The February 27, 2014 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Pam Tietz, Lloyd Weatherford, Beth Baum, Regina Stark, Diane Klontz and Gabe Spencer.

Bill Rumpf, President of Mercy Housing Northwest and Cindy Holler, Senior Vice President of Real Estate Strategy, provided an overview of the activities of Mercy Housing Northwest and Nationwide.

Bob Peterson, Director of the Multifamily Housing & Community Facilities Division and Leslie Price, Senior Policy Analyst, gave an overview of the 2014 Tax Credits Applications.

The work session was adjourned at 12:00 p.m.
WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES

February 27, 2014

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, Lloyd Weatherford, Beth Baum, Regina Stark, Diane Klontz and Gabe Spencer.

Approval of the Minutes

The minutes of the January 23, 2014 meeting were approved as mailed.

Employee Recognition

Executive Director Kim Herman stated that there are several types of Employee Recognition Awards: Length of Service and peer chosen Employee of the Quarter and Year were to be given this month.

Fifteen Year Service Award
Lisa DeBrock
Paul Edwards

Employee of the Fourth Quarter –Tera Ahlborn

“The Employee of the Quarter is someone especially worthy of this honor. She came to the Commission a few years ago and quietly began to surprise us time after time. She is willing to take on complicated, multi-faceted projects and pulls together many pieces and coordinates numerous players- making it all look easy.

She has filled in for vacant positions, doing two jobs simultaneously, both of which had project management responsibilities and tight deadlines. We didn't see a wrinkle in any work and every detail was completed on time. When given a
new task, she doesn't complain, she just figures it out and completes the assignment in her usual competent manner.

Last fall she was the driving force for planning and orchestrating the Commission's 30 Year Anniversary Celebration in Olympia. The celebration went off without a hitch and was a grand success!

The employee is very encouraging to other staff and is always willing to assist others to achieve their full potential. She is very good at involving staff, consultants and partners in the decision making process and has demonstrated excellent independent judgment when making decisions in her work.

She is always smiling and gracious and professional towards everyone. She truly demonstrates the Commission's values in all of her interactions with others. Congratulations to Tera Ahlborn, Employee of the Fourth Quarter.”

**Employee of the Year – Avi Jacobson**

“Kismet, luck, synchronicity, providence, godsend, windfall all bring with them the nuance of timing. It’s lucky to have a 100 pounds of gold strapped to your back and you only have five yards to go to the bank, it’s unlucky if you have the same 100 pounds of gold stuck to you and you have just fallen off a ship.

Everyone has heard the phrases ‘right place at the right time’, ‘the right person for the job’, and, this next one follows more obtusely, ‘grabbing the bull by the horns’.

Some people are pioneers who are able to take, the ground that has been barely tilled, or the uncharted territory not quite mapped out, and create opportunity and do it without fear, a smile on their face and with courtesy for everyone.

When Housing is in your name, you start the race in some of our programs, with a lead ball chained to your foot. Often staff have to say, “yes, we finance
facilities, even though we are the Housing Finance Commission. Or “yes, we can help you finance that farm land and barn, just not the farm house.”

This year’s recipient of employee of the year took the challenges of the Commission’s name, the trials of a new program, and the vast landscape of financing options and made the Commission a respected member in the conversation taking place around how to support the private market to increase energy-related investment. Thanks to Avi, we are a clearinghouse for ideas and information about energy-efficient construction and renewable energy. He spoke at dozens of events here in Washington and in other parts of the country to share our practices and learnings with others. He has built a network of nonprofit and for-profit organizations, companies and lenders and helped connect them.

An example is Clean Tech Open, whose mission is to find, foster and fund promising Cleantech start-ups. Through Avi, the Commission is an active participant mentoring Cleantech entrepreneurs on business models and go-to-market strategies. Another recent example: On February 4-5 in Washington, D.C., the Commission was among state energy and finance officials from around the country learning about and discussing the establishment and coordination of state “green” banks.

In no small part, thanks to Avi, the Washington State will be one of the few of the fifty to utilize most if not all of its allocation of Qualified Energy Conservation Bond (QECB) authority by convincing almost all of the state’s QECB recipients (cities, counties and tribes) to pool their allocations at the State level for better usage.

In 2013, Avi's leadership in helping to increase the efficacy of the Commission's Sustainable Energy Program became clear. Six widely varied projects came to life across the state, from wind turbines near Ellensburg to new and remodeled homes in Seattle to energy retrofits in Everett. These projects were the result of years of planning, thinking, discussing and working with the private sector to create truly innovative financing models. And some more, dynamic projects are in the pipeline.
Obviously Avi has not done all this alone, but Avi has taken the Commission’s mandate from the state legislature to create this program and earned the Commission a place as an integral part of energy financing and planning, far beyond our actual dollar investments could have. That’s partly why he was recognized by the White House in November as a Champion of Change, and why he deserves to be Commission Employee of the Year.

Kismet? I don’t think so. Rather, the right person at the right time, and opportunities not missed.”

Public Hearing:
Hirabayashi Place,
OID #13-123A

A public hearing was opened on OID No. 13-123A, Hirabayashi Place, at 1:13 p.m.

Bob Peterson, Multifamily Housing and Community Facilities (MHFC) Division Manager, said that the hearing was for the proposed issuance of multifamily revenue bonds to provide a portion of the financing for the new construction of 96 units of multifamily housing located at 424 South Main Street in Seattle, WA to be owned by Hirabayashi Place LLC, a Washington limited liability company. The estimated bond amount is not expected to exceed $16,000,000. Mr. Peterson introduced Leslie Morishita and Hozaifa Cassubhai from InterIm Community Development Association.

Ms. Morishita reported that this project is located in the International District’s historic Japantown. Hirabayashi Place will provide 96 workforce units with ground level commercial, retail and a daycare operated by El Centro de la Raza. The 7 story building design for InterIm Development promotes social sustainability and quality design. The project is also leveraging funds from the North Lot Development, this project will be using 85 of their affordable housing commitments. The site is located over the metro light rail tunnel and close to additional public transportation.
Ms. Morishita stated that the project was named after Gordon Kiyoshi Hirabayashi, a Seattle born sociologist, best known for his principled resistance to the Japanese American internment during World War II.

Mr. Peterson explained that the majority of the cost waiver overage was due to the location of the project, being partially located over the metro bus tunnel. Additional costs include the reclaiming of tidelands, funder and local jurisdiction requirements including Evergreen Sustainable Development requirements, union drywall contractors and multifamily construction market increases.

There were no additional comments from members of the public, and the hearing was closed at 1:19 p.m.

A public hearing was opened on OID No. 13-51A, Olympia Vista Apartments, at 1:19 p.m.

Mr. Peterson said that the hearing was for the proposed issuance of multifamily revenue bonds to provide a portion of the financing for the acquisition of land and new construction of 141 units of multifamily housing located at 3600 Forestbrook Way SW in Olympia, WA to be owned by Olympia Vista Apartment Associates, LLC, a Washington limited liability company. The estimated bond amount is not expected to exceed $11,000,000. Mr. Peterson introduced Chris Craig, BJ Kuula and Dave Sinnett from American Property Development.

Mr. Craig stated that this project will consist of 141 units of affordable housing for seniors that are over 62 years old, with 10% set-aside for residents with disabilities. The site is ideally located for a senior apartment complex, with close proximity to public transit, shopping, health care facilities and restaurants. Amenities include microwaves, dishwashers, covered patios and storage, walking trails, local garden and a recreation and fitness center.

Additionally, Mr. Craig stated that they will be donating $20,000 to a local nonprofit in the area, which was taken into account in their scoring evaluation.
There were no additional comments from members of the public, and the hearing was closed at 1:24 p.m.

A public hearing was opened on OID No. 13-114A, Vintage at Lakewood Apartments, at 1:24 p.m.

Mr. Peterson said that the hearing was for the proposed issuance of a tax-exempt revenue note to provide a portion of the financing for the acquisition of land and the new construction of 197 units of senior housing located at 2131 172nd Street NE in Marysville, WA to be owned by Vintage at Lakewood Apartments, LLC, a Washington limited liability company. The total estimated project cost is $27,913,894. The estimated note amount is not expected to exceed $22,000,000. Mr. Peterson introduced Ryan Patterson from Vintage Housing Inc.

Mr. Patterson stated that Vintage at Lakewood Apartments is a four-story senior complex with elevator and interior corridors. Amenities include a common areas space, a billiard room, and available areas for medical staff and social services.

There were no additional comments from members of the public, and the hearing was closed at 1:29 p.m.

At 1:29 p.m. Ms. Miller opened a public hearing for the first group of projects recommended for an allocation of 2014 low income housing tax credits.

Mr. Peterson stated that there will be four projects considered today that are all in the King county pool. For the first project Mr. Peterson introduced Robin Corak, Executive Director at Multi Service Center (MSC) and Mark Thometz, Developer at Shelter Resources Inc. for the MSC Federal Way Veterans Program.

Ms. Corak stated that MSC Federal Way Veterans Program is a new construction project located in central Federal Way along the primary transportation and retail corridor. This project will provide service enriched rental housing for veterans.
and their dependents. The project will have 44 units ranging from one bedroom to three bedroom units and the building will be divided into separate areas for different populations being served – families and single adults. They will share a lobby that is staffed 24 hours a day. MSC and its partners at the VA of Puget Sound Medical Center will provide case management, medical, mental health and addiction treatment services. Additional social services include employment assistance, child care, financial management classes and other educational classes.

Mr. Thometz stated that 75% of the units are set aside for formerly homeless veterans and their dependents. Also they will be expecting 27 project based Veterans Affairs Supportive Housing vouchers.

For the second project Mr. Peterson introduced Jessica Cohen, Director of Property Development and Real Estate Asset at Downtown Emergency Service Center (DESC), to talk about the DESC Interbay Supportive Housing project.

Ms. Cohen stated that the DESC Interbay Supportive Housing will be located on four tax parcels in Seattle’s Interbay neighborhood. This project targets chronically homeless individuals with severe mental illness and chemical dependency. Residents in each of our housing sites have access to 24-hour a day, 7 days a week supportive services State-licensed mental health and chemical dependency treatment, on-site health care services and case management. The site has access to transit and is across the street from a Wholefoods grocery store.

Mr. Peterson stated that the next project is Plaza Roberto Maestas located in South Seattle. Mr. Peterson introduced Estela Ortega, from El Centro de la Raza and Kate Gil la Garza, from Beacon Development.

Ms. Ortega stated that Plaza Roberto Maestas is a 112 unit mixed used “town center” project located directly adjacent to the Sound Transit Beacon Hill Link Light Rail Station. In addition to providing low income housing this project will enrich both the residential community of Beacon Hill and the surrounding neighborhoods. The amenities include an early childhood development center,
retail stores, multi-cultural community center and office space. Additionally, she mentioned that this plaza will create 50 permanent jobs.

Ms. Gil la Garza wanted to state that the units in the plaza will be affordable to families with incomes that are in the 30-60% AMI range.

Mr. Peterson stated that the final project for today’s public hearing is Vantage Point Apartments Phase II. Mr. Peterson introduced Dan Watson and Tim Walter from the King County Housing Authority.

Mr. Watson stated that Vantage Point Apartments Phase II is a new construction project consisting of 45 units of senior housing. The project will include a 4-story, wood frame building with two elevators. Amenities include a covered large entrance into the lobby and management office, a large community room, arts and crafts room, a laundry room, an exercise room, kitchen, outdoor community gathering space and play equipment for children.

Mr. Walter stated that they have been able to access 1 dormant federal subsidies to help in the development of this project. These units will be set-aside for seniors with 30% and 50% AMI.

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

**Action Item: City of Tacoma DPA – PIF Request**

Dee Taylor, Director of the Homeownership Division, introduced this request for approval of funding for the creation of the Tacoma Downpayment Assistance Program.

Ms. Taylor stated that this request proposes to offer the Tacoma second mortgage program with $500,000 from the Program Investment Fund.

Half of the amount would be from re-designated funds from a Tacoma program that were never used a few years ago and the remaining funds would be from a new allocation.
The city would contribute Home Investment Partnership Funds and National Mortgage Settlement funds from the Attorney General’s Office in the total amount of $500,000.

The program will offer up to $20,000 to first-time homebuyers purchasing homes in Tacoma at or below 80% of the Pierce County area median income limits.

The Commission and city program funds will be split 50/50 for all loans, and no more than $10,000 of Commission funds would be in any one loan.

The loan term is 30 years. The interest rate is 4% simple interest deferred for 30 years, unless there is a sale, refinance or an ineligible use that would trigger repayment.

The funds will be used for downpayment and/or closing costs.

Additionally, she stated the borrowers must use the Commission’s Home Advantage first mortgage program to access the second mortgage program funds.

Ms. Taylor introduced Carey Jenkins, Housing Division Manager at the City of Tacoma/Tacoma Community Redevelopment Authority.

Mr. Jenkins referred to a handout which displayed the areas in the City of Tacoma where the Down Payment Assistance Program would target. He stated that these areas were determined by one or more of the following criteria: high levels of derelict and dangerous buildings, high winter occupancy levels and high concentration of persons above the poverty level.

Mr. Jenkins mentioned that the veteran levels in Tacoma are higher than the state levels and the percentage of homeowners are lower. He stated that last year the City of Tacoma Community Redevelopment Authority financed 43 loans and 18 were with Attorney General Funds.
Mr. Jenkins also stated a handful of reason why collaborating with the Commission was in the City of Tacoma’s best interest. He mentioned that the extended resources that the Commission would provide would be a great benefit. He stated that the collaboration would reduce the need for back office support with the use of our asset management department. Finally, he stated that the knowledge of the Commission staff and their experience would be an excellent asset.

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

Mr. Peterson said this was a resolution authorizing the Executive Director to make reservations and/or allocations of 2014 Housing Tax Credits to the following projects:

MSC Federal Way Veterans Program
DESC Interbay Supportive Housing
Plaza Roberto Maestas
Vantage Point Apartments Phase II

Ms. Baum moved to approve the request. Ms. Stark seconded the motion. The request was unanimously approved.

David Clifton, Acting Director of the Multifamily Housing and Community Facilities Division, said this a resolution approving the issuance of bonds by the Commission in a principal amount not to exceed $61,000,000 to refinance existing Commission bonds and to finance the renovation, rehabilitation, improvement and equipping of a continuing care retirement community in Seattle, WA. The project is owned by Horizon House, a Washington 501(c)(3) non-profit organization. The public hearing for this project was held on September 26, 2013.

Mr. Spencer moved to approve the request. Ms. Tietz seconded the motion. The request was unanimously approved.
Mr. Clifton said this is a resolution approving the issuance of bonds by the Commission in a principal amount not to exceed $46,010,000 to refinance existing Commission bonds and to provide a portion of the financing for the new construction of a 109,000 square foot regional community center in Sumner, WA. The project is owned by YMCA of Pierce & Kitsap Counties, a Washington 501(c)(3) non-profit organization. The public hearing for this project was held on January 23, 2014.

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

Mr. Clifton said this is a resolution approving the issuance of bonds by the Commission in a principal amount not to exceed $1,150,000 to provide a portion of the financing for energy and greenhouse gas savings in the remodel of Bainbridge Town and Country Market in Bainbridge Island, WA. The project is owned by Town and Country Markets, Inc., a Washington Corporation. The public hearing for this project was held on December 19, 2013.

Ms. Stark moved to approve the request. Mr. Spencer seconded the motion. The request was unanimously approved.

Mr. Clifton said this is a resolution approving the issuance of tax-exempt notes by the Commission in a principal amount not to exceed $28,000,000 to provide a portion of the financing for the acquisition and rehabilitation of 379 units of multifamily housing in Seattle, WA. The project will be owned by Lake Washington II Limited Liability Limited Partnership, a Washington limited liability limited partnership. The public hearing for this project was held on January 23, 2014. Mr. Clifton introduced Mark Dean from Citi Community Capital.

Mr. Dean explained the Note structure is privately placed, and has additional transfer restrictions in place. It is similar to other privately placed bond deals we do in that it is secured with project revenues, uses bond volume cap, and does not
present any additional risk to the Commission. Citi uses this structure because it allows them to get CRA credit toward their lending requirement instead of their investment requirement.

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

Ms. Klontz stated that the State Operating Budget is proposed to have a one-time methamphetamine remediation increase for the Tacoma Housing Authority which will help with the cost associated with remediation of low income housing units.

Ms. Klontz also stated that the language regarding housing for chronic mental illness has changed.

Ms. Klontz stated that document recording fees are scheduled to sunset. She stated these fees are a significant funding source for homelessness programs.

Mr. Herman stated that WLIHA Advocacy Day in Olympia was on January 28th, 2014.

Mr. Herman gave a brief legislative update.

Mr. Herman also stated that Ms. Tietz, Mr. Spencer, Mr. Weatherford and Mr. Robinson were all recommended for confirmation by the Senate Financial Institutions Housing and Insurance Committee.

Mr. Herman mentioned that the Commission has completed the first round of interviews for the director of MHCF position.

Mr. Herman stated the Rockwood financing closed on February 12th, 2014.

Mr. Herman mentioned the Commission has reached the final stages for the database RFP process.

Mr. Herman reported that Office of Rural and Farmworker Housing has launched the training portion of ADENTRO, which was developed to equip low-income residents with essential skills for success in the workforce and housing markets.
households with the tools necessary to become successful entrepreneurs. This is a program that will have loans eventually financed by PIF funds and the farmer/rancher program.

Mr. Herman attended a Council for Affordable and Rural Housing conference in late January to receive an award.

Mr. Herman attended an Association of Washington Housing Authorities meeting in Olympia with David Clifton.

Mr. Herman met with Commerce staff to discuss homeownership counselors and the data collection process for the Foreclosure Fairness Act.

Mr. Herman spoke at a Mercy Housing national board event on February 26, 2014 with M.A. Leonard.

**Upcoming Events**

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

Commission Budget and Planning Session - Union, WA - May 19 & 20th, 2014

**Consent Agenda**

The Consent Agenda was approved as mailed.

**Adjournment**

The meeting was adjourned at 2:35 p.m.

**Signature**

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