

WASHINGTON STATE HOUSING FINANCE COMMISSION

WORK SESSION MINUTES

October 25, 2018

The October 25, 2018 work session was called to order at 11:00 a.m. by Karen Miller. In attendance were Commissioners Diane Klontz, Jason Richter, Randy Robinson, Wendy Lawrence, Ken Larsen, and Alishia Topper.

Val Pate and Elaine Magil gave a briefing on the preservation program project and TCAM recommendations.

Kim Herman introduced Michone Preston, Maureen Fife, and Brett D'Antonio, who made a presentation on the history of the Commission's relationship with the State and local Habitat for Humanity organizations and the importance of the PRI investment in Habitat mortgages.

Diane Klontz gave her Informational Report on Department of Commerce Activities.

Kim Herman gave his Executive Director's Report.

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

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

October 25, 2018

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 Diane Klontz, Jason Richter, Randy Robinson, Wendy Lawrence, Ken Larsen, and Alishia Topper.

Approval of the Minutes

The minutes of the September 27, 2018 special meeting were approved as mailed.

Employee Recognition

Executive Director Kim Herman first introduced the new Senior Sustainable Energy Coordinator, Eli Chabot Lieberman. He then stated that there are several types of Employee Recognition Awards: Special Recognitions; Length of Service; and the peer chosen Employee of the Quarter.

Two Years of Service

Shawna Higgins

Five Years of Service

Nicole Wivell

Ten Years of Service

Lanakay Lipp

Dan Schilling

Employee of the Quarter

Jenni Davidson

October 25, 2018

Jenni Davison is a rock-star employee. Since joining the Homeownership Division, she's continually added new responsibilities to her job duties and developed new skills to help make the Division more efficient. Jenni is now the lead for all things Emphasys and her knowledge of the application has helped her to troubleshoot issues and provide quick solutions. When the problem isn't easily solved, she takes the time to find a work around.

Jenni doesn't just want to do a job, she wants to do it well. She actively seeks out ways to improve herself. She's taken several Excel courses and learned Visual Basic to make the Division's reporting of lock extension fees and purchases more efficient.

Jenni is always willing to go the extra mile. When the Commission's internet was down, she brought in her personal printer and connected to her personal cellphone, so staff could print documents and continue to work on loan reservations and files.

Jenni is a professional. She always represents the Commission well. She regularly holds back office trainings for the Commission's lending partners. She works closely with the Commission's two master servicers as well as Hilltop to ensure Home Advantage loans are purchased quickly and correctly.

There is no job too large or too small or challenge too difficult for Jenni to handle. She does so with composure, creativity, professionalism, and a healthy amount of fun.

**Phyllis Campbell,
Chairman of the
Pacific Northwest
for JPMorgan
Chase & Co.**

Phyllis Campbell, Chairman of the Pacific Northwest for JPMorgan Chase & Co., together with Lindsay Sovde, thanked the Commission for their partnership in serving the people of Washington and said that the Commission is the best housing finance agency in the nation.

**Public Hearing:
Mukilteo Club,
OID # 18-85A**

The Chair opened a public hearing on OID # 18-85A, Mukilteo Club at 1:09 p.m.

Bob Peterson, Manager of the Multifamily Housing and Community Facilities Division, said this is a public hearing regarding the proposed issuance of a tax-exempt revenue bond to refinance the construction and equipping of a nonprofit facility located at 10600 47th Place W., Mukilteo, WA 98272, to be owned by the Boys & Girls Clubs of Snohomish County, a Washington 501(c)(3) nonprofit corporation. Proceeds of the bond may also be used to provide a portion or all of the costs of issuing the bond. The total estimated bond amount is not expected to exceed \$3,000,000. Mr. Peterson introduced Mr. Mark McNaughton, Mr. Rob Grannum, and Ms. Gulia Saville, representing the Mukilteo Club.

Mr. McNaughton, president of the board, presented an overview of the organization and how they developed the financing. He stated that proceeds of the Bond will be used to refinance the construction and equipping of a nonprofit facility owned by the Boys & Girls Clubs of Snohomish County, and to pay all or a portion of the costs of issuing the Bond.

There were no other comments from members of the public and the hearing was closed at 1:13 p.m.

**Public Hearing:
Kin On Health
Care Center, OID #
18-94A**

The Chair opened a public hearing on OID # 18-94A, Kin On Health Care Center at 1:14 p.m.

Mr. Peterson said this is a public hearing regarding the proposed issuance of one or more series of tax-exempt revenue bonds for the purpose of making a loan to Kin On Health Care Center, a Washington 501(c)(3) nonprofit corporation. Proceeds of the bonds will be used to finance the construction of a 20-unit assisted living facility located at 5214 42nd Avenue South, Seattle, WA 98118 and a 6-unit adult family home located at 5208 42nd Avenue South, Seattle, WA 98118, and if necessary, to pay the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$6,000,000. Mr. Peterson introduced Mr. Nigel Lo and Mr. Charles Do, representing Kin On Health Care Center.

Mr. Lo stated that Kin On Health Care Center is a community based organization committed to serving Asian seniors and disabled adults. This construction is the

final phase of an expansion project which offers housing options for aging Asians. This expansion includes the construction of a 20-unit assisted living facility (15 single bed units and 5 double bed units), a 6-unit adult family home, and (if necessary) to pay costs of issuing the Bond.

Mr. Herman thanked Mr. Lo for sharing that Kin On Health Care Center was the Nation's first bilingual Chinese-American skilled nursing facility.

There were no other comments from members of the public and the hearing was closed at 1:21 p.m.

**Public Hearing:
St. Elizabeth Ann
Seton Catholic
High School, OID #
18-99A**

The Chair opened a public hearing on OID # 18-99A, St. Elizabeth Ann Seton Catholic High School at 1:22 p.m.

Mr. Peterson said this is a public hearing regarding the proposed issuance of one or more series of tax-exempt revenue bonds to refinance existing debt incurred for the acquisition of land and construction of a high school building and campus located at 9000 NE 64th Avenue, Vancouver, WA 98655, to be owned by St. Elizabeth Ann Seton Catholic High School, a Washington 501(c)(3) nonprofit corporation. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$16,700,000. Mr. Peterson introduced Ms. Tricia Roscoe, president of St. Elizabeth Ann Seton Catholic High School.

Ms. Roscoe stated that the Bond will be used to refinance existing debt incurred for the acquisition of land and construction of a high school building and campus, and to pay all or a portion of the costs of issuing the Bond.

The Chair inquired whether due diligence regarding the separation of the State and the Church has been completed. Ms. Faith Pettis, the Commission's bond counsel, said that whenever there is an application from a religious school, the Commission conducts an evaluation to make sure that the school is not overly religious such that support of the financing would be an impermissible support of religion. The evaluation was completed for St. Elizabeth Ann Seton Catholic

High School and bond counsel concluded that the school is not pervasively sectarian. There was a memo given to Commission staff.

The Chair asked about the number of students at the school. Ms. Roscoe said that when the school opened in 2009, they had 38 students and currently the enrollment is 199.

Ms. Topper thanked the school for providing a college preparatory school option to students in the Long Beach and Clark county area.

Mr. Herman requested information about their scholarship programs for low-income students. Ms. Roscoe said that the school awards approximately \$500,000 a year in financial aid. All students are welcome to apply. Selection of eligible students is completed by a third-party organization that assesses the family's financial information.

Mr. Larsen asked about the percentage of students who pursue secondary education. Ms. Roscoe said that 100% of their students have graduated on time and have gone on to a college or university.

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

**Public Hearing:
Recommend and
present Projects for
Allocation of
LIHTC from the
2019 funding round**

The Chair opened a public hearing on the recommended allocation of Low-Income Housing Tax Credits at 1:30 p.m.

Mr. Peterson said that there will be five projects to consider today:

Compass Health Broadway PSH

Mr. Peterson introduced Leslie Hodson, Housing Manager of Compass Health and Michelle Morlan, Principal Consultant of Lotus Development.

Ms. Hodson started with an overview of Compass Health highlighting that the organization has been in existence for 118 years and that the organization originally started out as an orphanage for children.

Ms. Morlan said that this project is phase one of a three phase project. The site is in downtown Everett within a block of Broadway, one of Everett's main arterials. There is frequent bus service along Broadway providing easy access to downtown Everett and to the Everett Station which provides connections to downtown Seattle. The site is adjacent to Compass Health's Bailey Center which provides a broad array of mental health support services. The project will set aside 75% of the units for Housing for Homeless, and Compass Health will provide the support services.

Mr. Richter asked how the residents will cover their share of the rent. Ms. Morlan said that they anticipate that 75% of the residents will come from homelessness and the other 25% may be coming from the institutional setting who are not homeless but don't have adequate stable housing. Rents have been set to supplemental security income levels or SSI. She also stated that 50% of the units will be at 50% AMI and the other half of the units will be at 30% AMI.

Meadow Point Family Housing

Mr. Peterson introduced Marty Miller, Executive Director and Collin Thompson, Housing Developer of the Office of Rural and Farmworker Housing (ORFH).

Mr. Miller said that ORFH provides development services for rural housing throughout Washington.

Mr. Thompson said that Meadow Point Family Housing will offer 46 units of affordable housing to the community of Omak. Seventy-five percent of the units will be targeted towards homeless veterans and homeless families with children. Supportive services and case management for formerly homeless veterans will be provided by Okanogan County Community Action Council. Okanogan Behavioral HealthCare will screen and assess residents' support needs for both mental health and substance abuse disorder issues.

YHA Veterans Supportive Housing and Service Center

Mr. Peterson introduced Susan Wilson, Housing Development Manager of Yakima Housing Authority and Beth Boren of Beacon Development.

Ms. Wilson stated that this project is the redevelopment of the 4.64 acre former United States Marine Corp armory property in Yakima. The new project will create 41 units of supportive housing for homeless veterans and their families as well as 10,062 SF of social service space targeted for homeless veterans in the community.

Ms. Boren said that the housing authority was able to receive the property at no cost through the disposition program.

Mr. Robinson asked about the location of the property relative to downtown Yakima. Ms. Boren said that the project is located west of downtown Yakima and is right by the airport.

Alder Terrace Affordable Housing

Mr. Peterson introduced Ethan Pacewicz, Project Consultant of JH Brawner & Company and Ashleigh Kilgore of Housing Authority of Kittitas County and extended staff to the Yakima Housing Authority.

Ms. Kilgore said that Alder Terrace will offer 60 units of affordable housing to the community of Ellensburg. Fifty percent of the units will be targeted towards homeless individuals and families. Supportive services and case management for these formerly homeless households will be provided by HopeSource.

Mr. Richter asked who currently owns the 60 units of affordable housing. Mr. Pacewicz said that it is owned by the Housing Authority of Kittitas County.

Spurling Court Apartments

For the last project of the day, Mr. Peterson introduced Matt Chantry, Director of Asset and Management of Shelter Resources, Inc. and Craig Kelly, Housing Manager of HopeSource.

Mr. Chanty said that Spurling Court Apartments will offer 48 units of quality, energy efficient, affordable housing to the community of Ellensburg. Fifty percent of the units will be targeted towards homeless individuals and families. Supportive services and case management for these formerly homeless households will be provided by HopeSource.

Mr. Kelly gave an overview of the services provided by HopeSource and added that this project will make a huge impact for the chronically homeless households in Kittitas county.

There were no other comments from members of the public and the hearing was closed at 1:56 p.m.

**Action Item:
Resolution No. 18-106, a Resolution for the 2019 Allocation of Credit for the Housing Tax Credit Program**

Lisa Vatske, Director of Multifamily Housing and Community Facilities Division, said this is a resolution authorizing the Executive Director to make reservations and/or allocations of 2019 Housing Tax Credits in the amounts and to the following projects:

- Meadow Point Family Housing - \$958,740
- Compass Health Broadway PSH - \$1,794,547
- Spurling Court Apartments - \$1,030,221
- Alder Terrace Affordable Housing LLLP - \$1,208,060
- YHA Veterans Supportive Housing & Service Center - \$987,099

Mr. Larsen moved to approve the request. Ms. Lawrence seconded the motion. The motion was unanimously approved.

**Action Item:
Resolution No. 18-101, CamBey Apartments, OID # 18-91A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the acquisition and rehabilitation of an existing 50-unit independent senior living community located at 50 N. Main Street, Coupeville, WA 98239, to be owned by LIHI

CamBey LLC, a Washington limited liability company whose sole member is Low Income Housing Institute (LIHI), a Washington nonprofit corporation and an organization described under section 501(c)(3) of the Internal Revenue Service Code of 1986, as amended (the “Code”). Proceeds of the bonds may also be used to pay a portion or all of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$2,500,000. The public hearing was held September 27, 2018.

Ms. Topper moved to approve the request. Ms. Klontz seconded the motion. The resolution was approved with five yes votes, with one recusal from Commissioner Larsen because of a conflict of interest due to his affiliation with Banner Bank.

**Action Item:
Resolution No. 18-
103, Copper
Mountain, OID
#18-49A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition of land and new construction and equipping of a 276-unit low income multifamily housing facility located at 2555 Bella Coola Lane, Richland, WA 99352, to be owned by Copper Mountain Apartments, LLC, a to-be-formed Washington limited liability company. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$35,000,000 (a portion of which may be taxable). The public hearing was held September 27, 2018.

Mr. Larsen moved to approve the request. Ms. Lawrence seconded the motion. The motion was unanimously approved.

**Action Item:
Resolution No. 18-
100, Manor Way
Apartments, OID #
17-193A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition of land and the construction and equipping of a 205-unit low income multifamily housing facility comprised of residential and community buildings to be located at 2407 Manor Way and 2331 Manor Way, and 13215 Highway 99, Everett, WA 98204 to be owned by Manor Way Apartments, LLC, a Washington limited liability company. Proceeds of the notes may also be used to pay all or a portion of the costs of issuing the notes. The total estimated note amount is not

expected to exceed \$55,000,000 (a portion of which may be taxable). The public hearing was held October 22, 2018.

Mr. Larsen moved to approve the request. Ms. Klontz seconded the motion. The motion was unanimously approved.

**Action Item:
Resolution No. 18-
104, The View by
Vintage, OID # 18-
93A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition of land and the new construction and equipping of a 408-unit multifamily housing facility located at 21916 State Road 410 East, Bonney Lake, WA 98391, to be owned by The View by Vintage, LP, a to-be-formed Washington limited partnership. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$64,000,000 (a portion of which may be taxable). The public hearing was held September 27, 2018.

Mr. Larsen moved to approve the request. Mr. Robinson seconded the motion. The motion was unanimously approved.

**Executive
Director's Report**

Mr. Herman reported that National Council of State Housing Agencies chose the Commission for a Federal Advocacy Award. The Annual Awards for Program Excellence honor state Housing Finance Agencies (HFAs) for their outstanding public purpose programs, projects, and practices. The mission of this prestigious awards program is to recognize exemplary HFA efforts, facilitate information sharing among HFAs, identify industry best practices, and encourage innovation.

Mr. Herman along with Ms. Miller recognized Ms. Pettis for being presented the Senator Scott White Regional Leadership Award by the Seattle Chamber of Commerce. This award recognizes individuals who build bridges between competing interests, demonstrate a willingness to take on big problems, and move policy issues from discussion to action. The award, first presented in 2012, recognizes the life and work of the late Senator Scott White, who exemplified a collaborative, servant leadership style.

Mr. Herman announced the new commissioner, Noe Castillo, who will fill the vacant Labor representative position. Mr. Castillo is the Labor Compliance Investigator for the Pacific Northwest Regional Council of Carpenters.

Commissioners' Reports

Mr. Larsen commended the success of Housing Washington conference in Tacoma, Washington. Ms. Klontz added that she appreciates the partnership with the Commission and the number of people who attended the conference. The Chair thanked all the staff who participated and organized the event.

Consent Agenda

The Consent Agenda was approved as mailed.

Adjournment

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

Signature
