The January 23, 2014 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Pam Tietz, Steven Moss, M.A. Leonard, Lloyd Weatherford, Randy Robinson and Gabe Spencer.

David Clifton and Avi Jacobson reviewed the proposed rules for the Sustainable Energy Trust.

Paul Fitzgerald gave an update on the asset management and database project.

Dee Taylor gave an update on the Home Advantage program.

The work session was adjourned at 12:00 p.m.
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 Pam Tietz, Beth Baum, Steven Moss, M.A. Leonard, Lloyd Weatherford, Randy Robinson and Gabe Spencer.

The minutes of the December 19, 2013 meeting were approved as mailed.

A public hearing was opened on OID No. 13-125A, Sumner Family YMCA, at 1:01 p.m.

David Clifton, Assistant Director of the Multifamily Housing and Community Facilities Division, said that this is a hearing regarding the issuance of nonprofit revenue bonds to provide a portion of the financing for the new construction of a 106,000 square foot regional community center located at the intersection of 64th Street East and 160th Avenue East in Sumner, WA to be owned by the YMCA of Pierce & Kitsap Counties, a Washington 501(c)(3) non-profit organization. The estimated bond amount is not expected to exceed $25,000,000. Mr. Clifton introduced Bob Ecklund, President & CEO and Anne Porter, CFO.

Ms. Porter stated that the YMCA of Pierce and Kitsap Counties will break ground on an all-new 110,000 square foot community recreational center in April 2014 with a planned opening in the summer of 2015. The Gordon Family YMCA will serve more than 20,000 individuals from the greater Sumner-Bonney Lake area and offer programs and services to meet the unmet social, health, educational, and recreational needs of the community.
Ms. Porter stated that the construction of the $35 million, LEED Silver facility will create over 450 jobs, which include over 200 prevailing wage construction jobs and more than 250 full and part-time facility jobs. Additionally, this project will increase employment opportunities of low to moderate income, unskilled workers in the area.

Mr. Ecklund stated that the two partnerships that are key to this project include the City of Sumner, who committed $5 million towards the construction of the facility to help improve the quality of life for local residents, and MultiCare, which will occupy 2,000 square feet within the facility to offer health and therapy services that will enhance the health and well-being of the community.

Mr. Ecklund mentioned to date, $15 million has been raised toward the $35 million project.

The YMCA is open to all and financial assistance will be offered to ensure that no one is turned away due to an inability to pay for membership. Based on the YMCA facilities with similar size and demographics, estimates are that more than $500,000 in financial assistance will be provided annually.

There was no further public comment and the hearing was closed at 1:14 p.m.

A public hearing was opened on OID No. 13-120A, Lake Washington Apartments, at 1:15 p.m.

Bob Peterson, Manager of the Multifamily Housing and Community Facilities Division, stated that the hearing is for the proposed issuance of a multifamily revenue to provide a portion of the financing for the acquisition and rehabilitation of 379 units of multifamily housing located at 9061 Seward Park Avenue South in Seattle, WA to be owned by Lake Washington II Limited Liability Limited Partnership. The estimated bond amount is not expected to exceed $28,000,000. Mr. Peterson introduced Lance Matteson, Executive Director of Southeast Development (SEED), Natalia Williams, Vice President of Finance at Bayside
Communities LLC and Jamila Jackson, Acquisitions Manager at Bayside Communities.

Mr. Matteson stated that this rehabilitation will substantially improve the quality of life of the tenants.

Ms. Williams stated that Lake Washington Apartments is a 366 unit affordable apartment community located in Seattle, Washington. The complex includes 34 two story residential buildings, a clubhouse, a preschool, and children's play area totaling over 330,000 square feet of gross building area. The unit mix is 98 1-bedroom/1-bathroom, 244 2-bedroom/1-bathroom, and 24 3-bedroom /1-bathroom units.

Ms. Williams mentioned the buildings were originally constructed in 1947 and extensively renovated in 1997/1998. The acquisition and renovation of the property was financed with Low Income Housing Tax Credits (LIHTC), bonds, and loans from the City of Seattle and the State of Washington. The initial 15 year LIHTC compliance period expired in December 2012. The property serves tenants with household incomes of 30%, 50%, and 60% of Area Median Income. The property has a Housing Assistance Payments contract with Seattle Housing Authority for 37 units.

Lake Washington Apartments GP, LLC whose principals are Bayside Washington, LLC (Bayside) and Southeast Effective Development (SEED), a Washington state nonprofit corporation, and Homesight, a Washington state non-profit will serve as the General Partner. Bayside Washington, LLC and SEED will serve as the Sponsor/Developer. Citibank will be the construction lender and note purchaser for the private placement bonds, and R4 Capital will provide the tax credit equity. EPMI, a subsidiary of Bayside Communities, LLC currently manages the property and will continue to do so.

Furthermore, Ms. Williams stated that the planned capital improvements for the property total $17.7 million or the equivalent of $46,000 per unit. The scope of rehabilitation includes the addition of 13 new 1-bedroom units built out in
existing storage space and extensive improvements to the unit interiors, including
the addition of washers and dryers, and significant improvements to the site
amenities.

Ms. Jackson mentioned that rehabilitation will occur from March 2014 through
September 2015. She also stated they have planned for the temporary relocation
of tenants. Tenants will have a 90 and 30 day notice and a one on one meeting
regarding the relocation with a staff member. Additionally, there will be a
relocation consultant and an onsite relocation coordinator. Mr. Matteson stated
that they have intentionally drawn down the buildings occupancy to lower the
impact of the rehabilitation.

The apartment rehabilitation includes adding washers and dryers in all the units,
upgrades to the kitchens, replacing the floors, paint and making the lights and
heating more energy efficient. The onsite rehabilitation includes expanding
parking capacity by up to 75 spots, three additional community gardens, a
modified entry barrier and additional security cameras. The buildings will be
getting new roofs, paint, improved ventilation, an expanded office/lobby,
renovated staff break room, restrooms and maintenance shop and an added
fitness center.

There was no further public comment and the hearing was closed at 1:33 p.m.

Action Item:
Resolution No. 14-41 Beaver Creek
Apartment Homes

Mr. Clifton said that this is a resolution approving the issuance of bonds by the
Commission in a principal amount not to exceed $6,700,000 to provide a portion
of the financing for the acquisition and rehabilitation of 119 units of multifamily
housing in Lynnwood, WA. The project is owned by Lynnwood Beaver Creek
LLC, a Washington limited liability company. The public hearing for this project
was held on December 19, 2013.

Mr. Moss moved for approval of the resolution. Ms. Baum seconded the motion.
The resolution was unanimously approved.
Mr. Clifton requested the approval to start the rule making process for the Sustainable Energy Trust (SET) Program Rules.

Mr. Moss moved for approval to begin the rulemaking process. Ms. Tietz seconded the motion. The motion was unanimously approved.

Mr. Herman mentioned that our Capital Plus! loan with WCRA in the amount of $350,000 for Pear Tree Place III, a 24-unit clean and sober permanent housing facility for veterans to be owned and operated by Next Step Housing in Yakima, recently closed.

Mr. Herman stated that the owners of Vision 5 House have asked the WSHFC to monitor an affordable housing commitment for a project in Redmond, a requirement for HUD financing. We have drafted a Monitoring Agreement and anticipate doing an initial certification of residents in February.

Mr. Herman mentioned that the IRS allowable mileage reimbursement for 2014 has gone down from $.565 to $.56, a ½ cent reduction.

Mr. Herman stated that the Commission received 18 applications for the 2014 tax-credit 9% application round. Leslie stated that the Commission has just about finalized the allocation list and it looks like we will be funding all 18 projects. The distribution among the 3 credit pools has worked out perfectly with about a $1.1M forward commitment from next year’s credit. There is a good balance of project types – 4 supportive housing, 4 farmworker, 3 seniors and 2 Indian Country. 17 are new construction and there is 1 RAD rehabilitation projects.

Ms. Price stated that she doesn’t think the low number of applications should be alarming or be seen as a sign that the program is undersubscribed.

- With the 9% rate lock going away, it is difficult to fully fund a project without public funds. This kept the non-Housing Trust Fund (HTF) players out of the round.
- The HTF was very targeted in its awards this year.
Mr. Herman mentioned that the Single Family Bond issue target populations recently closed.

On January 8th, Ms. Taylor and Mr. Herman attended FFA Stakeholders Meeting in Tacoma.

Mr. Herman mentioned he participated on a panel of industry experts at Congressman Denny Heck’s Housing Forum in Tacoma.

Mr. Herman gave a brief Legislative update.

Upcoming Events

WLIHA Advocacy Day in Olympia – January 28th, 2014

NCSHA Leg Con in Washington, DC – March 3-5, 2014

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

The meeting was adjourned at 2:11 p.m.

Signature

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