

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

January 26, 2017

The January 26, 2017 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Duane Davidson, Steve Moss, Randy Robinson, Wendy Lawrence, Diane Klontz, Beth Baum, Ken Larsen and Pam Tietz.

Lisa Vatske reported on the private activity bond volume cap and first round allocation results and gave an update on recent developments regarding 4% and 9% tax credits.

Val Pate and Rich Zwicker gave a review of property tax exemptions relating to the Commission's projects.

Kim Herman gave the Executive Director's report, including a report on the current bills of interest in the Legislature.

The work session was adjourned at 12:01 p.m.

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

January 26, 2017

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 Duane Davidson, Steve Moss, Randy Robinson, Diane Klontz, Wendy Lawrence, Beth Baum, Ken Larsen and Pam Tietz.

**Approval of the
Minutes**

The minutes of the December 15, 2016 special meeting were approved as mailed.

**Employee
Recognition**

Executive Director Kim Herman stated that there are several types of Employee Recognition Awards: Special Recognitions, Length of Service and the peer chosen Employee of the Quarter and Year.

Two Years of Service

Rich Zwicker

Yana Prokhor

Krystina Eals

Dietrich Schmitz

Five Years of Service

Tera Ahlborn

Twenty Years of Service

Yasna Osses

Employee of the Fourth Quarter - Shirleen Noonan

This person is deeply committed to improvements of processes both for her staff and the Commission, thereby working to improve work life balance and morale while assuring strong controls and accuracy are retained. She approaches challenges with grace, openness and determination, always seeking to find the best solutions for everyone involved, especially the Commission. This person is very much a team player with a positive attitude. One staff member stated that “She helps me and my position and the Commission in so many ways. One recent example is getting the accounts receivable customer accounts cleaned up for accumulated issues through use of detailed reviewed, reconciliation and dogged follow up. While it remains a work in progress, her take on solving this problem is encouraging with clear evidence of progress from a look at the outstanding aging report. She exemplifies hard work and determination in everything that she does, causing those around her to be encouraged to push smarter and harder. I'd like to add that I am very thankful and glad that she is my Manager.”

If you haven't guessed the Employee of the Fourth Quarter is Shirleen Noonan.

Employee of the Year-Bob Woodard

It will come as no surprise that the Employee of the Year was recently honored with Employee of the Quarter.

He is always quick to help in any situation. Takes a keen interest on how some of the other programs we run affect the rest of our system. He thinks about what needs to be done and then acts upon it to get the job completed whether it is purchasing a new server or transferring things between servers to make sure all is running at full capacity. This person is great with listening to a problem and then implementing a solution. He is always cheerful in his response and has a great attitude about suggestions or thoughts on how to improve connections in the Technical field. You can call him at any time and he is willing to help with anything that you need assistance with. He is always on top of the problems and solutions for the IT department. Bob Woodard is our Employee of the Year.

**Public Hearing:
Homes First, OID #
16-155A**

Ms. Miller opened a public hearing on OID 16-155A, Homes First at 1:10 p.m.

Bob Peterson, Manager of the Multifamily Housing and Community Facilities Division, said that this is a proposed issuance of two series of bonds to refinance existing low-income rental properties and shared housing facilities providing 65 units and 200 beds, owned by Homes First, a Washington 501(c)(3) nonprofit corporation. The addresses are listed below:

Project: Homes First Shared Housing	Project: Homes First Family Housing
Addresses: (WA) 1812 Sawyer St. SE, Olympia, 98501 1344 Susitna Ln. SW, Tumwater, 98501 221 Milroy St. NW, Olympia, 98502 5501 32nd Ct. SE, Lacey, 98503 5203 Lacey Blvd. SE, Lacey, 98503 4913 22nd Ave. SE, Lacey, 98503 4810 21st Ave. SE, Lacey, 98503 2503 25th Loop SE, Lacey, 98503 5211 22nd Ave. SE, Lacey, 98503 3012 Impala Dr. SE, Lacey, 98503 5505 32nd Ct. SE, Lacey, 98503 4618 31st Ave. SE, Lacey, 98503 1203 Olympia Ave. NE, Olympia 98506 5908 59th Loop SE, Lacey, 98513	Addresses: (WA) 501-503 18th Ave. SE, Olympia, 98501 2516 Lincoln Ave. SE, Olympia, 98501 1729 Legion Way SE, Olympia, 98501 423 Z St. SE, Tumwater, 98501 1819 E. 9th Ave. SE, Olympia, 98501 2408 Lincoln Ave. SE, Olympia, 98501 2124 Soroya Ct. SW, Olympia, 98502 222 Cushing St. NW, Olympia, 98502 1702 Magnolia St. SE, Olympia, 98503 1308 Sleater Kinney Rd. SE, Lacey, 98503 1314 Sleater Kinney Rd. SE, Lacey, 98503 6120-21 Glen Mary Ln. SE, Lacey, 98503 1603 Bethel St. NE, Olympia, 98506 9121 Skokomish Way NE, Olympia, 98516

The shared housing will be financed with a Nonprofit Revenue Bond (facility) and the family housing will be financed with a Nonprofit Housing Revenue Bond. A portion of the proceeds of the bonds may be used to pay all or part of the costs of issuing the bonds. The total estimated aggregate amount of the bonds is not expected to exceed \$2,250,000. Mr. Peterson introduced Trudy Soucoup, Executive Director of Homes First. Ms. Soucoup presented a short video on their mission and programs.

Ms. Soucoup stated that the Homes First mission is to provide safe, healthy, affordable rental homes for those who need them most. They do this by creating and maintaining homes, supporting tenants and building a safe community for those tenants. Homes First is not a service provider but they do partner with many service providers to address tenants needs.

There were no comments from members of the public and the hearing was closed at 1:28 p.m.

**Public Hearing:
Chehalis Avenue
Apartments, OID #
16-148A**

Ms. Miller opened a public hearing on OID 16-148A, Chehalis Avenue Apartments at 1:28 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of taxable and tax-exempt revenue notes to finance a portion of the costs to acquire and rehabilitate a 60-unit multifamily housing facility, located at 366 SW 3rd Street, Chehalis, WA 98532 to be owned by Chehalis Preservation Limited Partnership, a Washington limited partnership. Proceeds of the notes may be used to provide a portion or all of the costs of financing the notes. The total estimated aggregate amount of the notes is not expected to exceed \$8,500,000, a portion of which may be taxable. Mr. Peterson introduced Asia Williams, Project Manager for Chehalis Avenue.

Ms. Williams stated that this a rehabilitation of an existing 60-unit Section 8 development. The units will be restricted to households earning less than 60% of the area median income (AMI) for Lewis County. Ten percent of the units will be set-aside for large households. The rehabilitation will include the kitchens, bathrooms, energy efficient upgrades, window blinds, appliances, landscaping and sidewalk repairs.

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

**Public Hearing:
Thai Binh
Apartments, OID #
16-118A**

Ms. Miller opened a public hearing on OID 16-118A, Thai Binh Apartments at 1:33 p.m.

Mr. Peterson said this is a proposed issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs to acquire land and construct and equip a 249-unit low income multifamily housing facility located at 913 S. Jackson Street, 417 9th Avenue S., 923 S. Jackson Street, 423 10th Avenue S., Seattle, WA 98104 to be owned by Polaris ID Apartments, LLC, a Washington limited liability company. Proceeds of the notes may be used to provide a portion or all of the costs of financing the notes. The total estimated aggregate amount of

the notes is not expected to exceed \$40,000,000. Mr. Peterson stated this public hearing is to correct the address on the project.

Barbara Zapata, a private resident made comments regarding Seattle's affordable housing and the current presidential party.

Mr. Herman stated that the Washington State Housing Finance Commission is a publicly accountable, self-supporting entity, dedicated to increasing housing access and affordability and to expanding the availability of quality community services for the people of Washington. He also mentioned that the term "affordable housing" for Commission projects is meant to be 60% of area median income.

There were no comments from members of the public and the hearing was closed at 1:44 p.m.

**Action Item:
Resolution No. 16-
164, Boulevard
Place Senior Living**

This item was pulled from the agenda.

**Action Item:
Financial Advisors
for the MHCF
Division**

David Clifton, Assistant Director of the Multifamily Housing and Community Facilities Division, stated that over the past six years the Commission has broadened the list of financial advisors with whom it contracts in order to ensure that the Commission and its clients have the expertise available for a particular financing.

Every two years the Commission submits a Request for Quotations / Qualifications ("RFQQ") with the intent of awarding Personal Service Contracts.

Firms that have submitted responses to the RFQQ and that have been determined by a staff committee to meet the requirements of the RFQQ and therefor are eligible to be under contract with the Commission are as follows:

CSG Advisors

First Southwest, a division of Hilltop Securities

The PFM Group
Springsted Incorporated

Mr. Clifton requested approval of these recommendations for Financial Advisors to the Multifamily Housing and Community Facilities Division.

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

**Action Item:
recommendation to
appoint an
independent
auditor**

Debra Stephenson, Manager of the Finance Division and Bob Cook, Senior Director of the Finance Division, said that the Commission's contract for an independent CPA firm has expired, so staff undertook an RFP process. Four different firms expressed interest, all of whom staff felt were very qualified. The proposals were evaluated and it was decided to interview each firm. A panel of six conducted the interviews, including Paul Edwards, Deputy Director, Claire Grace, WHEFA Board, and the Audit Committee. After gathering additional information following the interviews, it is the unanimous recommendation of the committee to continue the contract with Moss Adams.

Ms. Baum thanked Mr. Cook, Ms. Stephenson and the staff for doing a fantastic job in evaluating the proposals.

Ms. Baum moved that the Executive Director be authorized to execute, in consultation with the Audit Committee, a contract for audit services with Moss Adams LLP, in accordance with the terms in their response to the Commission's Request for Proposals. The contract will be for the years ending June 30, 2017 and 2018, with the option for three one-year extensions. Ms. Moss seconded the motion. The motion was approved unanimously

**Informational
Report on
Department of
Commerce
Activities**

Ms. Klontz stated that on January 25, the Office of Homeless Youth held a press conference to draw attention to their new report and also to the Governor's directive to establish an interagency work group to end youth homelessness. Press conference attendees included the First Lady Trudi Inslee, Senator Frockt, Representative Jake Fey, Trisha Raikes and youth representative Angel Gardner.

The Raikes Foundation has provided the department with funding to build capacity for this work.

She mentioned the National Housing Trust Fund (HTF) stakeholder meetings, held January 30 in Olympia and on February 7 in Spokane, to seek input regarding the 2017 allocation plan. The state HTF Stage 1 was published on January 11, applications are due February 13. Stage 1 will not be a pre-requisite for Stage 2. There is no application evaluation, no invitation to apply; anyone will be able to apply in Stage 2. Stage 1 is to assess demand in our state and inform the other public funders and the Legislature about projects in the pipeline.

The Affordable Housing Advisory Board (AHAB) met January 17th. A major topic of conversation was a letter from the Governor to AHAB chair M.A. Leonard. That letter directed AHAB to:

- Convene and lead a new workgroup within the next 60 days to address homelessness and affordable housing in the state.
- Include subject matters experts from around the state.
- Examine our existing systems that contribute to housing stock.
- Examine how the zoning, planning, permitting, development and financing and construction processes can be improved to increase opportunities for additional housing.
- Define where barriers exist and provide recommendations on how to remove them.
- Determine if there are other insights and recommendations on how to increase the affordable housing stock in the state
- Send an initial letter of findings and recommendation to Commerce and the Governor by June 1, 2017.

Commerce will be staffing this work through Housing and Growth Management Services.

She also mentioned the Housing Assistance Unit finalized their Homeless Strategic Plan.

Lastly, Thursday marks day 18 of the 105 day 2017 legislative session. Overall, more than 600 bills have dropped in the House and around 500 have dropped in the Senate. Commerce is tracking more than 40 bills in Community Services and Housing Division (CSHD) alone, more than 200 as an agency. Commerce has received requests for seven fiscal notes on bills with potential CSHD impact and more than 30 agency wide.

There are many bills addressing the document recording fee and the 2019 sunset. Commerce is also seeing bills of interest for the Housing Trust Fund, the Office of Crime Victims and some of our community economic opportunities programs.

Representative Slatter introduced House Bill 1630 which would allow minors to consent to share their personally identifying information in the Commerce's Homeless client Management Information System (HMIS).

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

The meeting was adjourned at 1:57 p.m.

Signature
