use of bond cap, the Commission closely coordinates with the Association of Washington Housing Authorities (AWHA) and local public development authorities. Together, the issuing authorities queue a potential pipeline of projects that will need bond cap each year and coordinate the timely transfer of bond cap to meet demand. The Commission request that Public Housing and Development Authorities submit a Bond Cap Request Form by month end of November of the</p>	<p>Updates Section to the following language:</p> <p>To continue maximizing the use of bond cap, the Commission closely coordinates with the Association of Washington Housing Authorities (AWHA) and local public development authorities. Together, the issuing authorities queue a potential pipeline of projects that will need bond cap each year and coordinate the timely transfer of bond cap to meet demand. The Commission requests that Public Housing and Development Authorities submit a Bond Cap Request Form by November 30 of the year prior to an expected allocation. In addition, the Application for Credits (Application) is due at least 60 days prior to the date the 42(m) letter is needed. Waiver requests must be received at least 60 days prior to submitting the Application. The Commission must be kept informed of the closing process and timing.</p>	<p>Policy Change</p> <p>Updating the process for Public Housing Authorities and identifies which policies apply.</p>

Existing Policy	Proposed Changes	Rationale
<p>year prior to an expected allocation. In addition, the Application for Credits (Application) is due at least 60 days prior to the date the 42(m) letter is needed. Waiver requests must be received at least 60 days prior to submitting the Application. The Commission must be kept informed of the closing process and timing.</p>	<p>Public Housing Authorities are not required to meet the scoring criteria but are subject to a separate list of criteria, under development to be posted on the Non-Commission Bond /Tax Credit Program webpage.</p> <p>Public Housing Authorities must comply with all other policies.</p>	
<p>Section 1.2 Bond Policy Values and Outcomes</p> <p>Our goal is to at least meet the minimums of our targets in Preservation, and public investment and not exceed the amount in balance of state, but we will prioritize New Production. We will not allocate to more acquisition/rehab projects simply to increase the dispersion of potential projects outside of King and Snohomish counties.</p>	<p>Adds language:</p> <p>Targets may be considered over a rolling multi-year period, where some targets may be over or under in any given allocation round, but target prioritization will adjust accordingly over a three-year period to achieve these stated goals.</p>	<p>Language Clean-Up</p> <p>Clarifies intent and provides flexibility to review targets over time to inform policy and/or procedure adjustments.</p>
<p>Section 1.2 Bond Policy Values and Outcomes - Value 3: Meet Affordable Housing Needs Everywhere</p> <p>We will compare similar projects and develop slightly different scoring criteria and minimums. Our target will be up to 40% of bonds and tax credits allocated to projects located outside King and Snohomish counties.</p>	<p>Updates language:</p> <p>Projects in Snohomish County will compete with other projects in Balance of State. The Commission will allocate bonds to no more than one project or no more than 10% of the available bond cap, whichever is larger, in any one calendar year, unless waived by the Division Director.</p>	<p>Policy Change</p> <p>As a separate track for King County projects is created, this change preserves a pathway for Snohomish county projects.</p>
<p>Section 1.2: Bond Policy Values and Outcomes</p>	<p>Adds Value: Foster Healthy and Sustainable Homes in a Changing Climate</p> <p>Federal and state policies of redlining and disinvestment in communities of color have long contributed to unequal access to healthy, safe housing and thus to unequal health outcomes among communities of color. Additionally, climate change brings more frequent waves of extreme heat and wildfire smoke that</p>	<p>Policy Change</p> <p>Currently Healthy/Sustainable Housing composes 10</p>

Existing Policy	Proposed Changes	Rationale
	<p>exacerbate health issues among vulnerable people in Washington, including those with cardiovascular, respiratory, and mental health conditions. How affordable housing is designed and built can mitigate some of these health impacts of climate change.</p> <p>Furthermore, the built environment is Washington’s second-largest carbon polluter behind transportation. Building emissions come from burning fossil fuels including gas and oil for furnaces, water heaters, and appliances.</p> <p>While climate change brings unequal health outcomes, state agencies have a window of opportunity to reduce those unequal outcomes and slow climate change’s speed. WSHFC envisions affordable housing in which residents live in a healthy environment with a comfortable temperature range, safe from the harmful effects of smoke. As we plan for future building-design criteria, we will incentivize housing that is healthier for residents, as well as energy efficient to minimize carbon emissions.</p>	<p>points total (solar, energy efficient buildings, and EVs). Including Healthy/Sustainable housing as a value better reflects our priorities in MHCF.</p>
<p>Section 2.3 Maximizing the Use of Recycled Bond Cap</p> <p>The Housing and Economic Recovery Act of 2008 allows for the recycling of bond volume cap. Recycled bond volume cap (“Recycled Bonds”) is derived from the pay down or pay off of multifamily bond issues if certain conditions are met. Recycled Bonds must be issued for a qualified residential rental project within six months of the repayment of the original bonds, the final maturity of the newly issued Recycled Bonds must be within 34 years of the initial issuance date of the original bonds and TEFRA and approval requirements must be met. Perhaps most significantly, Recycled Bonds are not eligible for 4% tax credits. The Commission intends to allocate Recycled Bonds to projects whenever possible. The use of Recycled Bonds will be</p>	<p>Update Section to the following language:</p> <p>2.3 Maximizing the Use of Alternatives to Bond Cap</p> <p>When demand for bond cap exceeds supply, the Commission may choose, at its discretion, to not allocate bond cap to a project, but require the use of alternative bond issues. None of these alternatives are eligible for 4% tax credits. By using alternative bonds for the portion of the bond issue that exceeds the minimum threshold of the “50% Test” (see Section 3.15) or for projects that do not need to generate 4% tax credits, the Commission will ensure that its current year and carry forward volume cap is prioritized to generate 4% tax credits. The Commission intends to target allocations of new-issue Bond Volume Cap to projects at an amount not to exceed 55% (5% above the 50% Test).</p> <p>Commission staff will discuss the use of these alternatives to bond cap with the project sponsor as soon as possible in the process, as to facilitate an efficient development of the financial and legal structure of the bond issue. The alternatives to bond cap include:</p>	<p>Policy Change</p> <p>Provides more flexibility for the Commission to maximize resources beyond Recycled Bonds specifically and aligns with the program’s Use Resources Efficiently Value.</p>

Existing Policy	Proposed Changes	Rationale
<p>discussed with the project sponsor well before the scheduled closing of the bonds. The use of such Recycled Bonds is dependent on availability. By using Recycled Bonds for the portion of the bond issue that exceeds the minimum threshold of the “50% Test” (see Section 3.15) or for projects that do not need to generate 4% tax credits, the Commission will ensure that its current year and carry forward volume cap is prioritized to generate 4% tax credits. The Commission intends to target allocations of new-issue Bond Volume Cap to projects at an amount not to exceed 55% on the 50% Test. Priorities for Recycled Bond Cap, in order:</p> <ol style="list-style-type: none"> 1. Finance the development of additional projects - if there is enough accumulated recycled bond cap to make an entire project feasible, staff reserves the right to first offer it to any projects that plan to structure their project as an 80/20 bond deal, i.e., not using tax credits or using minimal tax credits. If there are no projects considering this structure, then staff may offer the recycled bond cap to projects on the waiting list, in priority order based on point score. All projects receiving recycled cap under this priority would need to meet the following criteria: able to close by a specified date; use a nominal proportional amount of new bond cap; and, able to use most or all the expiring recycled cap 2. Lower the use of the bond cap 3. Finance what otherwise would be financed under taxable bonds. 	<p><u>Taxable bonds:</u> The Commission has the authority to issue taxable bonds for housing. It may require income or rent restrictions on the properties financed to achieve affordability goals.</p> <p><u>Nonprofit bonds:</u> The Commission has the authority to issue tax-exempt nonprofit housing bonds to advance the purposes of qualified 501(c)(3) organizations. Bond issues must conform to federal law and the Commission nonprofit housing program policies.</p> <p><u>Recycled bond cap:</u> The Housing and Economic Recovery Act of 2008 allows for the recycling of bond volume cap. Recycled bond volume cap (“Recycled Cap”) is derived from the pay down or pay off of multifamily bond issues if certain conditions are met. Recycled cap must be used for a qualified residential rental project within six months of the repayment of the original bonds, the final maturity of the newly issued Recycled Cap bonds must be within 34 years of the initial issuance date of the original bonds and TEFRA and approval requirements must be met. The use of such Recycled Cap is dependent on availability.</p> <p>Priorities for Recycled Cap, in order:</p> <ol style="list-style-type: none"> 1. Finance the development of additional projects: <ol style="list-style-type: none"> a. If enough Recycled Cap has accumulated to make an entire project feasible, staff reserves the right to first offer it to any projects that plan to structure their project as an 80/20 bond deal, i.e., not using tax credits or using minimal new volume cap and tax credits. b. If no developer has a project planning to use this structure, then staff may require projects that have applied for the bond/tax credit program to use Recycled Cap instead of new bond cap, at its discretion. All projects receiving Recycled Cap under this priority would need to meet the following criteria: be able to close by a specified date; use a nominal proportional amount of new bond cap; and, be able to use most or all the expiring recycled cap 2. Finance what otherwise would be financed under taxable bonds. 	
<p>Section 3 Minimum Threshold Requirements</p>	<p>Change title to Program Requirements</p>	<p><i>Language Clean-Up</i></p>

Existing Policy	Proposed Changes	Rationale
		Technical Fix to accurately reflect list of items in this section.
<p>Section 3 Minimum Threshold Requirements</p>	<p>Add previous missing policy language:</p> <p>3.2 Project Sponsor The Project Sponsor must be in good standing with all Commission programs and policies.</p> <p>3.23 Financial Solvency and Litigation Status As part of the Application and at such other times as required by the Commission, the Applicant must provide a certification with respect to the financial solvency of the Applicant, the project and certain project participants in the form required by the Commission. Bond / Tax Credit Program Policies Page 32 If the certification discloses any financial difficulties, risks, or similar matters that the Commission believes might substantially impair or harm the successful development and operation of the project as a qualified low-income housing project, the Commission may:</p> <ul style="list-style-type: none"> • refuse to allow the Applicant to participate in the Bond/Tax Credit Program; • reject or disqualify an application and cancel any Credit reservation and carryover allocation; or • demand additional assurances that the development, ownership, operation, or management of the project will not be impaired or harmed (such as, performance bonds, pledging unencumbered assets as security, opinions of financial solvency by an independent certified public accountant, or such other assurances as determined by the Commission). <p>The Applicant must also disclose throughout the development and operation of the project if there is a material change in the matters addressed in the certification.</p>	<p>Language Clean-Up</p> <p>Technical fix and clean up from a prior revision error.</p>
<p>Section 3.1 Complete Application and Appropriate Fee</p> <p>Please see Bond/Tax Credit Program Fees in Section 9 for details on application fees.</p>	<p>Adds additional language:</p> <p>The application fee is due no later than 10 business days after the application due date. If the fee is not received within 10 business days, the Application may be deemed incomplete, and ineligible for further consideration for financing.</p>	<p>Language Clean-Up</p> <p>Clarifies when application fees are expected, since</p>

Existing Policy	Proposed Changes	Rationale
	Please see Bond/Tax Credit Program Fees in Section 9 for details on application fees.	invoice and payment instructions are generated upon application submission.
<p>Section 3.15 Project Financing</p> <p>Projects using the tax-exempt bonds issued by the Commission must provide evidence in the Application that the project’s lender(s) and tax credit investor have been engaged. Project projects financed with bonds issued by an issuer other than the Commission are not subject to this requirement.</p> <p>3.15.1 Lenders The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant and proof that an appraisal deposit has been made.</p> <p>3.15.2 Tax Credit Investor The tax credit investor/syndicator must also be engaged at the time of application. Applicants must submit a copy of the Tax Credit Investor’s Letter of Intent (LOI) as an attachment to the Application.</p>	<p>Projects using the tax-exempt bonds issued by the Commission must provide evidence in the Application that the project’s lender(s) and tax credit investor have been engaged. Project projects financed with bonds issued by an issuer other than the Commission are not subject to this requirement.</p> <p>3.15.1 Lenders 3.15.1.a Projects located in King County The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant.</p> <p>3.15.1.b Projects located in Balance of State The lender(s) and/or credit enhancer involved in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the bank that includes the following information:</p> <ul style="list-style-type: none"> • Estimated maximum tax-exempt bond amount and interest rate • Estimated maximum taxable bond amount (if applicable) and interest rate • Identification of other sources of financing and estimated amounts • The number of units, low-income set-asides, and any special populations served • History of working with the developer and/or WSHFC <p>3.15.2 Tax Credit Investor The tax credit investor/syndicator must also be engaged at the time of application. 3.15.1.a Projects located in King County Applicants must submit a copy of the Tax Credit Investor’s Letter of Intent (LOI) as an attachment to the Application.</p>	<p>Policy Change</p> <p>Aligns policy with current practice.</p>

Existing Policy	Proposed Changes	Rationale
	<p>3.15.1.a Projects located in King County Investors in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the investor that includes the following information:</p> <ul style="list-style-type: none"> • Estimated pricing of the tax credits • Identification of other sources of financing and estimated amounts • The number of units, low-income set-asides, and any special populations served • History of working with the developer and/or WSHFC 	
<p>Section 3.15.1 Lenders</p> <p>The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant and proof that an appraisal deposit has been made.</p>	<p>Removes the requirement to have made an appraisal deposit.</p> <p>3.15.1 Lenders The lender(s) and/or credit enhancer involved in the financing of the project must be identified and engaged in the project before an application for Bond/Tax Credit financing will be accepted. Applicants must submit a copy of each lender’s signed term sheet that has been accepted by the Applicant.</p>	<p><i>Language Clean-Up</i></p> <p>Technical Fix – to align policy with existing practice</p>
<p>Section 3.18 Rehabilitation Requirements</p> <p>4.9.2 Rehab Heat Pump Option Five points will be awarded for projects that implement the ductless or ducted heat pump options from ESDS Section 5.09. The project must also implement the Performance Testing Option from ESDS 5.09, which requires using a qualified contractor to test and verify the systems meets the Performance Testing Comfort System (PTCS) requirements during commissioning. During submittal, the ESDS points used to comply with this section must be noted on the ESDS Checklist and Evergreen Owner Certification outlined in Section 3.5. Additionally, a brief narrative must be</p>	<p>Move section 4.9.2 Rehab Heat Pump Option to section 3.18 Rehabilitation Requirements. Delete current language and include proposed language below.</p> <p>3.18 Rehabilitation Requirements:</p> <ul style="list-style-type: none"> • Projects are required to implement the ductless or ducted heat pump options from ESDS Section 5.09. The project must also implement the Performance Testing Option from ESDS 5.09, which requires using a qualified contractor to test and verify the systems meets the Performance Testing Comfort System (PTCS) requirements during commissioning. Additionally, a brief narrative must be included that describes how the heat pumps will be implemented into the project’s scope of work. If the project is not updating the electrical system in Section 4.11 Rehabilitation of Major Systems, address in the CNA or provide a narrative describing how the existing systems can handle the increased electrical load. The qualified contractor’s PTCS report must be included in the Placed-in-Service Package. 	<p><i>Policy Change</i></p> <p>Requiring In Unit Cooling on all rehabs to mitigate the effects of climate change and support increasing healthy outcomes for tenants.</p>

Existing Policy	Proposed Changes	Rationale
<p>included that describes how the heat pumps will be implemented into the project’s scope of work. As part of the Placed-in-Service Package, the ESDS points used to comply with this section must be included in the Evergreen Project Implementation Plan and architect’s certification outlined in Section 3.5. The qualified contractor’s PTCS report must also be included in the Placed-in-Service Package.</p>	<ul style="list-style-type: none"> If the project is not able to accommodate the ductless or ducted heat pump options from ESDS Section 5.09, provide a narrative on how the project will provide an in-unit cooling solution for all residents to ensure resident comfort. 	
<p>3.28 Minimum and Additional Low-Income Housing Commitments and Application Update</p> <p>Or Income Averaging - allows units to serve households earning as much as 80% of the AMI as long as the average income/rent limit in the property is 60% or less of AMI. Criteria for Income Averaging: allowed on a “case by case” basis with the following:</p> <ul style="list-style-type: none"> Submit a plan and unit configuration, using the spreadsheet created by Novogradac, showing that the unit configuration meets the income averaging; all buildings must have the same election; Written agreement from the investor and any other public or private funders; Submit a market study that addresses income mix Commit and agree in writing to the compliance implications, as we understand them at the time of commitment <p>Note: Income averaging is not available for re-syndications or mixed income projects (with market rate units)</p>	<p>Or Income Averaging - allows units to serve households earning as much as 80% of the AMI as long as a range of AMI options below 60% AMI are provided and the average income/rent limit in the property is 60% or less of AMI. Criteria for Income Averaging: allowed on a “case by case” basis with the following:</p> <ul style="list-style-type: none"> Submit a plan and unit configuration, using the spreadsheet created by Novogradac, showing that the unit configuration meets the income averaging; all buildings must have the same election; unit mix is expected to provide for a range of AMI options above and below 60% AMI up to 80%AMI Written agreement from the investor and any other public or private funders; Submit a market study that addresses income mix Commit and agree in writing to the compliance implications, as we understand them at the time of commitment (Complete Average Income Certification Form) <p>Note: Income averaging is not available for re-syndications or projects with market rate units. mixed income projects (with market rate units)</p>	<p>Language Clean-Up</p> <p>Clarifies the Commissions intent and expectations and the Owners understanding of compliance required for Average Income Election.</p>
<p>3.3 Additional Bond Cap Requests</p> <p>No exiting policy.</p>	<p>Add New Section Language: Requests for Additional Bond Cap</p> <p>The Commission encourages project sponsors to submit realistic applications with reasonable contingencies to manage potential cost over-runs. At the same time, the</p>	<p>Procedural Change</p> <p>Documents and clarifies current</p>

Existing Policy	Proposed Changes	Rationale
	<p>Commission recognizes that situations beyond the control of the development team may increase a project’s need for bond cap.</p> <p>3.33.1 Requirements Project sponsors request additional bond cap through a letter to the Division Director. The request for additional bond cap must include:</p> <ul style="list-style-type: none"> • The reason(s) why an additional allocation of bond cap is needed • Any additional steps the project sponsor took to minimize cost increases, if any • Identification of all other potential sources of funding to cover any gaps • Specific uses for the additional bond cap • Acknowledgement from the bond purchaser agreeing to purchase the bonds at the increased amount, and from the investor to purchase the additional tax credits generated • A revised sources/uses spreadsheet <p>Commission staff may request additional information, depending on the project’s circumstances, to evaluate the request. Depending on the size of the request, the additional bond cap allocation may, under the tax code, generate the need to hold a public hearing for the additional amount. Further, the Commission may need to approve a new financing resolution.</p> <p>3.33.2 Timing After an initial allocation, project sponsors are allowed to request an allocation of additional bond cap in two instances: The need for additional bond cap is discovered prior to the bond closing through the development of the financing. Under these circumstances, if the request is granted, the Commission would endeavor to approve the request and provide the additional cap in time for project closing. The need for additional bond cap is discovered between closing and when the project is placed in service. Sponsors are responsible for bridging any financial gaps in this interval. The Commission only considers these requests when construction is complete and the project is ready to be placed in service. Because the additional allocation comes when all costs are known, the request for cap should be made as close as possible to meeting the 50% test.</p>	<p>practices for transparency.</p>

Existing Policy	Proposed Changes	Rationale
<p>Section 4 Bond Cap and Tax Credit Allocation Criteria (Note: linked to Section 4.5 Projects that are By and For the Community change)</p> <p>Projects outside King and Snohomish Counties must select a minimum of 20 points below to apply for the Bond/Tax Credit Program. Projects located in King and Snohomish Counties must select a minimum of 25 points.</p>	<p>Projects outside King County must select a minimum of 25 points below to apply for the Bond/Tax Credit Program (4 of which must be in Section 4.5 Projects that are By and For the Community). Projects located in King County must select a minimum of 30 points (5 of which must be in Section 4.5 Projects that are By and For the Community)</p>	<p>Policy Change</p> <p>Increase threshold points for Seattle/King projects to further align the Commissions values through a new pipelining process.</p>
<p>Section 4 Bond Cap and Tax Credit Allocation Criteria</p> <p>For scattered site or portfolio applications each property must meet the minimum for where the majority of the units are located. The portfolio score will be the weighted average score of the properties.</p>	<p>Updates language for weighing portfolio deals:</p> <p>For scattered site or portfolio applications each property must meet the minimum for where the majority of the units are located. The portfolio score will be the average score of the properties, weighted by the number of low-income housing units in each project.</p>	<p>Language Clean-Up</p> <p>Technical Fix to clarify how portfolio deals are weighted.</p>
<p>Section 4.5 Projects that are By and For the Community</p> <p>The goal of this policy is to address the needs of Communities Most Impacted (CMI) by housing disparities. This policy encourages applicants to identify and engage with a CMI to understand and respond to their specific concerns, issues, and requirements. CMI examples could include:</p> <ul style="list-style-type: none"> • Black, Indigenous, or other People of Color • Immigrants • Low-income LGBTQ People • Low-income People with Disabilities • Low-income Large Families • Low-income Seniors 	<p>Updates language:</p> <p>Points will be awarded to projects that can demonstrate that they are by and/or for their community. The goal of this policy is to address the needs of Communities Most Harmed (CMH) by housing disparities. This policy encourages applicants to identify and engage with a CMH to understand and respond to their specific concerns, issues, and requirements. CMH examples could include:</p> <ul style="list-style-type: none"> • Black, Indigenous, or other People of Color • Immigrants • Low-income LGBTQ People • Low-income People with Disabilities • Low-income Large Families • Low-income Seniors <p>This policy recognizes identity-based and geographically based communities. Identity-Based Communities share a common heritage, language, cultural, or other</p>	<p>Language Clean-Up</p> <p>Just changing the terms to help clarify the Commissions goal to elevate and amplify the voices of people harmed by the housing crisis in our state; further the Commission’s Racial Justice and Equity value.</p>

Existing Policy	Proposed Changes	Rationale
<p>This policy recognizes identity-based and geographically based communities. Identity-Based Communities share a common heritage, language, cultural, or other identity-based characteristic such as age, ability, or sexual identity and/or orientation. They also share a common set of community values, goals, and needs. Geographically Based Communities are centered around a specific place, such as a neighborhood.</p>	<p>identity-based characteristic such as age, ability, or sexual identity and/or orientation. They also share a common set of community values, goals, and needs.</p> <p>Geographically Based Communities are centered around a specific place, such as a neighborhood.</p> <p>Community Based Organization (CBO) is any organization or group with demonstrated ability to meaningfully represent one or more Communities Most Harmed (CMH).</p>	
<p>Section 4.5: CMI Relevance to Project (Note – has connection to the CMI definition change)</p>	<p>The relevance of the Community Most Harmed (CMH) to the project will be addressed in the CBO Interview process and the Community Engagement Response Form instructions but will not be included in the actual policy.</p>	<p><i>Procedural Change</i></p> <p>Update to forms/process to reflect changes in Section 4.5</p>
<p>Section 4.5 Projects that are By and For the Community</p>	<p>Updates language:</p> <p>All applicants must score a minimum of points in Section 4.5 Projects that are By and For the Community to be considered for an allocation.</p> <ul style="list-style-type: none"> • Seattle/King County must score a minimum of 5 points • Balance of State must score a minimum of 4 points 	<p><i>Policy Change</i></p> <p>Furtheres the Commission’s alignment under its Racial Justice and Equity Values. Ensures projects score points in the highest priority area in the allocation process.</p>
<p>Section 4.5 CBO Interview Schedule</p> <p>In 2023, the "CBO Response Form" was replaced by an interview process. CBOs were interviewed prior to application, where they asked to identify the CMI and verify their connection to and support of said CMI. A second interview was set to be scheduled for</p>	<p>Updates Process to the following:</p> <p>The team determined that 1) the developer must identify the Community Most Harmed (CMH), as well as the CBO partner, at Intent to Apply; 2) For repeat CBOs (that we've interviewed before), a streamlined interview can be conducted to verify information; 3) second CBO interview is only necessary to verify information/ask</p>	<p><i>Procedural Change</i></p> <p>Update process to more efficiently collect information from CBO’s, while limiting</p>

Existing Policy	Proposed Changes	Rationale
<p>CBOs attached to projects likely to get an allocation (high self-scoring). Those interviews ended up being follow-ups to questions raised during review, and it was unfeasible for staff to conduct interviews with CBOs that did not have questions raised during review.</p>	<p>questions raised based on the applications received, and will not be required for every applicant.</p>	<p>unnecessary burden.</p>
<p>Section 4.5.2: CBO Inclusion</p> <p>CBO benefits financially from the partnership, as determined by the CBO. Examples can include – nonprofit donation (under Section 4.6) goes to the CBO, CBO pays below market rent for space in the project.</p>	<p>Removes ability to claim points for nonprofit donation in two point categories.</p> <p>CBO benefits financially from the partnership, as determined by the CBO. As an example, the CBO pays below-market rent for space in the project. Donations made to the CBO under Section 4.6 Donation in Support of Local Nonprofit Programs do not count towards meeting this criterion.</p>	<p>Policy Change</p> <p>Removes ability to “double dip” – getting points for the nonprofit donation as well as points for CBO financial benefit.</p>
<p>Section 4.5.3 Meaningful Community Engagement</p> <p>4.5.3 Meaningful Community Engagement The Commission will award points for meaningfully engaging the community in the development of the project.</p> <p>4.5.3.1 Community Engagement Process</p> <ul style="list-style-type: none"> • Sponsor provides budgeted community engagement resources to partner CBO who conducts the community engagement process 2 points OR • Sponsor conducts a community engagement process using one of the toolkits provided by the Commission 1 point OR • Sponsor provides documentation of a community engagement process that meets or exceeds the standards of the approved toolkits, with pre-approval of the process ... 1 point 	<p>Updates language:</p> <p>4.5.3 Potential Tenant Engagement The Commission will award points for meaningfully engaging potential tenants in the development of the project.</p> <p>4.5.3.1 Potential Tenant Engagement Process</p> <ul style="list-style-type: none"> • Sponsor provides budgeted engagement resources to partner CBO who represents potential tenants, and conducts the Potential Tenant engagement process 2 points OR • Sponsor conducts a Potential Tenant engagement process using one of the toolkits provided by the Commission 1 point OR • Sponsor provides documentation of a Potential Tenant engagement process that meets or exceeds the standards of the approved toolkits, with pre-approval of the process 1 point <p>4.5.3.2 Application of Potential Tenant Engagement The Commission will award points for projects that can demonstrate that:</p> <ul style="list-style-type: none"> • Results of Potential Tenant input are implemented in the project development 	<p>Language Clean-Up</p> <p>Just changing the terms to clarify the Commissions intent and focus regarding the engagement process; distinguishing it from general “community engagement” required as part of design review/siting processes.</p>

Existing Policy	Proposed Changes	Rationale
<p>4.5.3.2 Application of Community Engagement The Commission will award points for projects that can demonstrate that: • Results of community input are implemented in the project development 2 points • A service provider partnership results from community input 1 point</p>	<p>2 points • A service provider partnership results from Potential Tenant input 1 point</p>	
<p>Section 4.6 Donation in Support of Local Nonprofit Programs</p> <p>The donation recipient must be approved by the Commission prior to the approval of the Project’s Finance Resolution and the donation must be paid at the time of bond closing.</p>	<p>Update to following process: Nonprofit Donation at Placed in Service (PIS)</p> <p>The Applicant must provide the Commission with a written request to approve a donation to a specific Nonprofit Organization. The Nonprofit Organization being supported must include in its service area the county in which the Project is located and must provide housing, housing-related services, or nearby community/social services that are available to the residents of the Project. At least 50% of the donation must be made to a CBO as defined in Section 4.5. The program receiving the donation cannot require participants to have a specific religious affiliation. Donations may be split among no more than four recipients. Up to 25% of the total donation may be made to an advocacy organization.</p> <p>The Applicant must provide the Commission with certifications (in a form acceptable to the Commission) from both the Applicant/donor and the recipient confirming that the contribution will be made or received, respectively, without any favor, benefit, gift, or other consideration. The Applicant must provide a letter from the approved Nonprofit Organization acknowledging receipt of the proper contribution amount as well as a copy of the cancelled check from the transaction. The letter must show receipt of the proper contribution amount, identify the low-income housing program, and specify how the funds will be used.</p>	<p><i>Procedural Change</i></p> <p>Incorporates timing into part of the PIS process and aligns with 9% program.</p>
<p>Section 4.8 Energy Efficiency, Healthy Living, & Renewable Energy (New Construction Only)</p>	<p>Adding a new subsection under 4.8:</p> <p>Regardless of the date the 2021 Washington State Energy Code (WSEC) goes into effect:</p> <p>1) If the project is building to the 2021 WSEC, the sponsor must show detailed proof from its energy consultant or engineer on how the project meets the 2021 WSEC code for solar, additional efficiency, and EVs, and receive 11 points. (If the</p>	<p><i>Policy Change</i></p> <p>Creating option to award one additional point to align Section 4.8 with the 2021</p>

Existing Policy	Proposed Changes	Rationale
	<p>project is located in the City of Seattle, the sponsor is not exempt from the solar requirement. To be eligible for the 11 points, the sponsor must submit proof of its plans to comply with the solar requirement of the 2021 WSEC.)</p> <p>2) If the project is building to the 2018 WSEC, the Bond/Tax Credit program existing policies in section 4.8 remain unchanged. These policies are:</p> <ul style="list-style-type: none"> • 4.8.1 Solar (3 pts) • 4.8.2 Additional efficiency (5 pts) • 4.8.3 EVs (2 pts) 	<p>WSEC Continue to support increased energy efficiencies.</p>
<p>Section 4.8.2 NC Energy Efficient Building</p> <p>Five points will be awarded for new construction projects that score an additional 10 ESDS points in ESDS section 5.02a. During submittal, the ESDS points used to comply with this section must be noted on the ESDS Checklist and Evergreen Owner Certification outlined in Section 3.5. As part of the Placed-in-Service Package, the ESDS points used to comply with this section must be included in the Evergreen Project Implementation Plan and architect's certification outlined in Section 3.5.</p>	<p>Five points will be awarded for new construction projects that score an additional 10 ESDS points in ESDS section 5.02a. The sponsor must include a letter from the energy efficiency consultant, project architect, or engineer detailing which additional efficiency measures the project plans to integrate to score an additional 10 ESDS points. During submittal, the ESDS points used to comply with this section must be noted on the ESDS Checklist and Evergreen Owner Certification outlined in Section 3.5. As part of the Placed-in-Service Package, the ESDS points used to comply with this section must be included in the Evergreen Project Implementation Plan and architect's certification outlined in Section 3.5.</p>	<p>Language Clean-Up</p> <p>Technical Fix - Clarifies documentation required.</p>
<p>Section 4.8.3 NC Electric Vehicle Charging Stations</p> <p>Two points will be awarded to projects that install electric vehicle charging stations in no less than 10% of parking spaces, with a minimum requirement of 1 in non-accessible parking and 1 in accessible stalls. 10%+ requirement applies to both accessible and non-accessible parking stalls.</p>	<p>Two points will be awarded to projects that install electric vehicle charging stations in no less than 10% of RESIDENTIAL parking spaces, with a minimum requirement of 1 in non-accessible parking and 1 in accessible stalls.</p> <p>10%+ requirement applies to both accessible and non-accessible parking stalls.</p>	<p>Language Clean-Up</p> <p>Technical Fix – clarifies intent to increase access for residential use not commercial.</p>
<p>Section 9.1.2 Official Intent Declaration (OID) Request Fee</p> <p>A project requesting an Official Intent Declaration (OID) in advance of submitting an application must pay a nonrefundable OID Request fee of \$750. The</p>	<p>Add and update to new language:</p> <p>9.1.2 Official Intent Declaration (OID) Request Fee</p> <p>If the applicant intends to use bond proceeds to reimburse itself for project expenditures incurred prior to the issuance of bonds, the applicant should request an Official Intent Declaration (OID) in advance of submitting their application and</p>	<p>Language Clean-Up</p> <p>Clarifies what an OID is, why and when it is</p>

Existing Policy	Proposed Changes	Rationale
<p>OID Request Fee is \$750 regardless of the number of sites in the project. The OID request fee is nonrefundable but may be applied toward the project's Application fee.</p>	<p>pay a nonrefundable OID Request fee of \$750. The OID Request Fee is \$750 regardless of the number of sites in the project. The OID request fee may be applied once toward the project's Application fee. The Commission recommends consulting with legal counsel for guidance on tax rules regarding reimbursable expenses.</p>	<p>recommended or appropriate to request and/or issue one.</p>
<p>Utility Incentive Form</p>	<p>Update Form as follows: Rename form from "Utility Incentive Contact" to "Utility & Energy Incentives." Also include:</p> <ul style="list-style-type: none"> - Date form was completed - Names of utilities - Names of contact person at the utilities - Description of available energy incentives beyond those offered by utilities, including solar. Specifically mention WSU Community Solar fund. 	<p>Language Clean-Up</p> <p>Technical Fix – clarifies energy incentives and questions on utilities.</p>
<p>Form Update: Contact List</p>	<p>Add CBO Legal Representation to contacts list in application materials.</p>	<p>Procedural Change</p> <p>Captures missing applicant information.</p>
<p>Application Update: Service Budget Tabs</p>	<p>Update Application Workbook to include two services budget tabs that are currently in the Public Funder Combined Application form.</p>	<p>Procedural Change</p> <p>More detail is needed on any planned services.</p>
<p>NEW! Application Update: Project Schedule</p>	<p>Add to the Application Checklist a requirement to include the Architect's Permitting Schedule as an attachment.</p>	<p>Procedural Change</p> <p>More detail is needed to determine project readiness</p>

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 23-78

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt nonrecourse nonprofit revenue bonds in an aggregate principal amount of not to exceed \$142,500,000 to refund prior tax-exempt bonds of the Commission, to finance the demolition, acquisition, construction, improvement, furnishing, equipping and renovation of nonprofit facilities to be owned by Seattle Academy of Arts and Sciences, to fund capitalized interest with respect to the bonds, to fund a debt service reserve, and to pay costs of issuing the bonds; approving the sale of the bonds to Piper Sandler & Co.; approving the form of a bond trust indenture, mortgage loan origination and financing agreement, and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON SEPTEMBER 28, 2023

PREPARED BY:

PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2000
Seattle, Washington 98101

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RESOLUTION NO. 23-78

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WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the “Commission”) has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the “Act”); and

WHEREAS, the Act authorizes the Commission to finance and refinance eligible facilities owned and operated by nonprofit organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Code grants an exemption from federal income tax for interest paid on bonds where the proceeds thereof are used to finance projects owned and operated by 501(c)(3) organizations; and

WHEREAS, the Commission adopted a Housing Finance Plan (the “Plan”) on December 12, 2019 following a public notice and hearings as required by the Act; and

WHEREAS, Seattle Academy of Arts and Sciences, a Washington nonprofit corporation and an organization described in Section 501(c)(3) of the Code, has requested that the Commission issue bonds to finance (1) the refunding of the Commission’s Nonprofit Revenue Bond (Seattle Academy of Arts and Sciences Project), Series 2016 (the “2016 Bond”), proceeds of which were used to finance a portion of the costs of demolishing existing facilities and constructing a 70,000 square foot addition to existing educational facilities, and to pay costs of issuing the 2016 Bond; (2) (A) the construction, improvement, furnishing, and equipping of an approximately 105,000 square foot educational facility and related improvements, and (B) the rehabilitation, renovation, equipping and remodeling of existing educational facilities, all located on the Borrower’s campus in Seattle, Washington; (3) the funding of a debt service reserve fund; (4) the payment of capitalized interest on the Bonds; and (5) the payment of certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”); and

WHEREAS, it is desirable for the Commission to assist the Borrower through the issuance of its Washington State Housing Finance Commission Nonprofit Revenue and Refunding Revenue Bonds (Seattle Academy of Arts and Sciences Project), Series 2023 (the “Bonds”); and

WHEREAS, the Bonds are not expected to receive an “A” rating and will be sold with terms consistent with and in furtherance of the Commission’s policy for unrated bonds; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 23-62A, the Commission held a public hearing with respect to the Project on August 24, 2023, and the Governor has or will have approved the Project, the plan of finance and the Bonds; and

WHEREAS, the Commission has received a preliminary offer to purchase the Bonds from Piper Sandler & Co. (the “Purchaser”).

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1. Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Commission: the Indenture of Trust between the Commission and U.S. Bank Trust Company, National Association, as the Trustee (the “Indenture”); the Mortgage Loan Origination and Financing Agreement among the Commission, the Borrower, the Loan Originator and the Trustee (the “Loan Agreement”); the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”) and the form of Bond Purchase Agreement among the Commission, the Borrower, and the Purchaser.

Section 2. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing and refinancing of eligible nonprofit facilities under the Act which are owned by organizations described under Section 501(c)(3) of the Code through the issuance of nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program is in furtherance of the Act and the Plan.

Section 3. Authorization of the Bonds; Refunding. The Commission hereby authorizes the issuance and sale of its bonds to be designated “Washington State Housing Finance Commission Nonprofit Revenue and Refunding Revenue Bonds (Seattle Academy of Arts and Sciences Project), Series 2023” in an aggregate principal amount not to exceed \$142,500,000 pursuant to and in accordance with the provisions of the Act and the Code. The Commission further authorizes the issuance of additional series of bonds and the adjustment of

the names of the Bonds, as is necessary to facilitate the sale of the Bonds and the accomplishment of the Project; provided that any such additional series of bonds shall be issued pursuant to the terms of Section 5 of this resolution.

The Commission hereby authorizes the refunding of its 2016 Bond with proceeds of the Bonds and other funds available to the Borrower.

Section 4. Approval of Documents. It is hereby found and determined that the Indenture, Loan Agreement and Tax Certificate conform to the requirements of the Commission, the Act and the Code and provide appropriate security for the Bonds consistent with the Act and the Code.

The Indenture, Loan Agreement and Tax Certificate are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or his designee, to execute on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, including a preliminary official statement and final official statement, and to do all things necessary on its behalf to proceed with the Program and the issuance, sale and delivery of the Bonds as authorized herein. Such officers, the Executive Director and the Secretary's designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 5. Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to Piper Sandler & Co., an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Purchase Contract. The Commission hereby delegates to the Executive Director the authority to execute the Bond Purchase Contract on behalf of the Commission in substantially the form filed with the Commission, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed \$142,500,000; (b) the interest rate on the Bonds does not exceed 7.00%; (c) the Bond Purchase Contract is executed prior to December 31, 2023; and (d) the final terms of the Bond Purchase Agreement are otherwise in furtherance of the Act and the Plan.

Section 6. Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this Resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 7. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or his designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 28th day of September, 2023.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By _____
Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

Nonprofit Facilities Program

Project Name	Seattle Academy Project
Developer	Seattle Academy of Arts and Sciences
Description	<p>Seattle Academy plans to build a five-story, 105,000 square foot building: a home for the Upper School programs of Seattle Academy, which will include thirty-eight new learning spaces and 11,000 square feet of outdoor courtyard space.</p> <p>The future Upper School building will feature flexible classroom spaces, an Innovation Center, music production studios, community spaces, student services and administrative offices, interconnectivity to existing campus, and 25 parking spaces. Construction will begin in the 2023-24 school year and be completed in the 2025-26 school year.</p> <p>The bonds being refinanced were used to fund the demolition of two existing structures: 1213 E Union St and 1215 E Union St and the adjacent parking lot and construction on those parcels of a 70,000 gross square foot addition to existing facilities, to include a 5-story building to house educational and administrative facilities, an attached 1-story gymnasium space with rooftop playfield, and 40 below-grade parking spaces.</p>
Location	The one block area bounded by 12th Avenue, E Union Street, 13th Avenue, and E Spring Street, in Seattle, WA 98122-3925
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit facilities
Project Type	Refinance of an existing debt and New Construction of a nonprofit facility.
Estimated Tax-Exempt Bond Amount (Not to exceed)	\$142,500,000
Bond Structure	Public Sale

Underwriter

Piper Sandler

Action

Approval of Resolution No. 23-78

Anticipated Closing Date

November 2023

Tab 10

Blue Thistle Villa
OID #23-66A

This Action Item was pulled from the
agenda.

Tab 12

Mercy Angle Lake Family Housing
OID #23-37A

This Action Item was pulled from the
agenda.

Tab 13

Vintage @ Everett
OID #23-44A

This Action Item was pulled from the
agenda.

Program Related Investments Application Form

Program Name: Field Order 15 Fund

Program Purpose: Investment into Pre-development and Technical Assistance fund for single family homeownership development

Amount Requested: \$1,000,000 from the Racial and Social Equity reserve fund

A. Please describe the proposed program investment:

Please provide specifics of the program(s) or organization(s) the funds will be invested in. Describe how the funds will be administered, i.e., by the Commission in the PRI program or by an external partner of the Commission? (Attach any supporting documentation including correspondence, brochures, etc. Include how the investment will be administered.)

The Field Order 15 Fund (FO15F) is a predevelopment fund and technical support fund housed at HomeSight. The fund is named after Union General William T. Sherman's Special Field Order No. 15, issued near the end of the Civil War, which redistributed roughly 400,000 acres of land to newly freed Black families in forty-acre segments. The order was overturned after the assassination of President Abraham Lincoln and its promise never realized. The fund is being established to provide grants and low-cost loans to BIPOC developers of affordable ownership homes in South Seattle, South King County, and North Pierce County. It puts into practice the funding principles established by Black Homeownership Initiative (BHI).

FO15F will provide technical assistance to developers supported by a navigator who will walk with them through their development journeys and help problem-solve as impediments arise. Early small grants will be made available to cover the cost of the exploration and due diligence of preliminary project feasibility. Then, if the project is viable, a low-interest predevelopment loan will be made available along with continued technical support. Together, this will take developers and their projects through the phases of due diligence to the point of essentially having an application in hand with which to secure construction financing.

Commission PRI funds will only be used for the low-interest predevelopment loan portion but will help to leverage the grant dollars and additional sources for predevelopment lending.

B. Please describe specifically how will the proposed program investment will meet the Commission's Mission to increase housing access and affordability and to expand the availability of quality community services according to the definitions below:

Definitions: Addresses the supply and need for affordable home ownership stock and promotes access and equity to developers that have traditionally been harmed and have not had access to capital to build and develop housing.

C. Source of PRI Investment

The amount of available Undesignated PRI Funds from the Racial and Social Equity Reserve is \$9,000,000.

COMMISSION INVESTMENT:

Total Request of Commission funds for this investment: **\$1,000,000**

Is the entire Commission Investment to come from existing PRI Undesignated Funds as shown above?

Yes

If yes, continue to the next section, EXTERNAL INVESTMENTS, otherwise complete Schedule A and attach it to this application.

EXTERNAL INVESTMENTS:

Are there external or partner funds to be invested in this program administered by the Commission through PRI?

No

If yes, please complete Schedule B and attach it to this application.

However, the Fund currently has secured commitments of close to \$1,000,000 and will be looking to secure and leverage additional dollars for the fund. The fund will be administered by Homesight and not by the Commission,

D. Return of PRI Investment

Please describe the investment repayment to the Commission. (Grants are not an eligible use of PRI monies.) Will the Investment/Loan term be longer than ten years?

No

Investment/Loan term: 5 year term with 5 year extension

Amortization method and period: 1% interest, annually

Principal

How often will the Commission receive **principal** payments? (monthly, quarterly, annually, etc.)

Deferred for 5 years, with a 5 year extension.

If principal payments are to be made less than annually, please describe the steps the borrower will take to assure funds will be available for repayment?

Will the **principal** repayments return (revolve) for use in this program OR to PRI Undesignated?

If renewed, yes, if not, then back to undesignated

When will the **principal** payments stop revolving?

N/A

Interest

How often will the Commission receive **interest** payments? (monthly, quarterly, annually, etc.)?

Interest Payments will be paid annually.

Will the **interest** repayments return (revolve) for use in this program OR to PRI Undesignated?

The interest payments will revolve back into the Racial and Social Equity Reserve

When will the **interest** payments stop revolving??

When principal is paid in full.

Funds that do not revolve will revert to undesignated funds no less than quarterly.

Please describe the proposed return on investment. (From 0-5%, compounded annually.)

- i. 1% interest only, paid annually.
- ii. Shared Appreciation terms, if any:

N/A

Proposed Related Investments Risk Analysis

Please provide an analysis of the investment risk. Please describe what makes it risky and what steps will be taken to mitigate the risks.

The fund is structured to provide a high level of technical assistance and support to help build in as much success and mitigate risk as possible. It is possible that borrowers are not able to repay if projects aren't able to move forward, but the model is tailored to address this and ensure borrowers are successful.

Division presenting the application:

Division Director: Lisa Vatske _____ Date:9/14/2023 _____

EMT Recommendation: Approved 9/14/2023 _____

Executive Director (or Designee) Signature _____

Date _____

Commission Action: _____

Date: _____

SCHEDULE A

Detailed Source of Funds for a Program Related Investment

Program Application Name: Farmland Protection and Affordability Investment (FarmPAI)

Total Amount of PRI Funding request: \$5,000,000

If there are insufficient funds in the current PRI Undesignated category, please identify the current investments that are to be transferred by the Commission to fulfill the funding request.

Other programs from which funds will be transferred:

Current Program Name	Amount to Undesignate
Click here to enter text.	Click here to enter text.

Sum of program transfers

Click here to enter text.

Current PRI Undesignated Funds to be used

Click here to enter text.

Total of the above funds

Click here to enter text.

SCHEDULE B

Program Related Investments

Schedule of External or Partner Funds to be Invested in a Commission-Administered Program

Please provide the following:

1. Attach a copy of the contract or other agreement. **Not Applicable**
2. List the name, address and contact information including their Federal Employer Identification Number for the external partner organization **Not Applicable**
3. List the name and contact information of the person at that organization administering these funds. **Kate Delavan, Office of Farmland Preservation, Washington State Conservation Commission, kdelavan@scc.wa.gov**
4. Describe any specific restrictions on the use of the external funds (demographic, etc.)? **The funds would be used for agricultural conservation easements. Criteria are still to be drafted but would be in alignment with the FarmPAI selection criteria and goals.**
5. When does the agreement and availability of the funds end? **We are seeking funding from the Supplemental Capital budget for FY22.**
6. Is there a matching requirement, and, if so, what ratio of external funds will be matched used to PRI funds? **Program guidelines will be finalized once funding is secured. Our intent with this request is to create a flexible and ready source of conservation easement takeout dollars to support FarmPAI. Removing the match requirement would streamline the easement acquisition.**
7. Describe the reporting requirements to the External Partner and what Commission position will complete them. **As these funds would be managed by the Conservation Commission, there would be no reporting requirements to the WSHFC.**
8. Are the External Partner funds to be returned? **Not applicable. Funds would be administered by the Conservation Commission.**
9. If yes, how often? What is the trigger for repayment? (quarterly based upon repayments we've received? only after payoff?, following agreement termination?)
10. How much is to be repaid? **Not Applicable**
 - Principal only
 - Earnings only (please describe calculation, could include interest, shared appreciation, other)
 - Principal and Earnings only (please describe calculation, could include interest, shared appreciation, other)
11. If Federal grant, please include CFDA number: **Not Applicable**

Washington State Housing Finance Commission
Homeownership Programs
Fiscal Year Loan Production
July 1, 2023 - August 31, 2023

**Fiscal Year Goal - 5,000 households purchase an affordable home using the Home Adv/HK programs.*

Percentage of Goal reached YTD - 12.5%

HOME ADVANTAGE			
	Loans	\$ Volume	% Households of Color
Conventional FNMA	33	\$ 12,205,349	39.4%
Conventional FHLMC	50	\$ 17,595,397	34.0%
Government	433	\$ 167,931,156	35.3%
Energy Spark	1	\$ 579,313	100.0%
Total	517	\$ 198,311,215	35.6%

HOUSE KEY OPPORTUNITY			
	Loans	\$ Volume	% Households of Color
Conventional FNMA	36	\$ 7,792,292	33.3%
Conventional FHLMC	15	\$ 4,108,539	33.3%
Government	55	\$ 16,097,994	32.7%
Total	106	\$ 27,998,825	33.1%

DOWNPAYMENT ASSISTANCE			
	Loans	\$ Volume	% Households of Color
Home Adv 0%	493	\$ 7,291,272	35.9%
Home Adv Needs Based 1%	2	\$ 20,000	0.0%
Opportunity	90	\$ 1,263,189	32.3%
HomeChoice	6	\$ 90,000	0.0%
Bellingham	1	\$ 40,000	0.0%
East King County	0	\$ -	0.0%
Pierce County	0	\$ -	0.0%
Seattle	0	\$ -	0.0%
Tacoma	0	\$ -	0.0%
University of WA	0	\$ -	0.0%
Veterans	1	\$ 2,000	0.0%
Clark County DPA	7	\$ 419,289	42.8%
Social Justice DPA	3	\$ 30,000	100.0%
Total	603	\$ 9,155,750	35.2%

Washington State Housing Finance Commission/Homeownership Division
 Counseling & Grants:
 Default Counseling, Pre-Purchase and Other Homeowner Assistance
Report for August 2023

Grant Name/ Description/Service Area	Granting Entity	Subgrantees/ Partners	Service Provided to Clients	Grant Amount/ Date	Amount Disbursed to Date	Balance Remaining	Grant Expiration
HUD SuperNOFA 2021 Default and Pre-Purchase Counseling. Service Area: Statewide	Department of Housing and Urban Development	AFS; CVH; KCLT; OIC; OPAL; Parkview; RRCA; SNAP	199	\$200,000 2020/2022	\$159,759	\$40,241	9/30/2023
HAF Counseling Pay-Per- Service Grant FY 2024 Default Housing Counseling. Service Area: Statewide	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS; ECDLR	406	\$3,000,000 Jul 2023	\$108,500	\$2,891,500	6/30/2024
Foreclosure Fairness Act Default Housing Counseling and Mediation. Service Area: Statewide	Department of Commerce	WHRC; AFS; NJP; Parkview; RRCA; SNAP; ULMS; ECDLR	0	Pending	Pending	\$0.00	6/30/2024
HAF/STATE Civil Legal Aid Legal Representation for Low- Income Clients Service Area: Statewide	U.S. Department of the Treasury	NJP	2,922	\$5,635,311 Jan 2022	\$3,569,037	\$2,066,274	6/30/2024
HAF Application Assistance Post-HAF Application Assistance Service Area: Statewide	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS; ECDLR	7,197	\$2,000,000 Oct 2022	\$522,770	\$1,477,230	6/30/2024
KC VSHSL Counseling Navigator Service Area: King County	King County	AFS; Parkview; ULMS	496	\$212,000 Jan 2023	\$106,006	\$106,004	12/31/2023

AFS – American Financial Solutions
 CVH – Columbia Valley Affordable Homeownership
 ECDLR – El Centro de la Raza
 KCLT – Kulshan Community Land Trust
 NJP – Northwest Justice Project
 OPAL – Opal Community Land Trust

OIC – Opportunities Industrialization Center
 Parkview – Parkview Services
 RRCA – Rural Resources Community Action
 SNAP – Spokane Neighborhood Action Partners
 WHRC – Washington Homeownership Resource Center

HOMEOWNERSHIP PROGRAMS

HOMEBUYER EDUCATION PRODUCTION and HOME LOAN TRAINING

July 1, 2023 - August 31, 2023

HOMEBUYER CLASS

Fiscal year goal - 800 classes, 8,000 participants by June 30, 2024

Percentage of goal reached YTD: 11%

	Classes	Participants
Virtual:	335	1
In-Person:	141	0
Online Classes:	902	902
Total:	1,378	903

Classes not yet reporting participation: 475

Data lags 3 months due to data collection process

In-Person and Virtual All-Time Totals 1992 to Present

Classes:	34,990
Participants	224,202

PROGRAM TRAINING ATTENDEES

Fiscal year goal - 10 Instructor classes by June 30, 2024

Percentage of goal reached YTD: 20%

Month	Classes	Attendees
July	1	44
August	1	46
September		
October		
November		
December		
January		
February		
March		
April		
May		
June		
Total:	2	90

WASHINGTON STATE HOUSING FINANCE COMMISSION
9% Housing Tax Credit Program
2023 Allocation List

Final Allocation amounts may change if new Federal resources are made available.

King County Pool (November 2022 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations						
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless		
23-08	Approved 4/27/2023	Fifth & Seneca	YWCA Seattle King Snohomish	Seattle	King	188	\$27,640	\$2,736,984	114	57	29	0	28	0	0	0	0	0	86	
23-18	Approved 6/22/23	DESC 15th Avenue	Downtown Emergency Service Center	Seattle	King	185	\$20,604	\$2,163,396	105	53	0	52	0	0	0	0	0	0	79	
23-20	Scheduled for 9/28/23	Kenmore Supportive Housing	Plymouth Housing	Kenmore	King	181	\$21,638	\$3,124,753	100	50	0	50	0	0	0	0	0	0	75	
23-04	Approved 8/24/2023	Pacific Apartments Rehabilitation	Plymouth Housing	Seattle	King	180	\$14,201	\$1,235,483	87	44	0	43	0	0	0	0	0	0	66	
									King County Credit Allocated:	\$9,260,616	406	204	29	145	28	0	0	0	0	306
									King County Credit Available:	\$5,484,236										
									Balance:	(\$3,776,380)										

King County Waiting List

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Metro Pool (November 2022 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations						
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless		
										\$0	0					0	0	0	0	0

New Production

23-05	Approved 7/27/2023	Lincoln Place II	Vancouver Housing Authority	Vancouver	Clark	170	\$27,640	\$1,105,600	40	20	0	20	0	0	0	0	0	0	20
23-14	Approved 7/27/2023	Lincoln District Senior Housing	Asia Pacific Cultural Center	Tacoma	Pierce	168	\$27,640	\$2,128,280	77	39	0	38	0	0	0	0	0	0	39
23-12	Approved 8/24/2023	Hifumi-en	Spokane Housing Authority	Spokane	Spokane	167	\$25,158	\$2,163,557	86	22	43	0	21	0	0	86	18	0	0
23-06	Approved 8/24/2023	Scriber Place	Housing Hope	Lynnwood	Snohomish	158	\$28,803	\$1,497,756	52	26	0	26	0	0	0	0	0	0	26
									Total Metro Credit Allocated:	\$6,895,193	255				0	0	86	18	85
									Metro Credit Available:	\$6,779,081									
									Metro Balance (Total):	(\$116,112)									

Metro Wait List

23-15	Application	Salish Family Haven	Catholic Housing Services of Eastern Washington	Spokane	Spokane	171	\$27,990	\$1,959,280	70	35	7	0	28	0	0	0	0	0	35	
									Metro Waiting List Balance:	\$1,959,280	70				0	0	0	0	0	35

Non-Metro Pool (November 2022 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations					
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless	
Preservation and Recapitalization Pool																			
Non-Metro Rehab Credit Allocated:									\$0	0					0	0	0	0	0
New Production																			
23-22	Approved 7/27/23	Clarkston Family Housing	Horizon Housing Alliance	Clarkston	Asotin	186	\$27,515	\$1,926,069	70	35	7	0	28	0	0	0	0	35	
23-07	Application	Rocky Point Housing Development	Othello Housing Authority	Othello	Adams	184	\$27,521	\$1,100,851	40	4	20	16	0	30	0	0	0	0	
23-16	Approved 6/22/23	The Cape at Interlake	Trillium Housing Services	Moses Lake	Grant	184	\$25,499	\$1,784,920	70	7	35	28	0	53	0	0	0	0	
23-11	Approved 6/22/23	Sunrise Village	Longview Housing Authority DBA Housing Opportunities of S	Longview	Cowlitz	181	\$28,289	\$1,131,560	40	20	4	0	16	0	0	0	0	20	
Non-Metro Credit Allocated:									\$5,943,400	220				83	0	0	0	55	
Non-Metro Credit Available:									\$3,045,315										
Non-Metro Balance:									(\$2,898,085)										
Non-Metro Wait List																			
23-09	Application	Colville Homes V	Confederated Tribes of the Colville Reservation	Omak	Okanogan	174	\$28,456	\$711,400	25	13	3	0	9	0	5	0	0	5	
Non-Metro Waiting List Balance:									\$711,400	25				0	5	0	0	5	
Non-Metro Non-Fully Funded - Unranked																			
23-13	Application	CCHS Casa de la Mora (Yakima East)	Catholic Charities Housing Services	Yakima	Yakima	183	\$27,848	\$2,005,040	72	18	36	0	18	0	0	0	0	36	
23-17	Application	Alderwood Apartments	Trillium Housing Services	Yakima	Yakima	176	\$25,344	\$1,774,082	70	7	35	28	0	53	0	0	0	0	
23-19	Application	CCHS Grant County Preservation	Catholic Charities Housing Services	Quincy	Grant	175	\$17,237	\$1,603,018	93	10	47	36	0	70	0	0	0	0	
23-21	Application	Camas Flats	Opportunity Council	Oak Harbor	Island	173	\$27,810	\$444,960	16	8	0	8	0	0	0	0	0	8	
23-01	Application	Farmview Village	Housing Authority of Skagit County	Burlington	Skagit	171	\$29,302	\$879,053	30	0	8	22	0	23	0	0	0	0	
Non-Metro Unranked Balance:									\$6,706,153	281				146	0	0	0	44	
Statewide Allocation Round Totals:																			
Total Project Applications: 20						Total Credit Requested: #REF!			#REF!			#REF!		#REF!		#REF!		#REF!	
Total Projects Above Line: 8						Total Credit Above Line: \$22,099,209			881			83		0		86		18	
Application Success Percentage: TBD						Total Credit Available: \$ 15,308,632.50													
						Statewide FWD Commit: (\$3,014,197)													
<p>*Final King County Pool project rankings pending additional public funding award announcements Final Allocation amounts may change if new Federal resources are made available.</p>																			

9% Housing Tax Credit Program Credit Summary

State Credit Authority	Status		Population	Per Capita Rate	Credit
2023 Per Capita Credit	Confirmed	*IRS Notice 2023-12	7,785,786	\$ 2.75000	\$ 21,410,912
2023 National Pool	Not Confirmed				\$ -
					\$ 21,410,912
Total 2023 Credit Authority for Geographic Credit Pool Division					\$ 21,410,912
Less 2022 Forward Commitment			Taken From Pools Below		\$ (6,102,279)
King County					
35% of Total Credit Authority			35%		\$ 7,493,819
less 2022 KC fwd allocation of 2023 KC Credit					\$ (2,009,583)
plus KC Returned Credit					\$ -
Credit Allocated					\$ (9,260,616)
King County Balance					\$ (3,776,380)
Metro Credit					
37% of Total Credit Authority			37%		\$ 7,922,037
less 2022 Metro fwd allocation of 2023 Metro Credit					\$ (1,142,956)
plus Metro Returned Credit					\$ -
Credit Allocated					\$ (6,895,193)
Metro Balance					\$ (116,112)
Non-Metro Credit					
28% of Total Credit Authority			28%		\$ 5,995,055
less 2022 NM fwd allocation of 2023 NM Credit					\$ (2,949,740)
plus NM Returned Credit					\$ -
Credit Allocated					\$ (5,943,400)
Non-Metro Balance					\$ (2,898,085)
Metro Pool per County Limit 35% of Pool Authority					\$ 2,772,713
Non-Metro per County Limit 35% of Pool Authority					\$ 2,098,269
Statewide Accounting of 2023 Credit					
Total 2023 Credit Authority					\$ 21,410,912
2022 Unused Credit					\$ -
2022 KC Forward Commitment					\$ (2,009,583)
2022 Metro Forward Commitment					\$ (1,142,956)
2022 Non-Metro Forward Commitment					\$ (2,949,740)
Returned Credit from King County					\$ -
Returned Credit from Metro Pool					\$ -
Returned Credit from Non-Metro Pool					\$ -
Credit Allocated to King County					\$ -
Credit Allocated to Metro					\$ -
Credit Allocated to Non-Metro					\$ -
Balance of 2023 Credit					\$ 15,308,633
% of credit authority forward committed					
Qualified Nonprofit Allocations					
Total 2023 Credit Authority for Geographic Credit Pool Division					\$ 21,410,912
2023 Unused Credit					\$ -
Returned Credit from King County					\$ -
Returned Credit from Metro Pool					\$ -
Returned Credit from Non-Metro Pool					\$ -
Total 2023 Credit Authority for QNP Requirement					\$ 21,410,912
Credit Allocated to QNPs					
			Fifth & Seneca		\$ 2,736,984
			Lincoln District Senior Housing		\$ 2,128,280
			DESC 15th Avenue		\$ 2,163,396
			Pacific Apartments Rehab		\$ 1,235,483
			Sunrise Village		\$ 1,131,560
Percent allocated to QNPs					44%
Forward Commitment RACs of 2023 Credit					
		Pacific Apartments Rehabilitation	King		\$ 1,235,483
		Kenmore Supportive Housing	King		\$ 2,163,800
					\$ 3,399,283
Summary for 8610					
2023 Per Capita Credit					\$ 21,410,912
2023 National Pool Credit					\$ -
2023 Returned Credit					\$ -
Less forward Commitment from 2022					\$ (6,102,279)
TOTAL credit to allocate					\$ 15,308,633
2023 credit allocated (all pools)					\$ -
Forward commitment of 2023 credit					\$ -

Legend:
Lists 1-4: New Production
Lists 5-8: Preservation (Acquisition-Rehab)
King & Snohomish County Requests
Balance of State Requests
**Waiting List Projects (Alphabetic order)

WASHINGTON STATE HOUSING FINANCE COMMISSION
Bonds with 4% Housing Tax Credit Program
2023 Allocation List

Total Applications: 22
Total Allocations: 9

Total Requested: \$773,689,207
Total Allocations: \$251,392,754

Total homes financed: 1,404

List #	Buckets/ Pools	Project Sponsor	Community Based Organization	City	County	Points	Tax-Exempt Bond Request	Recycled Bond Request	Total Low-Income Units	% of Low-Income Housing Units and Set-Asides				
										50% AMI	60% AMI	Elderly	Large Households	Disabled
1	New Production/Public Leverage/King and Snohomish						\$228,132,031	\$31,552,100						
	Ardea at Totem Lake	Together We Grow	Imagine Housing	Kirkland	King	50	\$34,633,776		170	119	51	170		34
	MLK Mixed-Use and Early Learning Center	Low Income Housing Institute	Refugee Women's Alliance	Seattle	King	37	\$30,797,255		147	103	44		30	15
	St. Luke's Affordable Housing	BRIDGE Housing Corporation	St. Luke's Church	Seattle	King	33	\$25,200,000		83	59	24		17	9
	Victory Northgate	GMD Development LLC	Northwest Education Access	Seattle	King	33	\$4,000,000	\$27,252,100	184		184		19	19
	Mercy Angle Lake Family Housing	Mercy Housing Northwest	The Arc of King County	SeaTac	King	30	\$33,900,000	\$4,300,000	130	65	65		26	13
							\$128,531,031	\$31,552,100						
	**													
	New Hope Family Housing	Low Income Housing Institute	New Hope Community Development	Seattle	King		\$27,601,000		91	64	27			19
	South Park Family Housing & Office	Sea Mar Community Health Centers	Sea Mar Community Health Centers	Seattle	King		\$24,000,000		77	39	38		16	8
	SRM NE Seattle	SRMAH, LLC	Urban League of Metropolitan Seattle	Seattle	King		\$48,000,000		206	62	144		42	21
2	New Production/Public Leverage/Balance of State						\$62,528,035	\$21,478,916						
	Camas Flats	Shelter Resources, Inc.	Opportunity Council	Oak Harbor	Island	41	\$14,209,723	\$1,750,234	81		81		17	9
							\$14,209,723	\$1,750,234						
	**													
	Lansdale Pointe	Southport Financial Services	N/A	Olympia	Thurston		\$27,818,312	\$14,728,682	160		160		32	16
	Viridian Grove	Southport Financial Services	N/A	Tacoma	Pierce		\$20,500,000	\$5,000,000	120		120		24	12
3	New Production/No Public Leverage/King and Snohomish						\$275,432,196	\$49,483,869						
	**													
	Elements at Georgetown	Together We Grow	Georgetown Community Developmer	Seattle	King		\$31,045,858		150	105	45		30	15
	J2SeaTac	J2Housing Corp	African Community Housing & Develo	SeaTac	King		\$90,886,338	\$49,483,869	333	234	99		67	34
	Rucker Avenue	DevCo, LLC	Rise Up Academy	Everett	Snohomish		\$60,000,000		196		196		40	20
	Seneca Park	DevCo, LLC	Next Chapter	Seatac	King		\$60,000,000		252		252		51	26
	Village at Lake Stevens	Veteran's Village	Veteran's Village	Lake Stevens	Snohomish		\$33,500,000		190		190	191		38
4	New Production/No Public Leverage/Balance of State						\$90,300,000	\$7,450,000						
	Kendrick Landing	DevCo, LLC	Next Chapter	Lakewood	Pierce	47	\$51,700,000		242		242		49	25
							\$51,700,000	\$0						
	**													
	Copper Grove Apartments	Inland Construction and Development C	Family Support Center of South Sound	Olympia	Thurston		\$38,600,000	\$7,450,000	249		249		50	25

5	Preservation/Public Leverage/King and Snohomish						\$21,607,701	\$0				
	Pacific Apartments Rehabilitation	Plymouth Housing	Plymouth Housing	Seattle	King		\$21,607,701		87	61	26	18
6	Preservation/Public Leverage/Balance of State											
	<i>No applications received</i>											
7	Preservation/No Public Leverage/King and Snohomish						\$45,252,000	\$0				
	Vintage at Everett	Vintage Housing	Veteran's Village	Everett	Snohomish	73	\$45,252,000		256	77	179	259
							\$45,252,000	\$0				
8	Preservation/No Public Leverage/Balance of State						\$26,093,889	\$1,500,000				
	Anacortes WA Portfolio Application	Evergreen Development Solutions	N/A	Multiple	Multiple	58	\$11,700,000	\$1,500,000	111		111	111
							\$11,700,000	\$1,500,000				23
	**											
	St Jude Havens Portfolio (El Estero & CJ Court)	Catholic Housing Services of Eastern W	Take Up The Cause	Spokane	Spokane		\$14,393,889		156		156	7

Statewide Bond Round Totals:

Total Applications: 22

Total Requested:

\$773,689,207

Total Allocations: 9

Total Allocations:

\$251,392,754

Allocations by List:

		Applications Received	Applications Allocated
List 1	New/Public Leverage/ King and SnoCo	8	5
List 2	New/Public Leverage/ Balance of State	3	1
List 3	New/No Public Leverage/ King and SnoCo	5	0
List 4	New/No Public Leverage/ Balance of State	2	1
List 5	Acq-Rehab/ Public Leverage/ King and SnoCo	1	0
List 6	Acq-Rehab/ Public Leverage/ Balance of State	0	0
List 7	Acq-Rehab/ No Public Leverage/ King and SnoCo	1	1
List 8	Acq-Rehab/ No Public Leverage/Balance of State	2	1

ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

REPORTING MONTH: August 2023

The Asset Management & Compliance Division is charged with ensuring the long-term viability of Commission financed or assisted projects. This is accomplished through project compliance monitoring efforts and training of program users.

PROGRAM PURPOSE: To ensure that the public benefits of all Commission housing programs are fulfilled.

BUSINESS OBJECTIVE: Review 100% of compliance annual reports within 12 months from report receipt dates and issue compliance status letters.

Within the 12-month period, staff will:

- review Owner's Annual Certification and other reporting materials for every project.
- review resident certification packages for 5% - 20% (depending on type of review year) of the units in each project.
- notify the Internal Revenue Service of any noncompliance discovered in tax credit assisted projects.
- notify the Multifamily Housing division of any significant noncompliance issues.

Tax Credit Reports *

Calendar Year 2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	2	2	16	84	207	143	44	68					566	1,055	54%

Calendar Year 2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	1	1	16	134	130	134	74	97	75	131	140	102	1,035	1,010	102%

Tax credit reports are due January 31st of every year for the previous calendar year.

Bond Reports **

Calendar Year 2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	11	21	44	2	0	0	0	1					79	75	105%

Calendar Year 2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	6	37	33	2	0	0	0	0	0	0	0	0	78	75	104%

Bond reports are due January 7th of every year for the previous calendar year.

Notes: * Tax credit reporting bridges two fiscal program years.

** Goal total for bonds indicates both bond property annual reports and initial reports for Acquisition-Rehab bonds and New Construction bonds quarterly reporting as needed. New properties with both bonds and tax credits are reviewed as bonds until placed in service, then converted to tax credits for annual reviews.



ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

REPORTING MONTH: August 2023

BUSINESS OBJECTIVE: *Complete on-site review of 33^{1/3}% of all projects by December 31, 2023.*

Within the 12-month calendar year, the Commission will:

- conduct on-site inspections of 33^{1/3}% of projects monitored according to HUD’s Uniform Physical Conditions Standards.
- inspect 20% of all low-income units for health and safety issues.
- notify the Internal Revenue Service of any project noncompliance discovered through the inspections.

Project Inspections

Calendar Year 2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
ON-SITES COMPLETED	4	2	45	54	52	56	52	54					319	375	85%

Calendar Year 2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
ON-SITES COMPLETED	0	1	10	7	44	67	36	35	36	36	44	9	325	325	100%

NOTE: Cumulative totals for all goals may be greater or lesser than goal totals as new projects are coming on-line throughout the year; placed in service dates for projects can move forward or be delayed, affecting the number of reports and/or inspections that need to be completed each year. Inspections are sometimes canceled due to delayed placed in service dates or for other reasons.

COMPLIANCE TRAININGS: The next Tax Credit Compliance Workshops are scheduled for:
TBA

The next Bond Compliance Workshop is scheduled for:
October 10-11, 2023 - Online



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

September 26, 2023

Commissioners
Washington State Housing Finance Commission
Seattle, Washington

We have compiled the UNAUDITED statement of Net Position of the Washington State Housing Finance Commission (the “Commission”) General Operating Fund as of August 31, 2023, and the related statement of Activities and Changes in Net Position for the month ended, in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of cash flow. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Commission's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Shirleen Noonan
Shirleen Noonan
General Operations Manager

Approved by: Lucas Loranger
Lucas Loranger
Senior Controller

WASHINGTON STATE
HOUSING FINANCE COMMISSION
GENERAL OPERATING FUND

August 31, 2023

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(See Accountant's Compilation Report)

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Washington State Housing Finance Commission
Statement of Net Position
Fund: General Operating Fund
Division: All

August 31, 2023

(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
ASSETS				
Cash and Cash Equivalents:				
Demand Deposits	\$ 8,407,253	\$ 2,995,085	\$ 5,412,168	(1) 181%
Money Market Accounts	144,038,114	196,781,702	(52,743,588)	(1) -27%
Investment Securities	15,618,499	9,610,645	6,007,854	(1) 63%
Interest Receivable	1,062,686	252,307	810,379	(2) 321%
Fees Receivables	13,442,267	12,431,287	1,010,980	(3) 8%
Prepaid Expenses & Other Receivable	1,256,607	524,479	732,128	(4) 140%
Furniture and Fixtures (net of depreciation)	325,249	284,126	41,123	(5) 14%
Intangible Lease Asset (net of amortization)*	1,516,568	1,516,568	-	(6) 0%
Net Pension Asset*	1,767,016	5,925,840	(4,158,824)	-70%
Total Assets	187,434,259	230,322,039	(42,887,780)	-19%
Deferred Outflow of Resources (Pension & OPEB Contributions) *	5,479,906	1,960,676	3,519,230	179%
Total Assets and Deferred Outflows	\$ 192,914,165	\$ 232,282,715	\$ (39,368,550)	-17%
LIABILITIES				
Accounts Payable and Other Liabilities	\$ 6,130,091	\$ 2,570,247	\$ 3,559,844	(7) 139%
Unearned Fee Income	141,761,771	185,066,772	(43,305,001)	(8) -23%
Accrued Payroll Payable	1,747,264	1,535,160	212,104	(9) 14%
Lease Liability*	1,407,195	1,407,195	-	(6) 0%
Net Pension Liability *	3,584,711	4,144,035	(559,324)	-13%
Total Liabilities	154,631,032	194,723,409	(40,092,377)	-21%
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	6,907,214	7,567,112	(659,898)	-9%
NET POSITION				
Invested in Capital Assets	325,249	284,124	41,125	(5) 14%
Committed - Housing Washington *	350,886	496,505	(145,619)	-29%
Unrestricted	30,699,784	29,211,565	1,488,219	5%
Total Net Position	31,375,919	29,992,194	1,383,725	5%
Total Liabilities, Deferred Inflows and Net Position	\$ 192,914,165	\$ 232,282,715	\$ (39,368,550)	-17%

- (1) Fluctuations in these accounts are considered in aggregate. The decrease is primarily due to the drawdown of funds for the Homeowner Assistance Fund (HAF) program.
- (2) Higher interest rates in the current year contributed to the increase in interest receivable. For example, the LGIP rate in the prior year was 2.25% as compared with 5.34% in the current year.
- (3) The increase in fees receivable is primarily due to slower collection of semi-annual commission fees on outstanding bonds and greater balances related to 2nd half tax credit fees for Commission issued 4% bonds, while partly offset by a decrease in receivables related to the Citibank Securitization program.
- (4) The increase in prepaids and other receivables balance is primarily due to receivables related to principal and interest advanced on GNMA securities serviced by IHFA, as well as prepaids for software application maintenance and support expenses.
- (5) The increase in net capital assets reflects the capitalization of the Community Build application and Homebuyer Education portal projects, offset by the continued depreciation of prior investments in assets.
- (6) These accounts reflect the implementation of GASB 87 in which long-term, non-ownership-transferring leases are recorded as an intangible right-of-use asset and a lease liability. The balances are primarily related to the office rental contract.
- (7) The overall increase in accounts payable and other liabilities is primarily due to the recording of payables related to the interest earned on HAF program funds, offset by a decrease of accruals for the quarterly transfer of Daily Price Program income to the Commission Fund.
- (8) The decrease in unearned fee income is primarily due to the drawdown of funds from the HAF program, established in Section 3206 of the American Rescue Plan Act of 2021.
- (9) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, plus effects of the 4% COLA and general increases at the beginning of the fiscal year.

* These balances are adjusted only at year-end.

**Washington State Housing Finance Commission
Statement of Activities and Changes in Net Position**

Fund: General Operating Fund

Division: All

For The Year To Date Ending: August 31, 2023

(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 2,474,802	\$ 4,620,912	\$ 4,766,695	\$ (145,783)	-3%
Interest Earned & Realized Gain	1,170,618	2,242,038	958,601	1,283,437 (1)	134%
Other	17,862	35,979	33,787	2,192	6%
<i>Total Unadjusted Revenues</i>	<u>3,663,282</u>	<u>6,898,929</u>	<u>5,759,084</u>	<u>1,139,845</u>	<u>20%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	927,951	2,007,832	1,655,645	352,187 (2)	21%
Travel & Conferences	7,444	16,380	5,948	10,432 (3)	175%
Professional Fees	204,991	403,792	221,137	182,655 (4)	83%
Office Expense	194,138	386,702	407,783	(21,081)	-5%
<i>Total Expenses</i>	<u>1,334,524</u>	<u>2,814,706</u>	<u>2,290,514</u>	<u>524,192</u>	<u>23%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	83,452	201,818	(295,243)	497,061	-168%
Grant Revenue	6,358,507	10,460,298	2,531,958	7,928,340	313%
<i>Expenses:</i>					
Grant Pass-Through	6,358,507	10,460,298	2,531,958	7,928,340	313%
<i>Total Adjustments</i>	<u>83,452</u>	<u>201,818</u>	<u>(295,243)</u>	<u>497,061</u>	<u>-168%</u>
Excess of Revenues over Expenses	2,412,210	4,286,041	3,173,327	1,112,714	35%
Less transfer to Commission Fund *	-	-	37,620	(37,620)	-100%
Excess of Revenues over Expenses (Net of Transfers)	<u>2,412,210</u>	<u>4,286,041</u>	<u>3,210,947</u>	<u>1,075,094</u>	<u>33%</u>
<i>Net Position</i>					
Total net position, beginning of period	28,963,709	27,089,878	26,781,247	308,631	1%
Current Increase (Decrease) - to Net position	<u>2,412,210</u>	<u>4,286,041</u>	<u>3,210,947</u>	<u>1,075,094</u>	<u>33%</u>
Total net position, end of year	<u>\$ 31,375,919</u>	<u>\$ 31,375,919</u>	<u>\$ 29,992,194</u>	<u>\$ 1,383,725</u>	<u>5%</u>

(1) The increase in interest income is primarily due to the increase in rates. For example, the LGIP rate has increased from 2.25% in the prior period to a rate of 5.34% in the current period.

(2) Effective July 1st, all staff received a 4% cost of living wage increase and qualified staff received retention and covid vaccination bonuses, resulting in greater salary and benefits expenses.

(3) Increase in conference and travel expenses is primarily due to an increase in in-state and out-of-state travel compared to the prior year.

(4) Professional fees increase is primarily due to greater property inspection related expenses in the Asset Management & Compliance Division.

* Effective 1/1/2013, 25% of the Home Advantage Program revenue was transferred to the Single-family bond program's Commission Fund to ensure future indenture and program flexibility. Due to an ease in the revenue generated from the Home Advantage program, the 25% allocation has been suspended indefinitely, effective 7/1/23, until it is determined be beneficial to the Commission Fund to resume allocation and transfers.

Washington State Housing Finance Commission
Detailed Statement of Activities
Fund: General Operating Fund
Division: All
For The Year To Date Ending: August 31, 2023
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Amount	%
<i>Revenues:</i>							
Program Fees	30.5%	\$ 912,965	\$ 2,993,175	\$ 3,906,140	\$ 3,967,721	\$ (61,581)	-1.6%
Issuance, Application, and Servicing Fees	-59.7%	(1,058,747)	1,773,520	714,773	602,486	112,287	18.6%
Interest Earned & Realized Gain	133.9%	1,283,437	958,601	2,242,038	1,773,300	468,738	26.4%
Other Income	6.5%	2,192	33,787	35,979	195,533	(159,554)	-81.6%
Total Unadjusted Revenues	19.8%	1,139,847	5,759,084	6,898,929	6,539,040	359,890	5.5%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	23.9%	303,480	1,267,982	1,571,462	1,751,546	(180,084)	-10.3%
Employee Benefits - Staff	12.6%	48,705	387,664	436,369	497,112	(60,743)	-12.2%
Conference, Education & Training	18.9%	552	2,926	3,478	19,617	(16,139)	-82.3%
Travel out of state - Staff	184.3%	5,544	3,008	8,552	40,567	(32,015)	-78.9%
Travel in state - Staff	30971.4%	4,336	14	4,350	14,214	(9,864)	-69.4%
Accounting Fees	-100.0%	(12,567)	12,567	-	5,833	(5,833)	-100.0%
Legal Fees	29.4%	21,749	73,976	95,725	116,833	(21,108)	-18.1%
Financial Advisor Fees	-8.6%	(4,500)	52,500	48,000	59,467	(11,467)	-19.3%
Investment Management Fees	-0.9%	(268)	29,588	29,320	38,333	(9,013)	-23.5%
Office Rent/Conf. Room Rentals	-40.2%	(62,125)	154,616	92,491	157,114	(64,623)	-41.1%
Furniture & Equipment Rental	35.4%	1,337	3,773	5,110	4,920	190	3.9%
Advertising	2623.9%	11,545	440	11,985	54,650	(42,665)	-78.1%
Publications/ Subscriptions/ Dues	53.1%	6,023	11,344	17,367	18,728	(1,361)	-7.3%
Deliveries	-37.7%	(138)	366	228	878	(650)	-74.0%
Insurance	8.7%	834	9,544	10,378	10,000	378	3.8%
Meeting Expense	141.2%	524	371	895	18,708	(17,813)	-95.2%
Equipment & Building Maintenance	-99.9%	(1,173)	1,174	1	18,587	(18,586)	-100.0%
Software Maint. Support & Other Info Svcs	5.5%	10,276	185,537	195,813	268,192	(72,379)	-27.0%
Non-capitalized Equipment/Supplies	545.2%	6,662	1,222	7,884	20,440	(12,556)	-61.4%
Postage	-64.4%	(215)	334	119	605	(486)	-80.3%
Printing	289.8%	3,544	1,223	4,767	2,598	2,169	83.5%
State Services	33.6%	148	440	588	2,812	(2,224)	-79.1%
Supplies	-97.1%	(13,915)	14,331	416	8,850	(8,434)	-95.3%
Telephone	213.0%	10,599	4,975	15,574	11,748	3,826	32.6%
Contract Services	339.5%	178,240	52,506	230,746	254,383	(23,637)	-9.3%
Depreciation	27.6%	4,995	18,093	23,088	27,278	(4,190)	-15.4%
Total Expenses	22.9%	524,192	2,290,517	2,814,706	3,424,013	(609,307)	-17.8%
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-168.4%	497,061	(295,243)	201,818	-	201,818	NA
Grant Revenue	313.1%	7,928,340	2,531,958	10,460,298	23,137,287	(12,676,989)	-54.8%
<i>Expenses:</i>							
Grant Pass-Through	313.1%	7,928,340	2,531,958	10,460,298	23,137,287	(12,676,989)	-54.8%
	-168.4%	497,061	(295,243)	201,818	-	201,818	NA
Excess of Revenues over Expenses- adjusted	35.1%	1,112,716	3,173,324	4,286,041	3,115,027	1,171,015	37.6%
Less transfer to Commission Fund	-100.0%	(37,620)	37,620	-	-	-	NA
Excess of Revenues over Expenses (Net of Transfers)	33.5%	\$ 1,075,097	\$ 3,210,944	\$ 4,286,041	\$ 3,115,027	\$ 1,171,015	37.6%



WASHINGTON STATE
**HOUSING FINANCE
COMMISSION**

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

August 23, 2023

Commissioners
Washington State Housing Finance Commission
Seattle, Washington

We have compiled the UNAUDITED statement of Net Position of the Washington State Housing Finance Commission (the "Commission") General Operating Fund as of July 31, 2023, and the related statement of Activities and Changes in Net Position for the month ended, in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of cash flow. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Commission's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Shirleen Noonan
Shirleen Noonan
General Operations Manager

Approved by: Lucas Loranger
Lucas Loranger
Senior Controller

WASHINGTON STATE
HOUSING FINANCE COMMISSION
GENERAL OPERATING FUND

July 31, 2023

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(See Accountant's Compilation Report)

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Washington State Housing Finance Commission
Statement of Net Position
Fund: General Operating Fund
Division: All
July 31, 2023
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance		
			Amount	%	
ASSETS					
Cash and Cash Equivalents:					
Demand Deposits	\$ 8,581,605	\$ 4,458,569	\$ 4,123,036	(1)	92%
Money Market Accounts	147,344,824	196,653,334	(49,308,510)	(1)	-25%
Investment Securities	14,828,212	9,484,396	5,343,816	(1)	56%
Interest Receivable	1,026,339	269,393	756,946	(2)	281%
Fees Receivables	15,539,944	13,761,977	1,777,967	(3)	13%
Prepaid Expenses & Other Receivable	1,310,474	556,828	753,646	(4)	135%
Furniture and Fixtures (net of depreciation)	336,871	293,209	43,662	(5)	15%
Intangible Lease Asset (net of amortization)*	1,516,568	1,516,568	-	(6)	0%
Net Pension Asset*	5,925,840	5,925,840	-		0%
Total Assets	196,410,677	232,920,114	(36,509,437)		-16%
Deferred Outflow of Resources (Pension & OPEB Contributions) *	1,960,676	1,960,676	-		0%
Total Assets and Deferred Outflows	\$ 198,371,353	\$ 234,880,790	\$ (36,509,437)		-16%
LIABILITIES					
Accounts Payable and Other Liabilities	\$ 5,561,015	\$ 4,735,262	\$ 825,753	(7)	17%
Unearned Fee Income	149,550,298	187,045,626	(37,495,328)	(8)	-20%
Accrued Payroll Payable	1,734,222	1,537,885	196,337	(9)	13%
Lease Liability*	1,407,195	1,407,195	-	(6)	0%
Net Pension Liability *	4,144,035	4,144,035	-		0%
Total Liabilities	162,396,765	198,870,003	(36,473,238)		-18%
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	7,567,112	7,567,112	-		0%
NET POSITION					
Invested in Capital Assets	336,871	293,209	43,662	(5)	15%
Committed - Housing Washington *	350,886	496,505	(145,619)		-29%
Unrestricted	27,719,718	27,653,961	65,757		0%
Total Net Position	28,407,476	28,443,675	(36,199)		0%
Total Liabilities, Deferred Inflows and Net Position	\$ 198,371,353	\$ 234,880,790	\$ (36,509,437)		-16%

(1) Fluctuations in these accounts are considered in aggregate. The decrease is primarily due to the drawdown of funds for the Homeowner Assistance Fund (HAF) program.

(2) Higher interest rates in the current year contributed to the increase in interest receivable. For example, the LGIP rate in the prior year was 1.61% as compared with 5.24% in the current year.

(3) The increase in fees receivable is primarily due to slower collection of semi-annual commission fees on outstanding bonds and greater balances related to 2nd half tax credit fees for Commission issued 4% bonds, while partly offset by a decrease in receivables related to the Citibank Securitization program.

(4) The increase in prepaids and other receivables balance is primarily due to receivables related to principal and interest advanced on GNMA securities serviced by IHFA, as well as prepaids for software application maintenance and support expenses.

(5) The increase in net capital assets reflects the capitalization of the Community Build application and Homebuyer Education portal projects, offset by the continued depreciation of prior investments in assets.

(6) These accounts reflect the implementation of GASB 87 in which long-term, non-ownership-transferring leases are recorded as an intangible right-of-use asset and a lease liability. The balances are primarily related to the office rental contract.

(7) The overall increase in accounts payable and other liabilities is primarily due to the payables related to the interest earned on HAF program funds, offset by a reduction of accruals for the quarterly transfer of Daily Price Program income to the Commission Fund.

(8) The decrease in unearned fee income is primarily due to the drawdown of funds from the HAF program, established in Section 3206 of the American Rescue Plan Act of 2021.

(9) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances.

* These balances are adjusted only at year-end.

Washington State Housing Finance Commission
Statement of Activities and Changes in Net Position

Fund: General Operating Fund

Division: All

For The Year To Date Ending: July 31, 2023

(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 2,146,110	\$ 2,146,110	\$ 2,084,749	\$ 61,361	3%
Interest Earned & Realized Gain	1,071,420	1,071,420	440,937	630,483 (1)	143%
Other	18,117	18,117	10,781	7,336 (2)	68%
<i>Total Unadjusted Revenues</i>	<u>3,235,647</u>	<u>3,235,647</u>	<u>2,536,468</u>	<u>699,179</u>	<u>28%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,079,881	1,079,881	848,460	231,421 (3)	27%
Travel & Conferences	8,936	8,936	5,426	3,510 (4)	65%
Professional Fees	198,801	198,801	117,183	81,618 (5)	70%
Office Expense	192,564	192,564	211,406	(18,842)	-9%
<i>Total Expenses</i>	<u>1,480,182</u>	<u>1,480,182</u>	<u>1,182,476</u>	<u>297,706</u>	<u>25%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	118,366	118,366	277,930	(159,564)	-57%
Grant Revenue	4,101,791	4,101,791	1,376,940	2,724,851	198%
<i>Expenses:</i>					
Grant Pass-Through	4,101,791	4,101,791	1,376,940	2,724,851	198%
<i>Total Adjustments</i>	<u>118,366</u>	<u>118,366</u>	<u>277,930</u>	<u>(159,564)</u>	<u>-57%</u>
Excess of Revenues over Expenses	1,873,831	1,873,831	1,631,922	241,909	15%
Less transfer to Commission Fund *	-	-	30,506	(30,506)	-100%
Excess of Revenues over Expenses (Net of Transfers)	<u>1,873,831</u>	<u>1,873,831</u>	<u>1,662,428</u>	<u>211,403</u>	<u>13%</u>
<i>Net Position</i>					
Total net position, beginning of period	26,533,644	26,533,644	26,781,247	(247,603)	-1%
Current Increase (Decrease) - to Net position	<u>1,873,831</u>	<u>1,873,831</u>	<u>1,662,428</u>	<u>211,403</u>	<u>13%</u>
Total net position, end of year	<u>\$ 28,407,476</u>	<u>\$ 28,407,476</u>	<u>\$ 28,443,675</u>	<u>\$ (36,199)</u>	<u>0%</u>

(1) The increase in interest income is primarily due to the increase in rates. For example, the LGIP rate has increased from 1.61% in the prior period to a rate of 5.24% in the current period.

(2) The increase in other revenue is due to higher revenue from training sessions and property transfers.

(3) Effective July 1st, all staff received a 4% cost of living wage increase and qualified staff received retention and covid vaccination bonuses, resulting in greater salary and benefits expenses.

(4) Increase in conference and travel expenses is primarily due to increase in in-state and out-of-state travel expenses.

(5) Professional fees increase is primarily due to greater property inspection related expenses in the Asset Management & Compliance Division.

* Effective 1/1/2013, 25% of the Home Advantage Program revenue was transferred to the Single-family bond program's Commission Fund to ensure future indenture and program flexibility. Due to an ease in the revenue generated from the Home Advantage program, the 25% allocation has been suspended indefinitely, effective 7/1/23, until it is determined be beneficial to the Commission Fund to resume allocation and transfers.

Washington State Housing Finance Commission
Detailed Statement of Activities
Fund: General Operating Fund
Division: All
For The Year To Date Ending: July 31, 2023
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Actual	%
<i>Revenues:</i>							
Program Fees	-13.4%	\$ (226,179)	\$ 1,690,258	\$ 1,464,079	\$ 1,983,860	\$ (519,781)	-26.2%
Issuance, Application, and Servicing Fees	72.9%	287,540	394,491	682,031	301,243	380,788	126.4%
Interest Earned & Realized Gain	143.0%	630,483	440,937	1,071,420	886,650	184,770	20.8%
Other Income	68.0%	7,336	10,781	18,117	97,767	(79,650)	-81.5%
Total Unadjusted Revenues	27.6%	699,180	2,536,468	3,235,646	3,269,520	(33,873)	-1.0%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	30.6%	200,897	655,569	856,466	875,773	(19,307)	-2.2%
Employee Benefits - Staff	15.8%	30,524	192,891	223,415	248,556	(25,141)	-10.1%
Conference, Education & Training	18.3%	537	2,941	3,478	9,808	(6,330)	-64.5%
Travel out of state - Staff	41.6%	1,034	2,485	3,519	20,283	(16,764)	-82.7%
Travel in state - Staff	NA	1,939	-	1,939	7,107	(5,168)	-72.7%
Accounting Fees	-100.0%	(12,567)	12,567	-	2,917	(2,917)	-100.0%
Legal Fees	40.3%	13,996	34,707	48,703	58,417	(9,714)	-16.6%
Financial Advisor Fees	-4.0%	(1,000)	25,000	24,000	29,733	(5,733)	-19.3%
Investment Management Fees	-0.6%	(90)	14,748	14,658	19,167	(4,509)	-23.5%
Office Rent/Conf. Room Rentals	-40.7%	(31,619)	77,773	46,154	78,557	(32,403)	-41.2%
Furniture & Equipment Rental	-0.4%	(6)	1,545	1,539	2,460	(921)	-37.4%
Advertising	2528.0%	11,123	440	11,563	27,325	(15,762)	-57.7%
Publications/ Subscriptions/ Dues	43.5%	2,329	5,352	7,681	9,364	(1,683)	-18.0%
Deliveries	-92.2%	(308)	334	26	439	(413)	-94.1%
Insurance	8.7%	417	4,772	5,189	5,000	189	3.8%
Meeting Expense	NA	-	-	-	9,354	(9,354)	-100.0%
Equipment & Building Maintenance	-99.8%	(618)	619	1	9,293	(9,292)	-100.0%
Software Maint. Support & Other Info Svcs	-4.1%	(4,164)	102,617	98,453	134,096	(35,643)	-26.6%
Non-capitalized Equipment/Supplies	136.2%	384	282	666	10,220	(9,554)	-93.5%
Postage	-73.0%	(92)	126	34	303	(269)	-88.8%
Printing	-100.0%	(769)	769	-	1,299	(1,299)	-100.0%
State Services	-35.5%	(155)	437	282	1,406	(1,124)	-79.9%
Supplies	-101.9%	(3,892)	3,820	(72)	4,425	(4,497)	-101.6%
Telephone	173.3%	6,028	3,478	9,506	5,874	3,632	61.8%
Contract Services	269.5%	81,278	30,162	111,440	127,191	(15,751)	-12.4%
Depreciation	27.6%	2,500	9,043	11,543	13,639	(2,096)	-15.4%
Total Expenses	25.2%	297,706	1,182,480	1,480,183	1,712,006	(231,823)	-13.5%
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-57.4%	(159,564)	277,930	118,366	-	118,366	NA
Grant Revenue	197.9%	2,724,851	1,376,940	4,101,791	11,568,643	(7,466,852)	-64.5%
<i>Expenses:</i>							
Grant Pass-Through	197.9%	2,724,851	1,376,940	4,101,791	11,568,643	(7,466,852)	-64.5%
	-57.4%	(159,564)	277,930	118,366	-	118,366	NA
Excess of Revenues over Expenses- adjusted	14.8%	241,910	1,631,918	1,873,829	1,557,514	316,316	20.3%
Less transfer to Commission Fund	-100.0%	(30,506)	30,506	-	-	-	NA
Excess of Revenues over Expenses (Net of Transfers)	12.7%	\$ 211,405	\$ 1,662,424	\$ 1,873,829	\$ 1,557,514	\$ 316,316	20.3%

ELIZABETH THOMAS HOMES GRAND OPENING



You're Invited!

FAME-Equity Alliance of Washington would like to formally invite you to the Elizabeth Thomas Homes Grand Opening and Ribbon Cutting Ceremony, September 21st, 2023. Please join us at 4524 S Henderson St, Seattle, WA 98118 from 2-6PM to celebrate with the community.



Evelyn Allen

*Executive Director
FAME-Equity Alliance of Washington*

Thanks,

Evelyn Thomas Allen / President & Executive Director | FAME-The Equity Alliance of Washington | [140 23rd Ave. S., Suite 120](#) | [Seattle, WA 98144](#) | 206-795-7702 (cell)
Convener, Black Community Impact Alliance

Sent: Monday, September 11, 2023 1:54 PM

To: Lisa Vatske

Subject: You're invited to speak at the Dedication Ceremony for Garten Haus Apartments September 26

Greetings:

On behalf of the Executive Director and Board of Commissioners of Housing Authority of Chelan County and the City of Wenatchee, you are cordially invited to be a speaker at the **Dedication & Community Celebration of Garten Haus Apartments**.

The event is scheduled for **Tuesday, September 26, 2023, from 2 to 4 p.m. at 1300 Commercial Street, Leavenworth, WA.**

More details to come, please let us know your availability.

A schedule of the day's program will follow. Thank you!

Kind regards,

Suzanne Obermeyer

Communications & Process Improvement Coordinator
Office of Rural and Farmworker Housing

"Be kinder than necessary, for everyone you meet is fighting some kind of battle." J.M. Barrie

My work schedule is Monday through Thursday from 8 a.m. to 5 p.m. except for lunchtime. Email is the best way to reach me, as some days I work remotely. If you need immediate assistance during other regular business hours, please call the office at (509) 248-7014.



Housing Leader Margaret Salazar Joins REACH Community Development as CEO

“My highest priority is to be collaborative, and bring forth human-centered, racial justice-oriented solutions that are based in best practice. I am also thrilled to be joining the incredibly talented staff at REACH and look forward to getting started.”

- Margaret Salazar

FOR IMMEDIATE RELEASE

Sept. 6, 2023

PORTLAND – Today the REACH Community Development (REACH) Board of Directors announced the appointment of **Margaret Salazar** as the organization’s new CEO. Salazar is a highly experienced housing executive who has been recognized nationally for her work leading housing policy, finance and innovation at the national, state and local level. Salazar comes to REACH from the U.S. Department of Housing and Urban Development (HUD) where she serves as the Northwest Regional Administrator. Before her role at HUD, Salazar served as the director of Oregon Housing and Community Services (OHCS). She is scheduled to begin her new role with REACH in late October 2023.

“On behalf of the REACH Community Development Board of Directors, we are extremely pleased that Margaret will be joining the organization as its new leader,” said **Jill Lam**, board chair of REACH. “Margaret is an experienced and respected regional housing policy leader who understands the immense opportunities and challenges with Oregon and Southwest Washington’s affordable housing landscape. She is a true visionary who will bring the tenacity, commitment and innovative spirit needed to ensure the organization can meet the moment we find ourselves in.”

Salazar first joined HUD in 2006, helping to finance the development of multifamily rental homes across Calif., Hawaii, and Nev. She later served as associate deputy assistant secretary for multifamily housing at HUD headquarters in Washington, D.C. where she financed the

recapitalization of hundreds of properties while safeguarding affordability for thousands of vulnerable seniors and families.

In 2016, Salazar was appointed director of OHCS, the state's housing finance agency, before rejoining HUD in January 2022. During her tenure at OHCS, the agency tripled its production of affordable rental housing, created more than 1,000 units of permanent supportive housing, deployed \$500 million in emergency rental assistance, and passed legislation to expand racial equity in homelessness programs.

In her most recent role as HUD Northwest Regional Administrator, Salazar led more than 200 HUD staff to deploy billions of federal dollars to Public Housing Authorities, state and local governments, Tribes and homeless service providers across Wash., Ore., Idaho and Alaska. In this role, she leveraged federal funds to expand best practices for re-housing unsheltered individuals, assisting rural communities in boosting housing supply, and increasing homeownership opportunities for homebuyers of color.

“Right now, our region’s highest and most urgent priority is to create more affordable housing, keep people safely and stably housed, and move our unsheltered neighbors into permanent homes,” said Salazar. “REACH is doing all of that work—and more. I am confident that together we can have an even bigger impact on the region’s housing and homelessness issues. My highest priority is to be collaborative, and bring forth human-centered, racial justice-oriented solutions that are based in best practice. I am also thrilled to be joining the incredibly talented staff at REACH and look forward to getting started.”

Salazar is a graduate of Wesleyan University and earned her master’s degree in public policy from the University of California-Berkeley’s Goldman School of Public Policy. She has served on the Boards of Directors of the Low-Income Investment Fund, National Housing Trust, and National Council of State Housing Agencies. She also served on the HUD Agency Review Team for the Biden-Harris Presidential Transition.

Salazar joins REACH with deep roots in Oregon, having grown up in Hood River and Portland. She replaces Dan Valliere, who announced his transition in early 2023, after ten years of leadership.

A headshot of Salazar is available here (https://drive.google.com/file/d/1MtDQDzUbs_CIDYpww-pd7P0DhxcC9oaq/view?usp=sharing) for reporting purposes only (photo credit: Misha Cohen).

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About REACH Community Development

REACH’s mission is to create opportunities for *all people* to thrive by developing and promoting equitable access to quality, affordable homes, supportive services, and community. Since 1982, REACH has built innovative and affordable housing serving lower-income families and individuals in the Portland metropolitan region. More information about REACH and its programs is available at <http://reachcdc.org> (<http://reachcdc.org>).

Media Contact:

Ariane Le Chevallier
971-201-1214

ariane@lechevallierstrategies.com (<mailto:ariane@lechevallierstrategies.com>)

Events Calendar

Date	9/28/2023	Length of Event	10:00 AM - 4:00 PM
Event	Board Meeting & Work Session (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-28th Flr. Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/3/2023	Length of Event	12:00 PM - 7:30 PM
Event	Housing Washington 2023 Conference	Audience	Conf. Attendees
Address	Greater Tacoma Convention Center	Division	Administration
City	Tacoma	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/4/2023	Length of Event	7:00 AM - 8:00 PM
Event	Housing Washington 2023 Conference	Audience	Conf. Attendees
Address	Greater Tacoma Convention Center	Division	Administration
City	Tacoma	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/5/2023	Length of Event	7:00 AM - 1:30 PM
Event	Housing Washington 2023 Conference	Audience	Conf. Attendees
Address	Greater Tacoma Convention Center	Division	Administration
City	Tacoma	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/14/2023	Length of Event	All day
Event	2023 NCSHA Ann'l. Conf. & Showplace	Audience	Conf. Attendees
Address	Sheraton Boston Hotel	Division	Administration
City	Boston, MA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/15/2023	Length of Event	All day
Event	2023 NCSHA Ann'l. Conf. & Showplace	Audience	Conf. Attendees
Address	Sheraton Boston Hotel	Division	Administration
City	Boston, MA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/16/2023	Length of Event	All day
Event	2023 NCSHA Ann'l. Conf. & Showplace	Audience	Conf. Attendees
Address	Sheraton Boston Hotel	Division	Administration
City	Boston, MA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/17/2023	Length of Event	All day
Event	2023 NCSHA Ann'l. Conf. & Showplace	Audience	Conf. Attendees
Address	Sheraton Boston Hotel	Division	Administration
City	Boston, MA	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/26/2023	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-28th Flr. Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	11/16/2023	Length of Event	10:00 AM - 4:00 PM
Event	Board Meeting & Work Session (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-28th Flr. Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	12/7/2023	Length of Event	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	Audience	General Public
Address	Zoom/1000 2nd Ave-28th Flr. Board Room	Division	Administration
City	Seattle, 98104	Contact	Tera Ahlborn
		Phone # of Contact	206-287-4470