The July 25, 2013 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Lloyd Weatherford, Pam Tietz, Randy Robinson, Steven Moss, Gabe Spencer and M.A. Leonard.

Kim Herman explained the history behind the Program Investment Fund (PIF) and went over the potential use areas for the coming year.

Steve Walker gave an update on the progress of the 2014 9% Low-Income Housing Tax Credit Program policy changes.

The work session was adjourned at 12:05 p.m.
WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES

July 25, 2013

The Commission meeting was called to order by Chair Karen Miller at 1:00 p.m. in the Board Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Seattle, Washington. Those Commissioners present were Lloyd Weatherford, Pam Tietz, Randy Robinson, Steven Moss, Gabe Spencer, M.A. Leonard and Janet Masella.

Approval of the Minutes

The minutes of the June 27, 2013 meeting were approved as mailed.

Introduction of New Commission Employee

Executive Director Kim Herman introduced the newest Commission employee: Asifa Haji.

Employee Recognition

Executive Director Kim Herman stated that there are several types of Employee Recognition Awards: Length of Service, Special Recognition, Employee of the Quarter and retirement announcements were to be recognized this month.

Two Years
Marilyn Darnell

Ten Years
Mary Gustaveson

Fifteen Years
Dee Taylor

Twenty Years
Maureen Smith
**Twenty-Five Years**
Mardi Roberts

**Retiring 07/31/2013**
David Quam
Mardi Roberts

**Special Recognition:**
Remember four years ago? Remember the word ARRA? That convoluted and mind twisting arm of the stimulus effort that seemed endless in its demand for new thinking, out-of-the-box risk taking and, as with any federal government program, requirements for reporting, reporting, reporting. It was $200 million dollars in funds, but the feds weren’t letting go of the funds easily.

This special recognition is for someone who obviously enjoyed giving those book reports in fourth grade. When some of us were told to report to the principal’s office, this person got big stars on her reports. And some, ahem, decades later she is still getting big stars on her reports. Whitney has taken on the arduous task of leading the reporting process of the ARRA program, a twelve-month blip on the radar that has required constant reporting.

It’s finally over and Whitney is glad, Steve is glad, Kim is glad, and the feds are, well, feds.

Whitney displayed tremendous perseverance, creativity, and flexibility in developing and administering the reporting process. Rather than shrink from the Commission’s responsibilities she played a critical part in developing a process and educating all the parties who would be either participating in the process or receiving the report.

The role of Chief reporter extraordinaire required her to sweet talk all of our development partners and their construction contractors to account for every nail, screw, 2X4 and most important, workers’ hours and pay. All this was done on increasingly tight deadlines. Through it all Whitney maintained an incredible sense of customer service.
Though the process was wrought with complexity leading to stress, Whitney kept her composure and persevered in her goal of accurately reporting the requirements of the ARRA Stimulus funding.

Because of Whitney’s excellent attention to detail, drive, and passion the Commission achieved successful audits from the Feds and the Governor’s office. Well done Whitney!!!”

**Employee of the Quarter –Leslie Price:**

It always seems to be about the fit. Does the answer fit the question? Does this response fit the expectation? Does that painting fit in this space? Do those shoes fit? And, if they do, wear them, and she does. If ever there was a position where the person or, better said, a person fit the position, this person would be that perfect answer, proper painting, and that right pair shoes. She likes shoes, especially red ones.

In a position that demands exactitude, creativity, and logistical thinking combined with concentration, research, and that touch of personal charm, this person is a fit.

Thoroughness is a part of fit, leaving no stone unturned, no question unasked, and no option unconsidered is a trademark of this position and the person who fills it. This 18 month-old position is fitted by a seasoned professional who has moved to fill the critical need of bringing together the disparate procedures, policies and service cultures of two former divisions that have become one. This person continues to be instrumental in the facilitation and ease of transition of the combined public funders application listening to the various voices, special requests, and concerns of each participating funder as well as the myriad of different documents.

The Housing Credit Program has undergone the largest modification in the last ten years, whole sale changes that required out-of-the-box thinking, 9 months of coordinating input from stakeholders, funders, staff, and other divisions.
Recent necessary accomplishments have been the combined application for bonds and housing credits, combining and streamlining the various bond programs into one policy, assisting in the new procedures and ultimately working with staff to help in improving the effectiveness of spreadsheets and workload.

This person is adept at seeing the fit or non-fit of policy and its intention, the ramifications both positive and not-so-desirable of the best laid plans. She has helped work on the RFP for the recent analysis of business requirements and has shown her adept ability to corral; be heard; stand up to and make sense of the fifteen-headed monster that is the MHCF Division leadership. She has also been tapped to assist the AHAB in their work to conduct a statewide housing needs assessment.

We are speaking of course about Leslie Price, sensible team player, a leader and visionary that brings out the best in our team and furthering the good work of the Commission and for that we are grateful.

This item was pulled from the agenda.

Kim Herman asked the Commission to approve the Housing Finance Plan for 2013-2015. The public hearing was held on June 27, 2013.

Mr. Moss moved to approve the Housing Finance Plan for 2013-2015. Ms. Tietz seconded the motion. The Plan was unanimously approved.

David Clifton, Assistant Director of the Multifamily Housing and Community Facilities Division, said this is a resolution approving the issuance of a bond by the Commission in a principal amount not to exceed $1,700,000 to refinance an existing taxable loan, to finance capital expenditures for the project, and to pay costs of issuing the bond for a 30-unit senior housing facility in Chelan, WA. The project is owned by Lake Chelan Senior Housing, Inc., doing business as Heritage Heights, a Washington 501 (c)(3) non-profit organization. The public hearing for this project was held on June 27, 2013.
Ms. Tietz moved to approve the resolution. Mr. Spencer seconded the motion. The resolution was unanimously approved.

Steve Walker, Director in the Multifamily Housing and Community Facilities Division, said this is a resolution approving the issuance of the housing bonds by the Commission in a principal amount not to exceed $11,500,000 to provide a portion of the financing for the new construction of a 216-unit multifamily housing facility in Airway Heights, WA. The project will be owned by Copper Landing, LLC, a Washington limited liability company. The public hearing for this project was held on June 7, 2013.

Ms. Tietz moved to approve the resolution. Ms. Leonard seconded the motion. The request was approved with one recusal by Mr. Moss.

This item was pulled from the agenda.

Mr. Clifton said this is a request for approval of an Interagency Agreement between Kitsap County, Washington and the Washington State Finance Commission establishing the roles and responsibilities of the County and the Commission with respect to the development and implementation of a “Green Community Program.”

Counsel to the Commission, Faith Pettis, stated this was the second county Interagency Agreement the Commission has been asked to approve and staff expects that there will be more requests from counties in the future. Mr. Clifton asked the Commissioners to delegate the authority to approve future interagency agreements of this type to the Executive Director.

Mr. Moss asked if Mr. Clifton would draft a written proposal delegating the authority to the Executive Director to approve similar county interagency agreements.
Mr. Moss moved to approve the agreement with Kitsap County. Ms. Masella seconded the motion. The motion was unanimously approved.

Ms. Masella stated that Commerce is still trying to sort out the budget. She announced that $70 million in capital was awarded: $51.5 million for the housing trust fund, $4.5 million for the housing preservation portfolio and $14 million for the Sand Point project in King County. She stated that the $51.5 million came with a project list that serves four target populations: farmworkers, homeless veterans, persons with chronic mental illness and persons with developmental disabilities. All projects are still required to go through an application and approval process. All projects need to be submitted by September and selections will be made by the first week of December.

She also announced that a new cost policy will be implemented this year.

Additionally, she also said that Commerce is working with the Commission and other agencies developing training and technical assistance around asset management.

Faith Pettis, as chair of the Affordable Housing Advisory Board (AHAB) stated that AHAB has made a lot of progress on the Affordable Housing Needs study which will include a demand analysis, retail supply and inventory analysis, home ownership and needs assessment. They have put out a RFQQ for the study and have received eight responses and will have interviews next week.

Ms. Pettis also stated that AHAB is currently fundraising for the needs study. To date AHAB has three quarters of the funds needed, courtesy of Commerce, the Commission, Washington Realtors and the Gates Foundation, with more in development. Finally, she stated that she thinks the first milestone will be a report that AHAB can take to the Legislature.

Mr. Herman announced that Commission has received $127,250 in Housing Washington 2013 Sponsorship pledges.
Mr. Herman stated that Slalom Consulting completed their evaluation on our agency-wide database study and has recommended that the Commission purchase current off the shelf database product.

Mr. Herman announced that the Commission is no longer required to do down payment assistance wires for single family closings, per a recent HUD ruling.

Mr. Herman noted that all three of the single family homes in West Seattle (known as the “triplets”) have sold and will be closing in the next several weeks. The last one closed using a Commission Home Advantage Program loan for $378,000.

Mr. Herman also stated that earlier this month a lawsuit requesting a temporary restraining order was filed against the Commission alleging housing discrimination. The plaintiffs asked that the court order the Commission to approve plaintiffs for a single family mortgage loan and provide down payment assistance based on a program available to disabled persons. The two plaintiffs purchasing the home are not disabled and the third plaintiff, while disabled, is not a purchaser and was turned down for financing by plaintiffs’ lender due to insufficient credit. The Commission believed the suit to be without merit and filed an opposition brief to the request for a temporary restraining order. Yesterday the temporary restraining order was denied by the court.

Mr. Herman stated that the Hearthstone bond issue closed on July 3, 2013.

Mr. Herman also announced that the Commission’s energy bond issue for the YMCA of Greater Seattle closed July 12, 2013. He thanked everyone for their work on this transaction helping the YMCA refinance energy efficiency improvements at six of its King County locations.

Dates to remember
Mr. Herman will be attending the ED Workshop in Whitefish, MT on July 28 – 31, 2013.

WSHFC Annual Mariners Day outing is scheduled for August 28th at 12:40 p.m.

The National Council of State Housing Boards meeting is being held in Portsmouth, NH on August 25 – 27, 2013.

Housing Washington 2013 will be held in Spokane, WA on October 7 – 9, 2013.

**Commissioners’ Reports**

Steve Moss gave an update on the Audit Committee meeting that was held July 25, 2013. The committee expects the final audit report November 14, 2013. Ms. Miller mentioned that Gabe Spencer will be replacing Faouzi Sefrioui on the committee.

Ms. Leonard stated that she toured the Addison Apartments, which is a 4% bond project. She also mentioned she attended an Ace Affordable Community Environment (ACE) event. ACE recently merged with REACH Community Development to better strengthen partnerships and opportunities.

Ms. Miller mentioned Mr. Herman, Mr. Villanueva, Mr. Walker and Ms. Leonard attended the Rural Preservation BBQ in Centralia. This BBQ was celebrating the reopening of three Mercy Housing Senior Developments projects.

New Commissioners Lloyd Weatherford and Randy Robinson introduced themselves.

**Consent Agenda**

The Consent Agenda was approved as mailed.

**Adjournment**

There was no further business and the meeting was adjourned at 2:18 p.m.

**Signature**

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July 25, 2013