WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES

November 21, 2013

The Commission meeting was called to order by Chair Karen Miller at 3:00 p.m. in the Senate Rules Room, located at State Capitol Building at 416 Sid Snyder Avenue SW, Olympia, Washington. Those Commissioners present were Pam Tietz, Beth Baum, Steven Moss, M.A. Leonard, Lloyd Weatherford, Mario Villanueva, Dan McConnon, Randy Robinson and Gabe Spencer.

Approval of the Minutes

The minutes of the October 24, 2013 meeting were approved as corrected.

Action Item:
Report from the Audit Committee

Ms. Baum reported that the Audit Committee met today at 1:00 p.m. Laurie Tish and Amy Sutherland from Moss Adams, LLC, the Commission’s independent auditors, gave a presentation on the Commission’s Fiscal Year 2013 draft audit report highlighting the areas they focused on during this year’s audit which the bond fund, operating funds and the program investment fund. She stated that the auditors will be issuing an unmodified opinion on the Commission’s financial statements. There were no material weaknesses in internal control noted as a result of the audit. The Audit Committee had an excellent discussion with the staff and the auditors regarding these items. The auditors gave a special thanks to the Commission’s finance division staff, as well as management and staff across the Commission, for being helpful and timely. The audit report is expected to be issued tomorrow, Friday, November 22.

The next Audit Committee meeting is scheduled for March 27th, 2014 at 10:00 a.m. at which the committee will review its charter, the swap policy and the investment policy.

Ms. Baum moved to accept the FY 2013 audit report. Mr. Moss seconded the motion. The motion was unanimously approved.
David Clifton, Assistant Director of the Multifamily Housing and Community Facilities Division, said that this is a resolution approving the issuance of a non-recourse bond by the Commission in a principal amount not to exceed $3,500,000 to refinance existing debt for a 60,000 square foot office building, community space, and related facilities located at 3639 Martin Luther King Jr. Way S. in Seattle, WA. The project is owned by Asian Counseling and Referral Service (ACRS), a Washington 501(c)(3) nonprofit organization. The public hearing for this project was held on October 24, 2013.

Mr. Clifton stated that the ACRS project will no longer be part of the Commission’s streamlined tax exempt placement program. He distributed an updated resolution reflecting the change.

Ms. Tietz moved to approve the resolution. Ms. Leonard seconded the motion. The resolution was unanimously approved.

Steve Walker, Director of the Multifamily Housing and Community Facilities Division, said that this is a resolution approving the issuance of non-recourse bonds by the Commission in a principal amount not to exceed $30,000,000 to provide a portion of the financing for the acquisition of land and the construction and equipping of a 201-unit multifamily housing facility in unincorporated Snohomish County, WA. The project will be owned by Speedway, LLC, a Washington limited liability company. The public hearing for this project was held on June 27, 2013.

Ms. Baum moved to approve the resolution. Mr. Moss seconded the motion. The resolution was unanimously approved.

Mr. Walker said that this is a resolution approving the issuance of non-recourse bonds by the Commission in a principal amount not to exceed $32,750,000 to provide a portion of the financing for the acquisition of land and the construction and equipping of a 293-unit multifamily housing facility in Federal Way, WA.
The project will be owned by Park 16, LLC, a Washington limited liability company. The public hearing for this project was held on October 24, 2013.

Mr. Villanueva asked if there were any more community concerns with regard to the placement of affordable housing in Federal Way. Mr. Walker stated that there were no additional comments, but he thinks this issue will arise again when future projects in the area come up for financing. Mr. Spencer stated that there is 95% occupancy in affordable housing in Federal Way, so there is still a need.

Mr. Villanueva moved to approve the resolution. Ms. Leonard seconded the motion. The resolution was unanimously approved.

David Clifton, Assistant Director of the Multifamily Housing and Community Facilities Division, reported that on January 24, 2013, the Commission approved $750,000 in funds to assist Office of Rural and Farmworker Housing (ORFH) a seasoned and experienced Yakima-based organization, with its new Community Development Financial Institution (CDFI). At the time of the approval, the Commission was informed that it was necessary for it to commit funds in order to facilitate ORFH’s loan request to the U.S. Department of the Treasury. It was assumed that Treasury would match the term of the Commission’s loan on a dollar for dollar basis and at the same 1% interest rate. The Commission pledge would have helped establish a $1.5 million program with ORFH’s leadership to assist predominantly Latino and Native American beginning farmers and entrepreneurs achieve their plans for agri-businesses.

On October 2013, ORFH was informed that they would not be receiving a matching loan but rather a grant of $350,000. We were contacted by the organization to inform us that it wanted to proceed with their plans but would not receive the dollar for dollar matching funds. Since January of this year ORFH has honed its training module program, which is now administered by Heritage University, and has continued to prepare for the launch of this much needed program and series of loans.
Mr. Clifton asked the Commission to approve the request to amend the terms of the Program Investment Fund allocation as shown in the blacklined Program Investment Fund application behind tab 5 in the meeting packet.

Ms. Tietz moved to approve the request. Mr. Moss seconded the motion. The request was unanimously approved.

Avi Jacobson, senior sustainable energy coordinator, was honored as a Champion of Change at the White House on November 5, 2013 for his work to advance clean energy. Mr. Jacobson stated that “being recognized is incredibly humbling, and at the same time a great opportunity to share how we are growing the green economy in Washington State.”

The Champions of Change event on Tuesday honored veterans who have taken action to promote clean, renewable energy sources, encourage climate resilience and preparedness, and raise awareness surrounding climate change.

A veteran of the U.S. Air Force and Air National Guard, Jacobson was inspired by his experiences in Iraq to focus his career on renewable energy.

Mr. Jacobson joined the Commission in 2011 to help implement the Commission’s new mandate from the state legislature to find ways to support private investment in sustainable energy, energy efficiency and clean technology.

Ms. Miller and Mr. Herman awarded Mr. Jacobson with the Commission’s first Sustainable Energy Champion award.

Mr. Herman reported that the RFP for the database software closed on Friday, November 15. The Commission received eleven proposals and staff is now in the review process.

Mr. Herman noted that the Commission joined the City of Marysville in filing a lawsuit with regard to the compliance of the Norris Place project with.
Commission requirements. The judge in the case ruled in our favor allowing Asset Management to do an inspection lasting no longer than 6 hours.

Mr. Herman mentioned that Mr. Fitzgerald participated in the first joint webinar with Commerce regarding WBARS. Mr. Fitzgerald mentioned it was very informative and successful webinar.

Mr. Herman mentioned he spoke at our Homeownership Lender Event.

Mr. Herman stated that he and Dee Taylor attended a stakeholder meeting at the Capitol regarding Foreclosure Fairness Act.

Mr. Herman also announced Mr. Fitzgerald recently released a Request for Qualifications and Quotations for a joint assessment of the financial performance and capital needs of the multifamily projects in the Housing Trust Fund/Housing Tax Credit portfolios. The resulting work will help both the Department of Commerce and the Commission identify performance and capacity problems of projects in the portfolios and determine how to assess the reinvestment needs of the portfolios in the future. The project will run through the first quarter of 2014.

Ms. Pettis gave a report on the AHAB Needs Study. She stated that since October they have been working on the first part of the five part study. The first part includes assessing the housing demand and looking at the market regarding rental housing and homeownership both in the public and private sectors. The AHAB board is expecting to have a tangible product by next summer.

**Upcoming Events**

SHAG Interurban Open House – November 22nd from 3 – 6 p.m.
Open House honoring Pam Tietz for her service to the Peninsula Housing Authority - December 3rd from 4 - 6 p.m.
Public Officials Reception - Dec. 5th
Mr. McConnon, Deputy Director at Washington State Department of Commerce, reported that on January 1, 2014, the Department of Commerce will officially be the landlord for the Pacific Hospital Tower building.

Mr. McConnon noted that Building 9 in Sand Point closed in escrow.

Mr. McConnon stated that Mr. Herman and he have a meeting with Senator McCoy regarding the Housing Trust Fund later this afternoon.

The Consent Agenda was approved as mailed.

The meeting was adjourned at 3:55 p.m.