The December 18, 2014 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Dan McConnon, M.A. Leonard, Steve Moss, Beth Baum, Pam Tietz and Regina Stark.

Lisa Vatske, Margret Graham and Faith Pettis gave an overview of the AHAB Statewide Housing Needs Assessment.

Kim Herman gave a briefing on legislative priorities for the upcoming legislative session.

Kim Herman reviewed the schedule for review of the remaining policies and guidelines.

The work session was adjourned at 12:00 p.m.
Employee Recognition

Mr. Herman recognized Dee Taylor, who is retiring and whose last day in the office is December 19, 2014. Ms. Taylor has been employed as the Commission’s Homeownership Director since 1998. Since her arrival, the Commission has financed 21,199 1st mortgages equaling $3,136,000,000 and issued 4,881 MCCs equaling $1,004,000,000. Mr. Herman congratulated Ms. Taylor on her retirement. Ms. Miller stated working with Dee has always been a pleasure and she will be missed. The meeting was adjourned at 1:05 to have cake in her honor.

Approval of the Minutes

The meeting was reconvened at 1:13 p.m., and the minutes of the November 20, 2014 Commission meeting were approved as mailed.

Public Hearing: Scriber Creek, OID #13-82A

A public hearing was opened at 1:13 p.m. for OID No. 13-82A, Scriber Creek.

Bob Peterson, Multifamily Housing and Community Facilities Division Manager, stated that this public hearing concerns the proposed issuance of multifamily revenue bonds to pay a portion of the costs for the acquisition and new construction and equipping of a 276–unit multifamily housing facility at 20917 44th Avenue West, near the town of Lynnwood, in unincorporated Snohomish County, WA to be owned by Scriber Creek, LLC, a Washington limited liability
Mr. Peterson introduced Jack Hunden from DevCo, Inc.

Mr. Hunden stated that Scriber Creek is located by an Albertsons, with easy access to the freeway and partially surrounded by Scriber Creek Park. This 276 unit complex will have a mix of one to five bedrooms, 436 parking stalls, a recreation building, an outdoor swimming pool, and a fenced dog run.

Mr. Hunden also stated that 100% of the units will be set-aside for households at or below 60% area median income (AMI). He included that 20% of the units are for persons with disabilities and another 20% is set-aside for large households.

Ms. Starks asked about the traffic concerns with all the construction in the area. Mr. Hunden mentioned that there was an environmental assessment completed as required.

There were no additional comments from members of the public and the hearing was closed at 1:33 p.m.

A public hearing was opened at 1:33 p.m. for OID No. 14-108A-D, CAC 515 Preservation Portfolio.

Mr. Peterson said that this is the Commission hearing for the proposed issuance of multifamily revenue bonds to pay a portion of the costs for the acquisition, rehabilitation and equipping of four properties at the following locations: Belfair House Apartments, 170 NE State Route 300, Belfair, WA; Ashford House Apartments, 24170 NE State Highway 3, Belfair, WA; Saratoga Springs Apartments, 1100 N 12th Street, Shelton, WA; Killion Court Apartments, 405 Killion Court NW, Yelm, WA. The project is expected to be owned by CAC 515 Preservation Portfolio Associates, LLLP, a Washington limited liability limited partnership. The estimated bond amount is not expected to exceed $6,250,000. For the next two projects Mr. Peterson introduced Matt Chantry and Corey Baldwin from Shelter Resources, Inc.
Mr. Chantry stated that CAC 515 Preservation project involves the acquisition and rehabilitation of four projects totaling 109 units located in rural communities throughout Western Washington. 100% of the units will be set-aside for households at or below 60% AMI.

Mr. Chantry stated that this project has USDA Section 515 and 538 loans. These loans will help in the renovation of the siding, bathrooms, vanities and kitchen cabinets. Sixty two of the 109 units will be covered under a rental assistance contract: 25 from Ashford House/Belfair House, 18 from Killion Court and 19 from Saratago Springs.

There were no additional comments from members of the public and the hearing was closed at 1:42 p.m.

A public hearing was opened at 1:42 p.m. for OID No. 14-104A-E, Hope Source II Rural Preservation.

Mr. Peterson said that this is the Commission hearing for the proposed issuance of multifamily revenue bonds to pay a portion of the costs for the acquisition, rehabilitation and equipping of six properties at the following locations: Berg Rose Apartments, 263 Mine Street, Leavenworth, WA; Cashmere Park Apartments, 302 Fisher Street, Cashmere, WA; Cascade Manor Apartments, 101 South Pearl Street, Ellensburg, WA; Huntington Court Apartments, 306 E Manitoba Avenue, Ellensburg, WA; Park Village, 554 South 5th Street, Selah, WA; Selah Park, 502 South 5th Street, Selah, WA. The project is expected to be owned by Hope Source II Rural Preservation Associates, LLLP, a Washington limited liability limited partnership. The estimated bond amount is not expected to exceed $7,150,000.

Mr. Chantry stated that Hope Source Rural Preservation project involves the acquisition and rehabilitation of six projects totaling 146 units located in rural communities throughout Eastern Washington.
Mr. Chantry stated that the funding, renovations and set-asides on this set of projects are very similar.

There were no additional comments from members of the public and the hearing was closed at 1:48 p.m.

Lisa DeBrock, Manager of the Homeownership Division, stated at least every 2 years, pursuant to the Revised Code of Washington, section 43.180.100 and the Washington Administrative Code section 262-01-070, we do a request for proposals for single family investment bankers.

Investment bankers develop and structure each bond issue and purchase the Commission’s bonds.

She posted the RFP last month and the due date for proposals was Monday, December 10th. The Commission received six responses from the following firms:

- RBC Capital Markets
- George K. Baum
- Bank of America Merrill Lynch
- Edwards Jones
- Wells Fargo Securities
- Raymond James

Due to the fact that we anticipate doing a relatively small amount of bond sales over the next two years, we decided not to ask the proposers to incur the costs of coming to Seattle for interviews and evaluated them on their written proposals. We looked at the following criteria:

- Demonstrated technical competence, expertise and innovative ability.
- Demonstrated success in structuring and/or marketing housing bond issues.
Familiarity with FHA insured and VA guaranteed housing programs, as well as with privately insured programs.

The cost in fees and expenses.

Reputation for services.

Qualifications of the individuals assigned to represent the investment banking firm in meetings and negotiations with the Commission regarding the structuring and purchase of bonds.

Compatibility with the Commission and its staff of the individuals assigned to represent the investment banking firm in meetings and negotiations with the Commission.

Accessibility of the underwriter’s personnel to the Commission and its staff.

Ms. DeBrock is recommending approval to keep RBC Capital Markets - Mina Choo and George K. Baum as senior managers and Edward Jones and Wells Fargo Securities as a co-manager.

The Commission will keep Jeff Nave with Foster Pepper as the underwriter’s counsel.

Ms. DeBrock asked for Commission approval of the recommendations and authority for the Executive Director to negotiate contract terms with the firms.

Ms. Tietz moved to accept the recommendations for selection of Single Family Investment Bankers. Mr. Moss seconded the motion. The motion was unanimously approved.

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said this is a resolution approving the issuance of bonds by the Commission in the principal amount not to exceed $1,700,000 to pay a portion of the costs for the rehabilitation of an existing facility located in Renton, WA, to refinance existing debt previously used to rehabilitate and refinance the acquisition of the facility, and to pay the costs of issuing the bonds. The project
is owned by Puget Sound Regional Services, a Washington 501(c)(3) non-profit corporation. The public hearing for this project was held on November 20, 2014. Mr. Moss moved to approve the resolution. Ms. Leonard seconded the motion. The resolution was unanimously approved.

Ms. Vatske said this is a resolution approving the issuance of bonds by the Commission in the principal amount not to exceed $9,000,000 to provide a portion of the financing for the acquisition and rehabilitation of a 62-unit multifamily housing facility in Lynnwood, WA. The project will be owned by The Douglas, LP, a Washington limited partnership. The public hearing for this project was held on October 23, 2014.

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

Ms. Vatske said that Resolution No. 13-117 authorizes staff to issue up to $2 million in bonds to fund the Beginning Farmer/Rancher Program in the next year.

Mr. Moss moved for approval of Resolution No. 14-116. Ms. Baum seconded the motion. Resolution No. 14-116 was unanimously approved.

Mr. Herman stated that this resolution authorizes and delegates to the Executive Director the authority to carry forward private activity bond volume cap and to determine the allocation of the volume cap between the multifamily and single-family bond programs.

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

Ms. Tietz moved to approve the 2015 Commission Meeting Calendar. Mr. McConnon seconded the motion. The request to approve the 2015 Commission meeting calendar was unanimously approved.
Action Item: Request approval of the Commission’s 2015 Legislative Agenda

After a brief explanation of the Legislative Agenda for 2015 by the Executive Director and an addition to the agenda supporting King County Bonding Authority for Affordable Housing, Ms. Leonard moved to approve the amended 2015 Legislative Agenda. Ms. Tietz seconded the motion. The request was unanimously approved.

Executive Director’s Report

Mr. Herman reported that the 2015 9% Low Income Housing Tax Credit Pre-Approvals have been submitted. There were 24 project sponsors that submitted requests for pre-approvals. Request for pre-approvals are required for 9 different point or waiver criteria. We received 12 requests for Total Development Cost Waivers and 10 Requests for Basis Boost. In total, 24 project sponsors asked for a total of 43 waiver requests. Staff have reviewed them all and will notify sponsors by the end of this week on the results.

He stated that Multifamily and Community Facilities posted an RFP for a Financial Advisor. The RFP closes on January 16th.

Homeownership successfully closed the Commission’s 2014 Series 2 single-family bond issue this morning in three series in the aggregate principal amount of $50,515,000

Mr. Herman said he attended the WLIHA annual meeting, participated in the GMA/housing workgroup meeting, flew to Chicago for the Lehman/TSA litigation, attended an Affiliates staff meeting, attended the semi-annual TSA Board meeting, and attended the Impact Capital board of directors meeting.

Informational Report on Department of Commerce Activities

Mr. McConnon stated that the Governor’s Budget came out today. He stated this was the best Governors budget he has seen. There were no cuts to Housing and Essential Needs.

He also mentioned that there will be a new department called the Office of Youth and Child Homelessness. Hope Centers will be supervised under this department.
The Consent Agenda was approved as mailed.

The meeting was adjourned at 2:23 p.m.

Signature

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