



# WASHINGTON STATE HOUSING FINANCE COMMISSION

**\*\* AMENDED \*\***  
**BOARD MEETING PACKET**  
**MAY 19 - 20, 2025**



## Public Engagement at Commission Meetings

Members of the public are welcome at all the meetings of the Housing Finance Commission board. These include monthly business meetings as well as work sessions, which typically take place quarterly.

### Sharing Your Thoughts

We are committed to providing a fair, respectful and safe opportunity for all voices to be heard.

Public comment is not part of Commission work sessions, but business meetings offer two opportunities:

- **Public hearings (specific topics):**

Most Commission meetings begin with public hearings on specific financing projects or other decisions that will come to the Commission for a decision in the near future. Please limit comments during this time to those directly related to the hearing topic.

- **Public comment period (any topic):**

During this period, which takes place at the end of the business meeting, the Commissioners listen to public concerns and comments on any topic related to the work of the Commission. Anyone who wishes to speak can take this opportunity. The starting time for the public comment period depends on the length of the Commission's other business.

The Commissioners may not respond to your comment or question during the meeting, but staff may follow up with you with your consent.

- **Zoom Chat**

The chat feature is disabled in all Commission meetings and work sessions, as phone attendees cannot participate.

### Raising Your Hand

The meeting chair will ask you to "raise your hand" or otherwise indicate that you would like to speak. If online, use the Zoom "raise hand" feature. Attendees on the telephone can press \*9 to "raise a hand." Whether or not you are able to virtually raise a hand, the chair will provide time and opportunity for all to share their comments before closing the public comment period.

### Community Standards

- Please keep your comments brief (2 minutes). The chair may ask you to bring your statement to a close after that time, especially if others are waiting to speak.
- Please keep your comments respectful. Any remarks or behavior that is rude, abusive, or otherwise disruptive will not be tolerated. This specifically includes slurs regarding protected classes as outlined by federal and state statute, such as race/ethnicity, disability, religion, sexual orientation, gender identity, etc. For complete list of state protected classes, visit [hum.wa.gov](http://hum.wa.gov).
- Those who do not follow these standards will be asked to leave or removed from the meeting.

**WASHINGTON STATE HOUSING FINANCE COMMISSION  
COMMISSION MEETING AGENDA**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Special Meeting & Budget and Planning Session (day 1 of 2)** in the **27<sup>th</sup> Floor Board Room**, located at **1000 Second Avenue, Seattle, WA 98104-3601**, on **Monday, May 19, 2025 at 9:00 a.m.**, to consider the items in the agenda below.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

To join virtually, please go to [Zoom Mtg. Link](#), go to “Join a Meeting” or “Join” and enter:

**Login information for Monday, May 19, 2025:**

**Webinar/Meeting ID: 897 2161 6060**

**Passcode: 276520**

Participants who wish to participate telephonically in the United States, please dial either toll free number: **1 (888) 788-0099** or **1 (877) 853-5247**

Participants wishing to provide public comments, please see public engagement opportunities on pages one above for instructions. Public comment will take place at the end of the Business Meeting on Day 1 only.

**I. Chair: Approval of the Minutes from the April 24, 2025, Special Meeting. (5 min.)**

**II. Consider and Act on the Following Action Items:**

**A. Resolution No. 25-42, Bayview Retirement Community, OID # 25-23A**

**Lisa Vatske:** A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to (i) finance the conversion of skilled nursing facilities into independent living units, the expansion of fitness facilities and other capital improvements at a continuing care retirement community located in Seattle, Washington, (ii) fund a debt service reserve fund for the bonds, (iii) finance capitalized interest on the bonds, and (iv) pay all or a portion of the costs of issuing the bonds. The project is located at 11 W. Aloha Street, Seattle, WA 98119, owned and to be owned and operated by Bayview Manor Homes, a Washington nonprofit corporation and an organization described under section 501(c)(3). The total estimated bond amount is not expected to exceed \$20,000,000. The public hearing was held March 27, 2025. (5 min.)

**~~B. Resolution No. 25-43, French American School of Puget Sound, OID # 25-37A~~**

~~**Lisa Vatske:** A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to (i) finance the construction and equipping of an approximately 32,000 square foot, four-story nonprofit educational facility;~~

~~(ii) refinance existing debt used in the acquisition of land and predevelopment costs of the project, (iii) fund a debt service reserve fund, (iv) pay capitalized interest on the bonds during construction, and (v) pay all or a portion of the costs of issuing the bonds. The project is located at the one block area bounded by 22nd Avenue South on the West, South Walker Street on the North, 23rd Avenue South on the East, and South College Street on the South, Seattle, WA 98144, to be owned and operated by French American School of Puget Sound, a Washington nonprofit corporation and an organization described under section 501(c)(3). The total estimated bond amount is not expected to exceed \$50,000,000. The public hearing was held April 24, 2025. (5 min.)~~

**C. Resolution No. 25-44, Burien Family Housing, OID # 25-35A**

**Lisa Vatske:** A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to provide a portion of the financing for the acquisition, construction and equipping of a 46-unit multifamily housing facility, located at 12845 Ambaum Blvd SW, Burien, WA 98146, owned or to be owned by MHNW 27 Burien 4 LLLP, a Washington limited liability limited 3 partnership. 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 \$17,000,000. The public hearing was held April 24, 2025. (5 min.)

**D. Resolution No. 25-39, West 6th Affordable Apartments, OID # 24-48**

**Lisa Vatske:** A resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue notes to provide a portion of the financing for the acquisition, construction and equipping of a 95-unit multifamily housing facility, 4 located at 615 West 6th Street, Vancouver, WA 98660, to be owned by West 6th VWG LLLP, a Washington limited liability limited partnership. 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 \$25,300,000. The public hearing was held April 15, 2025. (5 min.)

**E. Lisa DeBrock:** Approval of IT Solution for a Loan Reservation & Management System RFP recommendation (10 min.)

**III. Chair: Miscellaneous Correspondence and Articles of Interest (5 min.)**

**A. Miscellaneous Correspondence and Articles of Interest**

**B. HFC Events Calendar**

**IV. Chair: Public Comment**

**V. Executive Session (if necessary)**

**VI. Adjourn Special Business Meeting**

Nicole Bascomb-Green, Chair



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The Budget/Planning Session will start five (5) minutes after the adjournment of the Special Commission Business Meeting, or at 9:30 a.m. (whichever comes later) in the **27<sup>th</sup> Floor Board Room**.

**Members of the public joining the Budget & Planning Session virtually will be muted, and there will be no in-person or virtual public comment periods.**

**Please see the next page for Day 1 Budget & Planning Session agenda.**

**\*\*BUDGET PLANNING SESSION AGENDA - SUBJECT TO CHANGE\*\***

**Monday, May 19, 2025**

**BUSINESS MEETING:**

9:00            **Call to Order: Special Commission Business Meeting to approve necessary bond resolutions and other action items** (please see agenda on pages two and three above)

**\*\*ADJOURN BUSINESS MEETING\*\***

**Suspend Executive Session until 9:00 am on Tuesday, May 20<sup>th</sup>**

**BUDGET AND PLANNING SESSION – DAY 1**

9:30            **Chair: Call to Order – Commission Budget & Planning Session**  
Steve Walker, Executive Director: Housekeeping Items & Agenda Review

**Division Reports; Successes; Meeting Challenges in FY 2026**

9:35            **Financial Performance Analysis/Opportunities (90 mins)**  
Joanie Monaghan, Vice President, CSG Advisors

11:05          **Market Updates (30 mins)**

**Homeownership**

- Mina Choo, Managing Director, RBC Capital Markets
- Mike Awadis, Managing Director, Hilltop Securities Inc Market Update

**Multifamily**

- Mike Hemmens, Managing Director, Citi Community Capital

**\*\*11:35 – 1:00 LUNCH BREAK\*\***

1:00            **Overview of Proposed FY 2026 Budget and Business Objectives (50 mins)**

- Steve Walker
- Lucas Loranger, Senior Finance Director

1:50            **Program Related Investments – Status Report and Proposed Investments for FY 2026 (30 mins)**  
Lucas Loranger & Steve Walker

2:20

**Division Reports – Successes & Meeting Challenges in FY 2026**

**Multi Family Housing and Community Facilities Division (20 mins)**

Lisa Vatske, Multifamily Housing and Community Facilities (MHCF) Director

***2:40 – 2:55 Break***

**Asset Management & Compliance Division (15 mins)**

Wubet Biratu, Director, Asset Management and Compliance

**Highlight: New Multifamily Partnership Initiative (10 mins)**

Wubet Biratu & Lisa Vatske

**Homeownership Division (20 mins)**

Lisa DeBrock, Homeownership Director

3:40

**Update: Seller Servicer (15 mins)**

- Lisa DeBrock
- Vicki Bonardi, Affiliated Consulting Services

**\*\*ADJOURN DAY 1\*\***

**Please see the next page for Day 2 Budget & Planning Session agenda.**

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Budget and Planning Session (day 2 of 2)** in the **27<sup>th</sup> Floor Board Room**, located at **1000 Second Avenue, Seattle, WA 98104-3601**, on **Tuesday, May 20, 2025 at 9:00 a.m.**, to consider the items in the agenda below.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

To join virtually, please go to [Zoom Mtg. Link](#), go to “Join” or “Join a Meeting,” and enter:

**Login information for Tuesday, May 20, 2025:**

**Webinar/ Meeting ID: 896 6636 2408**

**Passcode: 519636**

**Participants who wish to participate telephonically in the United States, please dial either toll free number: 1 (888) 788-0099 or 1 (877) 853-5247.**

**Members of the public joining the Budget & Planning Session virtually will be muted, and there will be no in-person or virtual public comment periods.**

#### **BUDGET AND PLANNING SESSION – DAY 2:**

- 9:00            **Executive Session** – Executive Director’s Performance Evaluation (60 mins)
- 10:00           **Continuation of Division Reports – Successes & Meeting Challenges in FY2026**
- Finance Division** (10 mins)  
                 Lucas Loranger
- Communications Activities Update** (15 mins)  
                 Margret Graham, Communications Director
- Diversity, Equity and Inclusion** (15 mins)  
                 Nashika Stanbro, DEI Director
- Information Technology Division** (10 mins)  
                 Bob Woodard, IT Director
- Administration/Executive Division** (10 mins)  
                 Bob Peterson, Deputy Director
- 11:15           **Chair: Discussion of FY2026 Budget, External Challenges and Direction to Staff.**

**\*\*ADJOURN BUDGET PLANNING SESSION\*\***

# WASHINGTON STATE HOUSING FINANCE COMMISSION MINUTES

**April 24, 2025**

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:03 p.m. in the Board Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Suite 2700, Seattle, Washington 98104 and via Zoom. Those Commissioners present were Chair Bascomb-Green, Commissioners Bill Rumpf, and Mike Pellicciotti; and present via Zoom, Alishia Topper, Ken Larsen, and Michone Preston.

**Former WSHFC  
Commissioner &  
longtime Board  
Chairwoman,  
Karen Miller  
(1933-2025)**

Mr. Steve Walker, Executive Director, stated that on Friday, April 4, 2025, former WSHFC Commissioner and longtime WSHFC Chairwoman, Karen Miller, passed away at the age of 92.

Mr. Walker displayed a collage of pictures of Karen Miller over the years. He especially noted that after first serving on the Commission's board as the elected public official in 1997 for a period of about two years, she then served a remarkable **22 years** as the Commission's Board Chairwoman before her retirement from the Commission's board in 2020.

He stated further that Karen was also a Snohomish County Councilwoman and also was elected their Chairwoman of their board twice by her peers. In addition, she also served on the board(s) and was Chairwoman for the Edmonds & Everett Community College(s) Board of Trustees for a number of years. She was well known locally and statewide for her advocacy for the state's community and technical colleges.

Also, Karen was also a past President of the Washington Association of Counties and also was a Chairwoman of NCSHA's NCSHB Board of Directors. She was a



beloved mother, grandmother, and a **huge** local sports fan, with a remarkable warmth about her and an ability to really connect with people.

Mr. Walker closed by saying that Karen Miller seemed to know **everyone**, and **everyone** seemed to know Karen Miller, whether that was in Washington State, or in Washington, DC! Her legacy will continue to inspire the Commission and those that have known her for many years to come.

### **Approval of the Minutes**

The March 27, 2025 Commission meeting minutes were approved as distributed.

### **Employee Recognition**

Mr. Walker, stated that every quarter, the Commission recognizes: 1) staff tenure through Years of Service awards; 2) any individual/group Special Achievement awards; and 3) the recipient(s) of the Employee of the Quarter award, and yearly, the Employee of the Year award.

He reminded Commissioners that Employee Recognition is a 100% peer-driven program and thanked the following members of the Employee Recognition Committee: Tera Ahlborn, Chrystal White, Alex Yim, Corinna Obar, Tanya Scratchley, and Miyuki Rapp.

Mr. Walker then announced the Years of Service awards to be awarded this quarter:

#### **Two Years:**

Kari Zimmerman

#### **Five Years:**

Tanya Scratchley

#### **Ten Years:**

Rachel Hamlet

**Twenty Years:**

Angel Galgana

**Twenty-Five Years:**

Amelia Quiba

Mr. Walker then mentioned that Amelia will be retiring from the Commission at the end of this month (April 30<sup>th</sup>). He then said the following about Amelia that Commission staff provided to him:

“Amelia became a member of the Commission’s Compliance and Preservation (now known as Asset Management & Compliance, aka “AMC”) team in March of 2000. She utilized her advanced training and knowledge of computer programs to improve and expand the division’s website. She formatted and put finishing touches on over 30 resident certification forms which are used by thousands of households who apply or do annual recertifications for units in the Commission’s bond and tax credit programs. The Department of Commerce also uses these forms, as do **all** of the Commission’s public funding partners. Amelia is wonderfully resolute, responsible, and always there to help the AMC Division look good. Her smile and commitment will be missed as she and her family continue their life journey. So, **congratulations and thank you, Amelia!**”

**Employee of the 1<sup>st</sup> Quarter, 2025 – Carla Vanderpool:**

Mr. Walker then presented the Employee of the 1<sup>st</sup> Quarter, 2025 award:

“This nominee is the quintessential example of a true division and company team player. They maintain a great attitude and willingness to help wherever needed. This person not only represents an excellent division team member in the day-to-day duties but has also stepped up to take on additional tasks including outreach. They volunteered to participate in many events, to and including: the University of Washington’s Resource Fair, the Pierce County Mortgage Bankers Golf Tournament, the Washington Mortgage Professional events, and Juneteenth events resulting in additional request for lender visits.

Internally, this person participated in the Friends of Housing Committee, and Allyship meetings. As an avid reader, she also joined the Commission's internal reading group and regularly participates in active discussions with great insight and input. For the Homeownership Division, she is part of the rate setter's team, the servicing quality control team, and she presents on rotation for the Homeownership Division's lender training. Recently, when an unexpected power outage occurred during training, she even stepped up to complete the training for the Division Manager!

Congratulations to Carla Vanderpool as the Employee of the First Quarter, 2025!"

**Special/Outstanding Group Achievement Award– Emily Shafer Northrup and Rich Zwicker:**

Mr. Walker then presented this Special/Outstanding Group Achievement award:

"I [Steve] would like to extend my sincere gratitude and recognition to Emily Shafer Northrup and Rich Zwicker for their outstanding dedication and professionalism in managing a critical task over a weekend. Both demonstrated an exceptional level of commitment and responsiveness in handling over 300 individuals, ensuring each one was addressed either by email or direct phone call in a timely and thorough manner.

Their ability to manage such a large volume of requests while maintaining professionalism is truly commendable. Their efforts have made a significant impact, and their hard work has not gone unnoticed. **Thank you both** for your tireless contributions!"

Chair Bascomb-Green congratulated all of the award recipients.

**Public Hearing:  
French American  
School of Puget  
Sound, OID #25-  
37A**

The Chair opened the public hearing for French American School of Puget Sound, OID #25-37A at 1:12 p.m.

Ms. Bianca Pyko, Senior Bond/Housing Credit Analyst, Multifamily Housing and Community Facilities (MHCF) Division, stated that this was a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to (i) finance the construction and equipping of an approximately 32,000 square foot, four-story nonprofit educational facility, (ii) refinance existing debt used in the acquisition of land and predevelopment costs of the project, (iii) fund a debt service reserve fund, (iv) pay capitalized interest on the bonds during construction, and (v) pay all or a portion of the costs of issuing the bonds. The project is located on the block bounded by 22<sup>nd</sup> Avenue South on the West, South Walker Street on the North, 23<sup>rd</sup> Avenue South on the East, and South College Street on the South, Seattle, WA 98144, and will be owned and operated by French American School of Puget Sound, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the IRS Tax Code. The total estimated bond amount is not expected to exceed \$50,000,000. The bonds are expected to be publicly sold and underwritten by HJ Sims.

Ms. Pyko then stated that the French American School of Puget Sound was founded in 1995 and has challenged students to excel academically and thrive in French, American, and International cultures. The school's program is accredited by both the Northwest Association of Independent Schools and the French Ministry of Education. The main campus is on Mercer Island, where a one-story building was erected in 2004, and a second floor added in 2008, both utilizing the Commission's nonprofit facilities bond program. The Mercer Island Campus has been a central hub for children aged 18 months to Grade 8 and a preschool was successfully launched in Factoria (Bellevue) in 2023, with plans for a second classroom set to open there in 2024. The new campus, upon completion, is poised to be a focal point for students in Grades 4 through 8 while the Mercer Island campus will continue to house preschool programs and grades K through 3.

She concluded that the new facility would consist of the following: the ground floor will house a welcoming area, some offices and a competition-sized gym,

which will extend to the second floor. The second floor will also house administrative offices and the library. The third and fourth floors will house 12 classrooms, faculty and student spaces, shared learning areas and kitchens on each floor.

Ms. Pyko then introduced Mr. Eric Thuau, Head of School, and Ms. Susan Griesse, CFO/COO.

Mr. Thuau stated that he has been Head of School for the past 15 years, and a Head of School at previous schools for the 12 prior years. He mentioned that the school was established in 1995 with 13 students and two teachers. He stated the school's vision is to inspire the next generation of global citizens to understand, learn, and to act wisely in a multicultural world. He mentioned further that the school's core values are community excellence, cultural agility, and integrity.

The school is a comprehensive bilingual harmonized program accredited by the French Ministry of Education and the common core standards. It is part of a wide network of schools supported by the French Ministry of Education, comprised of 600 schools in 138 countries that educate 400,000 students worldwide.

The school has 110 employees on two different campuses, and the current student body is 478 students, of 62 different nationalities who speak 38 different languages. Forty-four percent of the student body are persons of color. He mentioned further that 25% of students utilize some form of financial aid.

Ms. Griesse stated that the school has annual revenue of approximately \$20 million and that 13% of their total revenue goes to tuition assistance. Also, the French Government offers financial assistance to French families to assist with tuition/fees. She stated further that the French Government will also guarantee the bond financing up to \$40 million, thus, the school chose to do the financing of this project through the Commission's nonprofit facilities bond program, as they have done so before, with two separate bond issues. She added that they just started a capital campaign and the school has already put about \$5 million of its own money as equity into the project thus far. She mentioned that the school is



pursuing this tax exempt bond financing to fund the remaining \$37 million of project costs.

This building will be approximately 32,000 square feet and is expected to open in September, 2026.

Mr. Rumpf asked how far and in what cities/towns do their students live. Mr. Thuau replied that students come from as far as Everett, Tacoma, North Bend, West Seattle, and points in-between. He also mentioned that they use a transportation company to transport many of their students to/from the school's campuses.

Mr. Walker added that this site is located very close to three other schools who have had nonprofit facilities bonds issued by the Commission!

There were no comments or written testimony from the public, and the public hearing was closed at 1:25 p.m.

**Public Hearing:  
Burien Family  
Housing, OID #25-  
35A**

The Chair opened the public hearing for Burien Family Housing, OID #25-35A at 1:25 p.m.

Mr. Dan Schilling, Senior Development Analyst, MHCF Division, stated that this is the proposed issuance of one or more series of tax-exempt and/or taxable revenue bonds to provide a portion of the financing for the acquisition, construction and equipping of a 46-unit multifamily housing facility, located at 12845 Ambaum Blvd SW, Burien, WA 98146, owned or to be owned by MHNW 27 Burien 4 LLLP, a Washington limited liability limited partnership. 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 \$17,000,000.

Mr. Schilling stated a correction that this particular project earned 39 points, instead of the 32 points originally listed in the project description. The difference

came from the project committing to energy efficiency, healthy living, and renewable energy point category.

Mr. Schilling then introduced from Mercy Housing Northwest: Mr. Joseph Thompson, President, Mr. Nicolas Efthimiadis, Project Manager, and Mr. Colin Morgan-Cross, Vice President; representing Mary's Place was Ms. Linda Mitchell, Chief of Communications/Government Affairs.

Mr. Thompson stated that Burien Family Housing is a combination 4% and 9% housing project with 91 total units, which is one of three projects located in South King County currently in development by Mercy Housing Northwest. Mercy Housing's goal of creating affordable communities in South King County is an organizational priority to help prevent further displacement of lower income families, many of whom were previously priced out of the Seattle market and are now at risk of being priced out of South King County.

He then mentioned that the project is being developed concurrently with Mary's Place, who are concurrently and separately operating a family shelter next door to Burien Family Housing. Mercy and Mary's Place will share infrastructure improvements, open space amenities, family-centered play spaces and services that are coordinated between the two projects. Last, Mr. Thompson mentioned that this is Mercy's third partnership with Mary's Place.

Mr. Efthimiadis stated that the 4% LIHTC project would have 46 total units, with one common area unit. Thirty-two of the units will be set aside for persons making 50% or less of local area median income (AMI) and 13 units set aside for persons making 60% or less of local AMI. Also, 20% of the total units will be set aside for large households and 10% of total units will be set aside for persons with disabilities. He stated further that input was received from households facing housing instability and the Burien community as well.

He noted that the housing affordability crisis has greatly increased homelessness and housing instability for low-income families and children in King County in particular; in fact, nearly 10% of enrolled students in the Highline School District

reported experiencing some form of homelessness. Mercy's goals are to retain family connections from shelter to long-term affordable housing in the communities where their properties are located.

Ms. Mitchell stated that Mary's Place has run the shelter on the property since 2018. It can provide up to 50 rooms with 150 people total. Mary's Place has supported over 750 families since opening this shelter in Burien. She added that with the completion of this facility, the capacity would be increased to serve an additional 75 families and 200 people. Also, the amenities would be enhanced for both residents and for families that stay in the shelter with this new facility and partnership with Mercy Housing Northwest.

There were no comments or written testimony from the public, and the public hearing was closed at 1:36 p.m.

**Action Item:  
Resolution No. 25-  
36, Blakeley Village  
& Laurel Village  
Portfolio, OID #25-  
22A**

Ms. Lisa Vatske, Director, MHCF Division, stated that this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds, for the benefit of Provident Group - SH II Properties LLC, a Washington limited liability company, the sole member of which is Provident Resources Group Inc., a Georgia nonprofit corporation and organization described under section 501(c)(3) of the IRS Tax Code, to finance: (i) the leasehold acquisition, demolition, replacement and equipping of two facilities owned by The Board of Regents of the University of Washington and to be operated by GREP Washington, LLC, a Delaware limited liability company (ii) the funding of a debt service reserve fund, (iii) the payment of capitalized interest on the Bonds and working capital expenditures, and (iv) the payment of all or a portion of the costs of issuing the bonds. The aggregate maximum bond amount is not expected to exceed \$530,000,000.

The project addresses and maximum bond amounts are listed below.

<b>Project:</b>	<b>Blakeley Village</b>
Project Address:	4747 30 <sup>th</sup> Avenue NE Seattle, WA 98105
Total Estimated Project Cost:	\$265,000,000

<b>Estimated Maximum Bond Amount:</b>	<b>\$290,000,000</b>
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<b>Project:</b>	<b>Laurel Village</b>
Project Address:	4200 Mary Gates Memorial Drive NE Seattle, WA 98105
Total Estimated Project Cost:	\$220,000,000
<b>Estimated Maximum Bond Amount:</b>	<b>\$240,000,000</b>

<b>Aggregate Maximum Bond Amount:</b>	<b>\$530,000,000</b>
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The public hearing for this project was held on February 27, 2025.

Ms. Vatske noted that this is a public sale of bonds underwritten by both Barclays Capital and Raymond James & Associates, and thus, no bond/note purchase letter will be issued. She noted further that the bonds are not expected to receive an “A” rating and will be sold with terms consistent with and in furtherance of the Commission's policy for unrated bonds.

Ms. Vatske then acknowledged that she appreciated the work that PFM Financial Advisors has done to undertake a third-party assessment of the underwriting and to ensure that it meets the Commission’s unrated bond policy requirements. Also, Ms. Vatske mentioned that these bonds may also be supported by a bond insurance policy.

Mr. Larsen moved to approve the resolution. Mr. Rumpf seconded the motion. The resolution was unanimously approved.

**Action Item:  
Resolution No. 25-  
38, Rucker Avenue,  
OID #21-53A**

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue notes to finance a portion of the costs for the acquisition, construction, and equipping of a 214-unit multifamily housing facility located at 3102-3132 Rucker Avenue & 1310 Pacific Avenue, Everett, WA 98201. 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 \$80,000,000, and the public hearing was held on January 23, 2025.

Ms. Vatske stated that a note commitment letter for an amount not to exceed \$73,231,900 was issued by Citibank N.A. Also, this project would be utilizing \$18,231,900 in recycled bond cap.

Ms. Topper moved to approve the resolution. Mr. Rumpf seconded the motion. The resolution was unanimously approved.

**Action Item:  
Resolution No. 25-  
39, West 6<sup>th</sup>  
Affordable  
Apartments, OID  
#24-48A**

This agenda item was pulled from the agenda.

**Informational  
Report on  
Department of  
Commerce  
Activities**

This monthly report was provided by Commerce in the board meeting packet.

**Executive  
Director's Report**

Mr. Walker mentioned the following from the Executive Director's Report, which was included in the board packet:

**Multifamily & Community Facilities (MHCF):**

MHCF participated in a refinancing of the Columbia Court manufactured housing community in Longview. The cooperative received a deferred loan from the Department of Commerce that paid off the community's loan with WCRA and paid down \$84,312 of the Commission's loan with the community as well. This community went through a rough patch during and after COVID and but is now in a more financially secure position, with help from at Commerce.

Keri Williams is attending the NW Indian Housing Association conference in Spokane, with Angela Smith from Communications/Homeownership Division. The Commission was invited to present and participate.



MHCF staff continue to vet and close loans in the Commission's Land Acquisition Program (LAP).

**Homeownership:**

Covenant Homeownership Act (CHA): As of April 21, 2025, there are 353 loans with CHA reservations in 22 counties with 332 confirmed loan closings.

Covenant Homeownership Bill 2SHB1696 was approved and signed by the Governor Wednesday afternoon. This bill adds program enhancements to increase the AMI level and adds loan forgiveness for lower income homebuyers.

Homeownership Assistance Fund (HAF): After a successful outreach campaign to start the year and analysis of the historical drawdown rates in alignment with the remaining funding, the Commission closed the Washington HAF Program to new applications on Monday, April 7, 2025. As other states have reported, the pending closure of the program brought an increased number of applications prior to the deadline. This increase in applications was also due to the efforts of our trusted non-profit counseling partners who reviewed their internal files and to ensure those that were potentially eligible for the program finalized their applications. Now the Commission's HAF efforts will focus on working through the new applications and moving any pending files forward through the process.

When we have final program numbers, staff will share a presentation on the Washington HAF Program with Commissioners at an upcoming work session. In the meantime, Homeownership is happy to share that over 6,000 homeowners received direct grant assistance (and thousands more received assistance from the Commission's counseling network) and it distributed over \$128,000,000 in relief and those totals will continue to rise as staff make the final distributions.

The Commission wishes to extend special thanks to its internal marketing and HAF team, counseling partners, the Washington Homeownership Resource

Center, and the team at HOTB Software for their assistance in providing thoughtful and effective closure to the application process.

### **Asset Management & Compliance (AMC):**

Inspections: The 2025 inspection cycle is underway, with inspections initiated by the Commission's vendor in March. The property inspection list has been shared with funder partners to support coordination and collaboration.

Community Engagement and Education: The Tax Credit Fundamentals Training (March 18–20) had 75 attendees. The upcoming in-person May Fundamentals Training in Spokane has already reached capacity, with 10 people currently on the waitlist.

Excerpts from evaluations of the March training:

*"The trainers, speakers and materials were superb. I am in awe of the Commission's staff and their abilities both to understand this complex terrain and train others to understand. They managed to cover a lot of ground in three days and are sincere in their effort to help even beyond the training's experience. Remarkable people, smart and dedicated communicators."*

*"I really like the PowerPoint slides included as well as the packet to follow along and have copies there to refer to. I appreciated it that there were several expert people coming together to relay the information for the training."*

Renters/Community-focused webpage: Renee Dillard is currently working with the Communications team to create a renters'-centered page on the WSHFC website. This page will provide valuable information and resources to applicants and residents of Commission-financed multifamily housing.

### **Finance:**

Fieldwork started on the Fiscal Year (FY) 2024 Accountability Audit. The entrance conference took place on April 9<sup>th</sup>, with Commissioner Lowel Krueger

in attendance from the Audit Committee. Focus areas for the FY 24 audit will be conference registration expense, Single-Family program bond approvals, bad debt expense (loan write-offs), and the cash receipting process. Finance staff have been working with the Homeownership Division for the Single-Family bond and write-off areas and expect to have the audit completed before June 30, 2025.

Work on the FY 2026 budget continues, with division expenditures compiled. Finance staff are working on finalizing budget numbers in preparation for the May Budget and Planning session. This year, Business Objectives will get a fresh look for a more unified presentation across divisions, which Steve will discuss at the May Budget Planning meeting.

The Commission priced the 2025 Series 1 Single Family bonds on Tuesday, April 22<sup>nd</sup>. It has been a very volatile market with the recent announcements from Washington, DC, however, there was some stability in the week leading up to the bond sale. As of this writing (Tuesday Morning), Finance is seeing good demand with higher than usual retail investor participation, but still have bonds to sell, particularly in the taxable series.

#### **Other information from Steve:**

The Budget Planning agenda is shaping up and should be a robust meeting covering all divisions and a thorough review of the budget. This will be a day and a half meeting beginning on Monday, May 19<sup>th</sup> at 9 a.m. Please reach out to Tera Ahlborn for additional information. We will be sending the detailed agenda as the meeting approaches.

#### **Legislative Update:**

Federal: On April 8, the Affordable Housing Credit Improvement Act of 2025 (AHCIA, H.R. 2725) was reintroduced in the House to enhance the Low-Income Housing Tax Credit. Sponsored by six bipartisan representatives, including Washington's Congresswoman Suzan DelBene, the bill has 119 original

cosponsors. A Senate version is expected soon, led by four senators, including Senator Maria Cantwell. Key provisions include a 50% increase in Housing Credit allocations, reduced bond financing thresholds, and basis boosts for rural, Tribal, and extremely low-income housing. These measures aim to fund 1.6 million affordable homes over the next decade.

State: With the legislative session nearing its end, lawmakers are racing to finalize budgets and reconcile bills. April 16 marked the deadline for voting on bills from the opposite chamber, except those tied to the budget. Senate and House Democrats proposed a \$12 billion tax package on April 15, featuring increases in capital gains, estate, and business taxes, among others. Governor Bob Ferguson expressed concerns on April 17, calling the package "too risky" but did not specify alternatives. A special session looms if no agreement is reached.

Mr. Walker then asked Commissioner and Washington State Treasurer, Mr. Pellicciotti, for an update on his remarks at last month's Commission Meeting, in particular, regarding the state budget.

Mr. Pellicciotti highlighted the following: the preparations he and his office has made since last August for responding to the actions by the Federal Government, and the importance of shielding the State to protect from unlawful actions by the Federal Government, and to reiterate his view as State Treasurer that **it is absolutely critical** to have a Rainy Day Fund in place in order to weather these financial challenges.

Mr. Pellicciotti gave an update that Governor Ferguson announced at a recent press conference that he would not approve or sign any budget that tapped into partially or fully the Rainy Day Fund. Also, he believes that the biennial operating budget bill would be approved by both houses and sent to the Governor's Desk for his review/approval just before the sine die day of the Legislative Session on April 16<sup>th</sup>. He concluded that the final balanced operating

budget bill would be utilizing a combination of spending reduction, finding efficiencies, and increased revenue via taxes.

Mr. Rumpf asked Mr. Pellicciotti about the status of Federal pass-through grants to Commerce from HUD. Mr. Pellicciotti replied that he doesn't know at this time, but he and his office are preparing scenarios that include and exclude Federal funding.

Mr. Pellicciotti concluded his remarks by mentioning that Washington State's government is one of the strongest and financially sound in the entire United States and mentioned that *U.S. News & World Report* recently ranked the State #1 for fiscal stability, and having a bond credit rating of "AAA" by Moody's -- one of only a few states to earn this rating.

#### **Commissioners' Reports**

Chair Bascomb-Green stated that she attended the HDC of Seattle-King County's Annual Luncheon & Celebration with Mr. Walker and a few Commission staff. She mentioned that it was a great turnout, along with some really exciting information disseminated about things that are happening in affordable housing and homeownership. She thanked Mr. Walker and staff for the invitation.

#### **Consent Agenda**

The consent agenda was approved as distributed.

#### **Public Comment Section**

The Chair opened the public comment section. No members of the public commented.

#### **Adjournment**

The meeting was adjourned at 2:02 p.m.

#### **Signature**

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WASHINGTON STATE HOUSING  
FINANCE COMMISSION

RESOLUTION NO. 25-42

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt and taxable nonrecourse nonprofit revenue bonds in an aggregate principal amount of not to exceed \$20,000,000 to finance the rehabilitation and improvement of a continuing care retirement community owned and operated by Bayview Manor Homes, dba Bayview Retirement Community, to fund a debt service reserve fund, to pay capitalized interest and working capital expenses related to the project, and to pay certain costs of issuing the bonds; approving the sale of the bonds to B.C. Ziegler and Company; approving the form of a bond trust indenture, loan origination and financing agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON MAY 19, 2025

PREPARED BY:

PACIFICA LAW GROUP LLP  
401 Union Street, Suite 1600  
Seattle, Washington 98101

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## RESOLUTION NO. 25-42

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt and taxable nonrecourse nonprofit revenue bonds in an aggregate principal amount of not to exceed \$20,000,000 to finance the rehabilitation and improvement of a continuing care retirement community owned and operated by Bayview Manor Homes, dba Bayview Retirement Community, to fund a debt service reserve fund, to pay capitalized interest and working capital expenses related to the project, and to pay certain costs of issuing the bonds; approving the sale of the bonds to B.C. Ziegler and Company; approving the form of a bond trust indenture, loan origination and financing agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the "Commission") has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the "Act"); and

WHEREAS, the Act authorizes the Commission to finance and refinance eligible facilities owned and operated by nonprofit organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Code grants an exemption from federal income tax for interest paid on bonds where the proceeds thereof are used to finance projects owned and operated by 501(c)(3) organizations; and

WHEREAS, the Commission adopted a Housing Finance Plan (the "Plan") on December 12, 2019 following a public notice and hearings as required by the Act; and

WHEREAS, Bayview Manor Homes, dba Bayview Retirement Community, a Washington nonprofit corporation and an organization described in Section 501(c)(3) of the Code (the “Borrower”) has requested that the Commission issue bonds to assist it with financing (i) the rehabilitation, improvement and equipping of a continuing care retirement community, (ii) the funding of a debt service reserve fund, (iii) the payment of capitalized interest and working capital expenses related to the bond-financed improvements, and (iv) the payment of costs of issuing the Bonds (collectively, the “Project”); and

WHEREAS, it is desirable for the Commission to assist the Borrower through the issuance of its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025A, Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025B-1, Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025B-2, and Washington State Housing Finance Commission Taxable Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025C (collectively, the “Bonds”); and

WHEREAS, the Bonds will be secured by the Bayview Direct Note Obligation, Series 2025A, the Bayview Direct Note Obligation, Series 2025B and the Bayview Direct Note Obligation, Series 2025C, to be issued pursuant to a Master Trust Indenture, as previously amended and as further amended by a Third Supplemental Master Trust Indenture (as so amended, the “Master Indenture”) between Borrower, in its capacity as the Obligated Group Representative on behalf of itself, Bayview Manor Foundation and any future member of the Obligated Group, and U.S. Bank Trust Company, National Association, as the Master Trustee; and

WHEREAS, the Bonds are expected to be unrated and will be sold with terms consistent with and in furtherance of the Commission's policy for unrated bonds; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 25-23A, the Commission held a public hearing with respect to the Project on March 27, 2025, and the Governor has or will have approved the Project, the plan of finance and the Bonds; and

WHEREAS, the Commission has received a preliminary offer to purchase the Bonds from B.C. Ziegler and Company (the "Purchaser").

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1.     Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Commission: the Indenture of Trust between the Commission and U.S. Bank Trust Company, National Association, as Bond Trustee (the "Indenture"); the Loan Origination and Financing Agreement among the Commission, the Borrower and U.S. Bank Trust Company, National Association in its capacities as Loan Originator and as Bond Trustee (the "Loan Agreement"); the Non-Arbitrage Certificate of the Commission (the "Tax Certificate") and the form of Bond Purchase Contract among the Commission, the Borrower, and the Purchaser.

Section 2.     Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans for the financing and refinancing of eligible nonprofit housing facilities under the Act which are owned by organizations described under Section 501(c)(3) of the Code through the issuance of nonrecourse revenue bonds (the

“Program”). The Commission hereby finds and determines that the Program and the Bonds are in furtherance of the Act and the Plan.

Section 3. Authorization of the Bonds. The Commission hereby authorizes the issuance and sale of its bonds to be designated “Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025A,” “Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025B-1,” “Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025B-2,” and “Washington State Housing Finance Commission Taxable Nonprofit Housing Revenue Bonds (Bayview Manor II Project), Series 2025C” in an aggregate principal amount not to exceed \$20,000,000 pursuant to and in accordance with the provisions of the Act and the Code. The Commission further authorizes the issuance of additional series of bonds and the adjustment of the names of the Bonds, as is necessary to facilitate the sale of the Bonds and the accomplishment of the Project; provided that any such additional series of bonds shall be issued pursuant to the terms of Section 5 of this resolution.

Section 4. Approval of Documents. It is hereby found and determined that the Indenture, Loan Agreement, and Tax Certificate conform to the requirements of the Commission, the Act and the Code and provide appropriate security for the Bonds consistent with the Act and the Code.

The Indenture, Loan Agreement and Tax Certificate are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or the Secretary’s designee, to execute on its behalf such documents, the documents contemplated

therein, and any other necessary documents or certificates, including a preliminary official statement and final official statement, and to do all things necessary on its behalf to proceed with the Program and the issuance, sale and delivery of the Bonds as authorized herein. Such officers, the Executive Director and the Secretary's designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 5.     Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to B.C. Ziegler and Company, an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Purchase Contract. The Commission hereby delegates to the Executive Director the authority to execute the Bond Purchase Contract on behalf of the Commission in substantially the form filed with the Commission, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed \$20,000,000; (b) the interest rate on the Bonds does not exceed 7.00%; (c) the Bond Purchase Contract is executed prior to September 30, 2025; and (d) the final terms of the Bond Purchase Contract are otherwise in furtherance of the Act and the Plan.

Section 6.     Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 7.     Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 19<sup>th</sup> day of May, 2025.

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel



## Nonprofit Housing Program

<b>Project Name</b>	Bayview Retirement Community
<b>Developer</b>	Bayview Manor Homes
<b>Description</b>	<p>Bayview Manor is a Continuing Care Retirement Community located in the lower Queen Anne neighborhood of Seattle. As a Life Plan Community, Bayview offers a full spectrum of health services to support changing needs throughout life.</p> <p>Proceeds of the Bonds will be used to finance the conversion of skilled nursing facilities into independent living units, the expansion of fitness facilities and other capital improvements.</p>
<b>Location</b>	11 W Aloha Street Seattle, WA 98119
<b>Relation to Mission and Goals</b>	To provide effective, low-cost financing for nonprofit housing
<b>Project Type</b>	Rehabilitation of an existing facility.
<b>Estimated Tax-Exempt Bond Amount (Not to exceed)</b>	\$20,000,000
<b>Bond Structure</b>	Public Sale
<b>Underwriter</b>	Ziegler
<b>Action</b>	Approval of Resolution No. 25-42
<b>Anticipated Closing Date</b>	May 2025

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

RESOLUTION NO. 25-44

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt and taxable multifamily revenue bonds in the aggregate principal amount of not to exceed \$17,000,000 to finance the acquisition, construction and equipping of a 46-unit multifamily housing facility located in Burien, Washington, to be owned by MHNW 27 Burien 4 LLLP, a Washington limited liability limited partnership; approving the sale of the bonds to Heritage Bank pursuant to its purchase offer; approving the form of a financing agreement, regulatory agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON MAY 19, 2025

PREPARED BY:

PACIFICA LAW GROUP LLP  
401 Union Street, Suite 1600  
Seattle, Washington 98101

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## RESOLUTION NO. 25-44

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt and taxable multifamily revenue bonds in the aggregate principal amount of not to exceed \$17,000,000 to finance the acquisition, construction and equipping of a 46-unit multifamily housing facility located in Burien, Washington, to be owned by MHNW 27 Burien 4 LLLP, a Washington limited liability limited partnership; approving the sale of the bonds to Heritage Bank pursuant to its purchase offer; approving the form of a financing agreement, regulatory agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic of the State of Washington (the "Commission") has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the "Act");

WHEREAS, the Act authorizes the Commission to issue its bonds for the purpose of acquiring mortgage loans used to finance multifamily housing facilities in Washington; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), exempts from federal income tax the interest paid on bonds the proceeds of which are used to finance multifamily housing facilities meeting the requirements of the Code;

WHEREAS, the Commission adopted a Housing Finance Plan (the "Plan") on December 12, 2019 following public notice and hearing as required by the Act;

WHEREAS, Heritage Bank (the "Bank") has offered to originate a mortgage loan in a principal amount of not to exceed \$17,000,000 (the "Loan") to finance a portion of the costs of the acquisition, construction and equipping of a 46-unit multifamily housing facility located in

Burien, Washington (the “Project”), by MHNW 27 Burien 4 LLLP, a Washington limited liability limited partnership (the “Borrower”), and to sell the Loan to the Commission;

WHEREAS, it is desirable for the Commission to provide the Borrower with tax-exempt financing for the Project through: (1) the issuance of its Washington State Housing Finance Commission Multifamily Housing Revenue Bond (Burien Family Housing Apartments Project), Series 2025, with such additional series and designations as may be appropriate, in the principal amount of not to exceed \$17,000,000 (the “Bonds”); and (2) its acquisition of the Loan with proceeds of the Bonds;

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 25-35A, the Commission held a public hearing as required by federal tax law on April 24, 2025, and the Governor has, or by the closing on the Bonds will have, approved the Project and the Bonds; and

WHEREAS, the Commission has received an offer to purchase the Bonds (the “Purchase Offer”) from the Bank.

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1.     Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Executive Director of the Commission: the Financing Agreement among the Commission, U.S. Bank Trust Company, National Association, as the fiscal agent, the Borrower and the Bank (the “Financing Agreement”), the Non-Arbitrage Certificate executed by the Commission of even date with the Bonds (the “Tax Certificate”), and the Regulatory Agreement between the Commission and the Borrower (the “Regulatory Agreement”).

Section 2. Findings. The Commission hereby ratifies its prior findings that a substantial number of persons and families in the state of Washington are unable to rent apartments in various parts of the state or the rents required of such persons or families substantially exceed their available income. As a result, many persons and families are unable to rent safe and sanitary housing at reasonable cost without financial assistance. A principal reason that the cost of renting apartments is not affordable for such persons and families is the interest rate on mortgage loans used to acquire, construct and rehabilitate multifamily rental projects. The issuance of the Bonds by the Commission will encourage developers to construct new projects and rehabilitate existing projects, which will make additional units available to persons and families at affordable rents.

Section 3. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans under the Act for the financing of eligible housing facilities through the issuance of privately placed nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program and the Bonds are in furtherance of the Act and the Plan.

Section 4. Authorization of the Bonds. The Commission hereby authorizes the issuance, sale and delivery of its Bonds to be designated “Multifamily Housing Revenue Bond (Burien Family Housing Apartments Project), Series 2025” and with such additional series and designations as may be appropriate, in a principal amount not to exceed \$17,000,000, pursuant to and in accordance with the provisions of the Act and the Code.

Section 5. Approval of Documents. It is hereby found and determined that the Financing Agreement, the Tax Certificate and the Regulatory Agreement conform to the

requirements of the Act and the Code and provide appropriate security for the Bonds consistent with the Act and the Code.

The Financing Agreement, Tax Certificate and Regulatory Agreement are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or the Secretary's designee, to execute on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, and to do all things necessary on its behalf to proceed with the Program and the issuance, sale and delivery of the Bonds. Such officers, the Executive Director and the Secretary's designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 6.     Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to the Bank, in accordance with the Purchase Offer attached hereto as Exhibit A.

Section 7.     Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this Resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 8.     Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the

Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED at a special meeting duly noticed and called this 19<sup>th</sup> day of May, 2025.

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel



## EXHIBIT A

### Purchase Offer

May 19, 2025

The Commissioners  
Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, WA 98104-1046

Re: Commitment to Purchase Bond – Washington State Housing Finance Commission  
Multifamily Housing Revenue Bond (Burien Family Housing Apartments Project),  
Series 2025 (the “Bond”)

Dear Honorable Commissioners:

Heritage Bank (the “Bank”) is pleased to offer to purchase the above-referenced Bond in the amount of not to exceed \$14,879,340.00.00 at a price of par. The Bond will be dated the date of closing, anticipated to be on May 29, 2025. Principal on the Bond will accrue interest at a floating rate equal to the greater of (i) the CME Term Secured Overnight Financing Rate as published by the CME Group Benchmark Administration Limited plus 2.00% or (ii) 5.75%, until conversion, subject to one six (6) month extension, where upon such date interest shall begin to accrue at a fixed rate equal to 6.47% until the maturity date, which is 204 months following the conversion date. All principal and interest shall be due and payable on the maturity date.

Our offer is subject to a legal opinion from Pacifica Law Group LLP of Seattle, Washington, acceptable to the Bank, and to other conditions set forth in the Bank’s Term Sheet, the loan documents, and other financing documents.

*[Signature Page to Follow]*

Very truly yours,

By

Alex Pace

Senior Vice President



To: Steve Walker  
From: Lisa Vatske and Dan Rothman  
Date: 5/14/2025  
Re: Mercy Housing Northwest's Burien Family Housing Project TDC Waiver

---

Burien Family Housing, a Bond/Tax credit project sponsored by Mercy Housing Northwest (Mercy Housing), exceeds the 2025 Seattle/King County TDC limit by 31.5%, or ~\$7M.

The cost drivers identified by Mercy Housing Northwest are primarily related to design choices intended to accommodate deep affordability set asides (65%).

- **Service Space:** the project includes more resident services and programming space than a typical 4% project, and these costs are shared between both the 4% and 9% project. Level one of the building will feature a Community Room that includes classroom space, warming kitchen, computer lab, and storage, along with four staff offices, two consultation rooms, and an outdoor patio and playground for residents.
- **Energy Efficiency:** the project is designed to achieve ENERGY STAR Multifamily New Construction and Zero Energy Ready Home (ZERH) certification. Features incorporated into the design include a high-performance outdoor air system, renewable energy (beyond code requirements), enhanced envelope performance, and reduced air leakage. Over the long term, this approach means higher building performance and lower utility costs. However, it also adds cost to HVAC, electrical and building envelope system.
- **4/9 Combo:** the building is designed as one community, aiming to serve families across the continuum of housing needs, including homeless households - there are 34 of the 91 total units set aside of homeless families. The goal is to create a cohesive community that can be operated efficiently for the long-term so certain features are to be incorporated across the whole project. These features include more durable in-unit and common area materials; concealed sprinkler heads to protect against a common water intrusion source; and water shut-off detectors to protect against water intrusion. Enhanced building security, access controls, and accessibility were strong recommendations mentioned by participants in the community engagement process.

The other cost drivers were related to certain site and City requirements. A portion of the site was conveyed by Mary's Place to build this development—Mercy Housing worked closely with Mary's Place to design an efficient campus that effectively shares outdoor spaces. In addition, Right of Way improvements and campus infrastructure are required by the City based on inadequate existing pedestrian infrastructure. Both the ROW and site work infrastructure cost drivers (~\$2.7M) but will provide significant benefit to residents, visitors, and the surrounding community.

**We recommend that Mercy Housing's request is approved as requested.** The costs detailed in Mercy Housing's request were design features, informed by a robust community engagement process, that seek to create a lasting cohesive community environment and serve very-low income households.

  
Steve Walker (May 15, 2025 17:07 PDT) acknowledged by Washington State Housing Finance Commission

By Steve Walker, Executive Director

## Total Development Cost Limit Waiver Request

Date of Waiver Request:	3/17/2025	Program Type:	4% Credit
Project Name:	Burien Family Housing		
Project City, County:	Burien, King County		
Sponsor Organization:	Mercy Housing Northwest		
Project Contact:	Nicholas Efthimiadis		
Development Phase:	Pre-Application		

**1. Has this project received a TDC Waiver in the past? If so:**

Approval Date: N/A	Approved TDC: N/A
--------------------	-------------------

**2. Please fill out all forms in this workbook:**

- Square Footage
- Sources and Uses
- LIHTC Eligible Basis
- LIHTC Calculation
- Financing Terms

**3. Description of Project**

Briefly describe the project, the location and population to be served. If project is considered an "Urban Type Project" for purposes of the TDC limit, explain how it qualifies for that determination.

Mercy Housing Northwest (MHNW) is proposing to develop 91 new affordable rental homes in Burien, WA, located near high frequency transit and neighborhood services at 130th and Ambaum Blvd. The project includes the redevelopment of a 4.23-acre site currently owned by Mary's Place. Mary's Place is conveying a portion of the project site to MHNW for the development of new affordable housing while retaining a portion of the site for the development of a new shelter to replace the existing one. Together, the project is designed to create a continuum of housing opportunities from homelessness to permanent supportive housing and family affordable housing.

MHNW's family affordable housing will be developed as one building to serve individuals, families and large households earning up to 60% AMI, including formerly homeless households transitioning from the Mary's Place shelter. The project is a 4%/9% project; this application is related to the 45 + 1 CAU affordable rental units and associated allocation of costs that will be part of the 4% condominium.

The 9% condominium is subject to Seattle TDC limits based on WSHFC policy for PSH projects; the 4% policies do not include language allowing a boost to the Seattle TDC limits. However, the project is one building with costs allocated to both 4% and 9% condos. The building is designed to provide a continuum of housing opportunities and many of the support spaces and design decisions are consistent with a PSH building, because the population served will be focused on families who have been homeless or housing insecure. Because of this, and site drivers enumerated below, the project exceeds the King limits.

**4. Explain what this cost estimate is based on (bids, drawings, etc).**

Where are you in the design/bidding process? Is a contingency or cost escalator included? If so, please explain what the assumptions are.

This budget is based on final bids and Walsh Construction Schedule of Values, completed in early February 2025.

**5. Calculation of Project's Total Development Cost\***

Total Residential Project Cost	\$ 29,792,794
- Land	\$ -
- Offsite Infrastructure	\$ 208,516
- Capitalized Reserves	\$ 390,482
<b>Total Development Cost</b>	<b>\$29,193,796</b>

**6. Calculation of Project's TDC limit:**



Which limits is this project subject to?

Balance of King

	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Number of Units**	0	27	10	9	0
Average Square Feet of Units		526	788	1062	
Appropriate Cost/Unit Limits	\$387,605	\$448,729	\$476,790	\$591,595	\$634,297
Max Cost by Unit Type	\$0	\$12,115,677	\$4,767,901	\$5,324,354	\$0
<b>Project's Total Development Cost Limit:</b>					<b>\$22,207,932</b>
<b>\$ Amount Above TDC Limit</b>					<b>\$6,985,864</b>
<b>% Above TDC Limit</b>					<b>31.46%</b>

## 7. Cost Drivers

Select from drop down list to identify which cost drivers have caused the project to exceed the TDC Limit.

What elements are unique to the project that cause it to exceed the Limit? The total amount in the cost column must match or exceed the amount above the Limit.

	Category	Cost	Abbreviated description
1.	Sewer/Stormwater	\$369,550	City of Burien required stormwater management systems
2.	Infrastructure	\$1,357,825	ROW improvements and infrastructure costs
3.	Service Space/Community Center	\$1,357,825	Additional space to support resident services due to deep affordability targeting and in response to community engagement
4.	Design	\$1,023,518	Washington State energy code and U.S. Dept. of Energy's ZERH standard
5.	Site-related	\$901,873	Sloped site additional excavation
6.	Labor, shortage issues or	\$861,982	4% premium on Davis Bacon labor rates
7.	Other	\$2,120,074	Additional hard costs due to 4/9% combination project in one building serving homeless households and in response to community engagement
8.			
9.			
Total		<b>\$7,992,647</b>	
Amount Project exceeds Limit		<b>\$6,985,864</b>	

## 8. Narrative explanation of each cost driver listed above.

Include reasons why higher cost items have been included in the project. Also identify and quantify steps that have been taken to mitigate costs. If the project includes long term sustainability components beyond the Evergreen Sustainable Development Standards (ESDS), identify each item, why the decision was made to include it, and quantify the upfront costs and long term benefits.

If project already has a current TDC Waiver Approval and this is an **additional** waiver request above that, clearly explain the cost differences between the approved Total Development Cost in the original request and the Total Development Cost in this waiver request.

The current TDC limits reflect State Prevailing Wages - Residential as well as Davis Bacon - Residential Wages.

Mercy Burien is conceived of as a 91 unit affordable housing development that serves families across the housing continuum, from families exiting homeless to those who have been housing insecure but "graduated" to a higher income unit after stabilizing in PSH. Despite having two financing structures with both 4% and 9% LIHTC, the development is designed as one community to promote an integrated housing setting for all families.

1. Stormwater – the City of Burien requires robust on-site stormwater detention that benefits wildlife in Puget Sound waterways, but leads to higher-than-typical cost. To mitigate the high cost, the civil design team conducted extensive review and research into cost efficient approaches, resulting in eliminating the large, concrete vault and shoring system in favor of a more streamlined system.

2. City-required Right of Way improvements and campus infrastructure - based on inadequate existing pedestrian infrastructure along Ambaum and 130th St., the project includes significant sidewalk and frontage improvements. In addition, while the team has worked closely with Mary's Plan to design an efficient campus that effectively shares

outdoor spaces, there is significant sitework costs associated with these areas. Both the ROW and site work infrastructure are cost drivers but will provide significant benefit to residents, visitors, and the surrounding community.

3. Service Space / Community - due to the deep affordability set asides in the building, the project includes more resident services and programming space than a typical 4% project, and these costs are shared between both the 4% and 9%. Level 1 of the building will feature a Community Room that includes a classroom space, warming kitchen, computer lab, and storage, along with four staff offices, two consultation rooms, and an outdoor patio and playground for residents. The scale of these spaces are in response to feedback received during the project's community engagement process, wherein participants recommended additional indoor and outdoor program spaces, along with on-site staff. The additional square footage dedicated to resident services will help meet the resident populations needs but does add additional cost driving and non-revenue generating square footage.

4. Design/Energy Standard - The project is designed to achieve ENERGY STAR Multifamily New Construction and Zero Energy Ready Home (ZERH) certification, a performance-based environmental sustainability program similar to Net Zero that strives to significantly reduce the environmental impact of the building and improve indoor air quality for residents. Features incorporated into the design include a high-performance outdoor air system, renewable energy (beyond code requirements), enhanced envelope performance, and reduced air leakage. Over the long term, this approach means higher building performance and lower utility costs. However, it also adds cost to HVAC, electrical and building envelope system. MHNW and the design/construction team directly engaged with Emerald Aire, an experienced HVAC subcontractor, to explore different HVAC options to arrive at the most effective and efficient heating/cooling system given the building height and site configuration.

5. Site related - The project site slopes significantly to the east, towards Ambaum Blvd. While the building has been designed to accommodate this slope, the project will still include significant grading for both accessibility and structural purposes. MHNW, Mary's Place, SMR, Walsh and its subcontractors have worked together for two years on several design versions to determine the optimal site layout and building configuration to control costs driven by the site.

6. Wage Rates - Labor shortages continue to drive up labor costs overall and the additional premium for the required Davis Bacon wage rates is estimated at 4% by the Walsh, the project GC.

7. 4/9 Combo and Population - the project is a 4% - 9% tax credit combination project in one building. The building is designed as one community, aiming to serve families across the continuum of housing needs, including homeless households - there are 34 of the 91 total units set aside for homeless families. The 9% project is eligible for the Seattle TDC limits given this PSH designation, acknowledging that designing and building for this population is inherently more costly. Because the project is one building and as an integrated setting, all units and common areas are designed to serve and support families with significant challenges and needs. While families may exit homelessness into the 9% building, the goal is that over time, as they stabilize, they can "graduate" within the same community, maintaining their ties to the community and on-site supports. However, a family's transition to housing stability is not always linear, and we include design features that will protect the long-term durability and operations of the building, which can be a challenge in supportive housing settings. These features include more durable in-unit and common area materials; concealed sprinkler heads to protect against a common water intrusion source; water shut-off detectors to protect against water intrusion; and others. Enhanced building security, access controls, and accessibility were strong recommendations mentioned by participants of our community engagement process. It is not possible, nor equitable, to include these features in only a portion of the building, when the goal is to create a cohesive community that can be operated efficiently for the long-term. The \$2.1M cost identified for these items includes owner's contingency and WSST, as well as typical contractor mark-ups.

## 9. Complete the following:

### Number of Units by Building Type:

	Single Family Detached
	Townhouse/Duplex
	Walk-Up/Garden Style Apartments
	Low-Rise (2-3 stories with elevator)
x	Mid-Rise (4-8 stories with elevator)
	High Rise (9+ stories with elevator)

x	New Construction
	Rehabilitation
x	State Prevailing Wages - Residential
	State Prevailing Wages - Commercial
x	Davis Bacon Wages - Residential
	Davis Bacon Wages - Commercial

**Parking**

**0** Number of Structured Parking<sup>†</sup> Stalls  
(Residential Only)

**No wage requirements**

\*The Total Development Cost submitted in the Application may not exceed the Total Development Cost in the waiver request.

\*\* Include Low-Income, Market Rate and Common Area Units.

<sup>†</sup> Structured parking is defined as an above-grade or underground structure specifically designed for vehicle parking.



## Multifamily Housing Program

**Project Name** Burien Family Housing 4%

**Developer** Mercy Housing Northwest

**Description** Mercy Housing Northwest is developing Burien Family Housing as both a 9% (45 units) and 4% (46 unit) tax credit project. It includes the redevelopment of a 4.23 acre site currently owned by Mary's Place. Mary's Place will be donating a portion of the project site to Mercy Housing Northwest for the development of affordable housing, while retaining a portion of the site for the development of a new homeless shelter to replace their existing one.

While the organizations are partnered on the development of the site, the two projects will be both physically and financially separate with Mary's Place developing, owning and operating the shelter alongside Mercy Housing Northwest developing owning and operating the affordable housing. The affordable housing units will serve individuals, families and large households earning up to 60% AMI, including formerly homeless households. Separately, the shelter will have the capacity to serve 70 families struggling with housing insecurity, homelessness, and/or complex medical challenges.

This project, together with the Mary's Place Project, creates affordable housing and family shelter uniquely co-located on a shared site and will provide an integrated, long-term solution to family homelessness. By providing a pathway to long-term, stable housing, families and children can stay in their communities and schools. It also provides an opportunity for coordinated management, services, amenities, and community resources between Mary's Place and Mercy Housing Northwest to better serve the residents of both properties.

**Location** 12845 Ambaum Blvd SW  
Burien, WA 98146

**Project Type** New Construction

<b>Units</b>	One Bedroom	27
	Two Bedroom	10
	Three Bedroom	9
	<b>Total</b>	<b>46</b>

**Housing Tax Credits** Yes

**Income Set-Aside** 70% at 50% AMI  
30% at 60% AMI

**Regulatory Agreement Term** Minimum 40 years

<b>Evaluation Plan Scoring</b>	Additional Low-Income Housing Commitments	6
	Commitments for Priority Populations	2
	Systemic Barrier	5
	CBO Inclusion	2
	Community Engagement Process	2
	Application of Community Engagement	3
	Donation in Support of Local Nonprofit Programs	2
	Energy Efficiency, Healthy Living, & Renewable Energy – New Construction	5
	Combo Properties	5
	<b>Total Points</b>	<b>32</b>

**Estimated Tax-Exempt Bond Amount (Not to exceed)** \$17,000,000

**Bond Structure** Private Placement

**Lender** Heritage Bank

**Development Budget**

Acquisition Costs	\$108,681
Construction	\$21,811,882
Soft Costs	\$3,903,129
Financing Costs	\$3,126,765
Capitalized Reserves	\$408,230
Other Development Costs	\$809,675
<b>Total Development Costs</b>	<b>\$30,168,362</b>

**Permanent Sources**

State HTF 2023	\$4,000,000
Deferred Developer Fee	\$406,570
Permanent Amortizing Loan	\$1,231,120
Amazon HEF Grant /Loan	\$9,500,000
King County Funds 2023	\$4,575,529
Contributed Equity / Fee	\$421,265
45L Tax Credit	\$202,380
Soft Loan Accrued Interest	\$183,310
Tax Credit Equity at \$0.8800 per credit x 10 years	\$9,648,188
<b>Total Permanent Sources</b>	<b>\$30,168,362</b>

**Total Development Cost Limit**

Project's Total Development Cost Limit	\$22,207,938
Total Development Cost (minus land and reserves)	\$29,450,517
Waiver	Required

**Project Operations**

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
One Bedroom	\$1,680	\$1,373
Two Bedroom	\$1,990	\$1,650 – 1,746
Three Bedroom	\$2,310	\$1,904 – 2,024

**Action**

Approval of Resolution No. 25-44

**Anticipated Closing Date**

May 2025

WASHINGTON STATE HOUSING FINANCE COMMISSION

RESOLUTION NO. 25-39

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of a tax-exempt nonrecourse revenue note in a principal amount of not to exceed \$25,300,000, to finance the acquisition, construction and equipping of a multifamily housing facility in Vancouver, Washington, to be owned by West 6th VWG LLLP; approving the issuance and delivery of the note to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, a regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

APPROVED ON MAY 19, 2025

PREPARED BY:

PACIFICA LAW GROUP LLP  
401 Union Street, Suite 1600  
Seattle, Washington 98101

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## RESOLUTION NO. 25-39

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of a tax-exempt nonrecourse revenue note in a principal amount of not to exceed \$25,300,000, to finance the acquisition, construction and equipping of a multifamily housing facility in Vancouver, Washington, to be owned by West 6th VWG LLLP; approving the issuance and delivery of the note to Citibank, N.A.; approving the form of a funding loan agreement, a borrower loan agreement, a regulatory agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to amend and execute such documents and other related documents.

WHEREAS, the Washington State Housing Finance Commission, a public body corporate and politic and instrumentality of the State of Washington (the "Commission") has been duly constituted pursuant to the authority and procedures of Laws of 1983, Chapter 161 of the State of Washington, as amended, and codified at RCW 43.180 et seq. (the "Act"); and

WHEREAS, the Act authorizes the Commission to issue its bonds for the purpose of acquiring mortgage loans used to finance multifamily housing facilities in Washington; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), exempts from federal income tax the interest paid on bonds the proceeds of which are used to finance multifamily housing facilities meeting the requirements of the Code; and

WHEREAS, the Commission adopted a Housing Finance Plan (the "Plan") on December 12, 2019, following public notice and hearings as required by the Act; and

WHEREAS, Citibank, N.A. ("Citi") has offered to make a loans in a principal amount of not to exceed \$25,300,000 to the Commission (together, the "Funding Loan") to provide funds to finance the acquisition, construction and equipping of a 95-unit multifamily housing facility (the

“Project”) located in Vancouver, Washington, to be owned by West 6th VWG LLLP, a Washington limited liability limited partnership (the “Borrower”); and

WHEREAS, the Commission will use the proceeds of the Funding Loan to acquire a loan originated by a mortgage lender to the Borrower (the “Borrower Loan”) for the Project; and

WHEREAS, it is desirable for the Commission to provide the Borrower with tax-exempt financing of the Project through: (1) the incurrence of the Funding Loan, as evidenced by its Multifamily Revenue Note (West 6th Affordable Apartments Project), Series 2025 (the “Note”) in the principal amount of not to exceed \$25,300,000; and (2) its acquisition of the Borrower Loan with proceeds of the Note; and

WHEREAS, the Note is unrated and privately placed and will be issued with terms consistent with and in furtherance of the Commission’s policy for unrated obligations; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 24-48A, the Commission held public hearings on March 27 and April 15, 2025, and the Governor has, or by the closing on the Note will have, approved the plan of financing for the Project and the Note; and

WHEREAS, the Commission has received an offer to make the Funding Loan evidenced by the Note (the “Loan Commitment”) from Citi; and

NOW, THEREFORE, BE IT RESOLVED by the Washington State Housing Finance Commission as follows:

Section 1.     Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Executive Director of the Commission: the Funding Loan Agreement (the “Funding Loan Agreement”), among Citi, the Commission and U.S. Bank Trust Company, National Association,

as fiscal agent (the “Fiscal Agent”); the Borrower Loan Agreement (the “Borrower Loan Agreement”), among the Commission, the Fiscal Agent, Citi, acting as mortgage lender, and the Borrower; the Non-Arbitrage Certificate of the Commission (the “Tax Certificate”); and the Regulatory Agreement (the “Regulatory Agreement”) between the Borrower and the Commission.

Section 2. Findings. The Commission hereby ratifies its prior findings that there are a substantial number of persons and families in the state of Washington who are unable to rent apartments in various parts of the state or the rents required are substantially in excess of the available income of such persons or families. As a result, many persons and families are unable to rent safe and sanitary housing at reasonable cost without financial assistance. A principal reason that the cost of renting apartments is not affordable for such persons and families is the interest rate on mortgage loans used to acquire, construct and rehabilitate multifamily rental projects. The provision of lower interest rate loans will encourage developers to acquire, construct and rehabilitate projects which will make additional units available to persons and households at affordable cost and will act as a significant stimulant to the economy of the state.

Section 3. Financing Program. The Commission hereby confirms and ratifies its program for the acquisition of loans under the Act for the financing of eligible housing facilities through the issuance of privately placed nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program and the Note are in furtherance of the Act and the Plan.

Section 4. Authorization of the Note. The Commission hereby authorizes the issuance and delivery of its Note to be designated “Multifamily Revenue Note (West 6th Affordable Apartments Project), Series 2025” in a principal amount of not to exceed



\$25,300,000, pursuant to and in accordance with the provisions of the Act, the Code and the Funding Loan Agreement.

Section 5. Approval of Documents. It is hereby found and determined that the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Tax Certificate conform to the requirements of the Act and the Code and provide appropriate security for the Note consistent with the Act and the Code.

The Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Tax Certificate are hereby approved in substantially the forms filed with the Executive Director of the Commission. The Commission hereby authorizes the Chair, Vice-Chair, Treasurer, Executive Director and the Secretary, or the Secretary's designee, to execute on its behalf such documents, the documents contemplated therein, and any other necessary documents or certificates, and to do all things necessary on its behalf to proceed with the Program and the issuance and delivery of the Note as authorized herein. Such officers, the Executive Director and the Secretary's designee, are each authorized to approve such changes in these documents as are recommended by counsel to the Commission that are consistent with the Program and which do not materially increase the obligations of the Commission as described in the documents on file with the Commission. The designee of the Secretary may execute documents on behalf of the Secretary, and all prior acts of such designee on behalf of the Secretary are hereby ratified and confirmed.

Section 6. Issuance and Delivery of the Note. The Commission hereby authorizes and approves the issuance and delivery of the Note to Citi to evidence the Funding Loan, in accordance with the terms and conditions set forth in the Loan Commitment, attached hereto as Exhibit A.

Section 7.     Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 8.     Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Commission or the Secretary's designee and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

*[Signature Page Follows]*

ADOPTED at a special meeting duly noticed and called this 19<sup>th</sup> day of May, 2025.

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel

## EXHIBIT A

### Loan Commitment

May 14 2025

The Commissioners  
c/o Steve Walker, Executive Director  
Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, WA 98104-1046

Re: Washington State Housing Finance Commission Multifamily Revenue Note (West 6th Affordable Apartments Project) Series 2025

Dear Honorable Commissioners:

Citibank, N.A. ("Funding Lender") is pleased to offer to make a loan (the "Funding Loan") to the Washington State Housing Finance Commission (the "Commission") to be evidenced by the above-referenced Multifamily Revenue Note (West 6th Affordable Apartments Project) Series 2025 (the "Note") in a principal amount not to exceed \$23,000,000 with the understanding that the proceeds of the Funding Loan will be used by the Commission to purchase a loan being originated by Citibank, N.A. ("Mortgage Lender") to West 6<sup>th</sup> VWG LLLP, a Washington limited liability limited partnership (the "Borrower") for purposes of financing the acquisition, construction and equipping of a 95-unit multifamily residential rental facility located in the City of Vancouver, Clark County, Washington, and known or to be known as West 6th Affordable Apartments, all pursuant to the provisions of the Funding Loan Agreement, dated as of May 1, 2025 (the "Funding Loan Agreement"), among the Funding Lender, the Commission and U.S. Bank Trust Company, National Association ("Fiscal Agent"), and a Borrower Loan Agreement, dated as of May 1, 2025 (the "Borrower Loan Agreement"), among the Commission, the Borrower, the Mortgage Lender and the Fiscal Agent.

The Note will be dated the date of closing, which is anticipated to be May 29, 2025. The Note is expected to mature on June 1, 2043. Principal on the Note will initially accrue interest at a variable rate equal to one-month Term SOFR (which shall have a floor of 0.50%) plus a spread of 2.00% until the Conversion Date, which can occur no later than December 1, 2028, and thereafter principal on the Note will accrue interest at a fixed rate to be locked just prior to closing not expected to exceed 12%. Interest only payments will be made from the closing date to the Conversion Date, and thereafter principal and interest are to be paid in monthly installments amortized over 40 years.

Our offer is subject to a legal opinion from Pacifica Law Group LLP of Seattle, Washington, acceptable to the Funding Lender, and to other conditions set forth in the Funding Loan Agreement, Borrower Loan Agreement, Construction Funding Agreement, and in the Borrower Loan application, all of which have been reviewed and approved by Borrower.

Very truly yours,

CITIBANK, N.A.

By:   
Name: Jacob St. Onge  
Title: Authorized Signatory

## Multifamily Housing Program

<b>Project Name</b>	West 6 <sup>th</sup> Affordable Apartments
<b>Developer</b>	Colas Development Group
<b>Description</b>	<p>West 6<sup>th</sup> Affordable Housing is located in downtown Vancouver, WA, just west of City Hall, and is a new construction of a six-story elevator serviced 95-unit multifamily housing facility consisting of studio, one-, two- and three-bedroom units that will serve individuals and families at 50% and 60% AMI.</p> <p>Colas Development Group is co-developing the project with Native American Youth and Family Center (“NAYA”). Residents at the project will benefit from a large community room, laundry room, outdoor playground and services provided by NAYA. NAYA will support residents’ with housing stability and services that will focus on employment and asset building opportunities as well as family programs provided on site or at the NAYA Family Center campus at no charge to residents. Examples of services include parenting, foster care support, parenting and childhood development support, after school programs, tutoring, gang outreach and intervention, job training, individual development account program, financial education as well as assessing benefits/entitlements.</p> <p>In addition, the Cowlitz Indian Tribe has committed to providing \$1,000,000 in funding to support residents through rental assistance and/or subsidies that will allow their members to pay 30% of their household income to rent. The Cowlitz Indian Tribe will also provide services to support residents including case management, employment services, domestic violence advocacy, veterans’ services, mental health support and substance use services at no charge.</p>
<b>Location</b>	615 West Sixth Street Vancouver, WA 98660
<b>Project Type</b>	New Construction

<b>Units</b>	Studio	19
	One Bedroom	42
	Two Bedroom	24
	Three Bedroom	10
	<b>Total</b>	<b>95</b>
<b>Housing Tax Credits</b>	Yes	
<b>Income Set-Aside</b>	100% at 60% AMI	
<b>Regulatory Agreement Term</b>	Minimum 40 years	
<b>Evaluation Plan Scoring</b>	Cost Efficient Development	1
	Systemic Barrier	8
	CBO Ownership	8
	CBO Inclusion	5
	Community Engagement Process	2
	Application of Community Engagement	3
	Donation in Support of Local Nonprofit Programs	2
	Energy Efficiency, Healthy Living, & Renewable	11
	Energy – New Construction	
	<b>Total Points</b>	<b>40</b>
<b>Estimated Tax-Exempt Note Amount (Not to exceed)</b>	\$25,300,000	
<b>Note Structure</b>	Private Placement	
<b>Lender</b>	Citibank, N.A.	
<b>Development Budget</b>		
Acquisition Costs		\$1,900,000
Construction		\$30,934,346
Soft Costs		\$6,845,115
Financing Costs		\$3,106,295
Capitalized Reserves		\$966,771
Other Development Costs		\$993,357
<b>Total Development Costs</b>		<b>\$44,745,884</b>
<b>Permanent Sources</b>		
Bond		\$10,000,000
City of Vancouver – Affordable Housing Fund		\$1,275,000
Deferred Developer Fee		\$2,840,637
Commerce - Housing Trust Fund		\$3,500,000

Commerce - TOD	\$4,500,000
Commerce - CHIP	\$300,000
Sponsor Loans - Cowlitz Tribe /Initial	\$3,240,349
Foundation/Solar Grant	
GP Equity	\$892,806
Tax Credit Equity at \$0.8700 per credit x 10 years	\$18,142,092
<b>Total Permanent Sources</b>	<b>\$44,745,884</b>

#### **Total Development Cost Limit**

Project's Total Development Cost Limit	\$41,573,000
Total Development Cost (minus land and reserves)	\$41,832,448
Waiver	Not Required

#### **Project Operations**

<i>Unit Size</i>	<i>Market Rents</i>	<i>Proposed Rent Range</i>
Studio	\$1,700	\$1,287
One Bedroom	\$2,200	\$1,378
Two Bedroom	\$3,200	\$1,374 – 1,653
Three Bedroom	\$3,700	\$1,586

**Action** Approval of Resolution No. 25-39

**Anticipated Closing Date** May 2025





## **Memo for Loan Reservation & Management System RFP**

The Homeownership Division solicited proposals from entities interested in providing a turnkey loan reservation system designed for housing finance agencies. We are looking for a system that tracks loans from loan reservation through loan pooling with potential expansion to loan servicing in the future. This system is used daily by our lenders to reserve funds, view conditions and view approvals for our House Key and Home Advantage programs.

RFP Released: March 5, 2025

Pre-Bid Conference: March 20, 2025

Q&A Posted to Website: March 28, 2025

Proposal Due Date: April 16, 2025

Responses to the RFP were received from:

- Emphasys
- HOTB Software
- iBi Nexus

Proposals were reviewed and evaluated by selected Homeownership and IT staff.



WASHINGTON STATE  
**HOUSING FINANCE  
COMMISSION**

Nicole Bascomb-Green  
*Chair*  
Steve Walker  
*Executive Director*

May 15, 2025

Commissioners  
Washington State Housing Finance Commission  
Seattle, Washington

We have compiled the UNAUDITED statement of Net Position of the Washington State Housing Finance Commission (the "Commission") General Operating Fund as of April 30, 2025, and the related statement of Activities and Changes in Net Position for the month ended, in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of cash flow. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Commission's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Shirleen Noonan  
Shirleen Noonan  
General Operations Manager

Approved by: Lucas Loranger  
Lucas Loranger  
Senior Finance Director

WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
GENERAL OPERATING FUND

April 30, 2025

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(See Accountant's Compilation Report)

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**Washington State Housing Finance Commission**  
**Statement of Net Position**  
**Fund: General Operating Fund**  
**Division: All**  
**April 30, 2025**  
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
ASSETS				
Cash and Cash Equivalents:				
Demand Deposits	\$ 4,160,415	\$ 4,144,335	\$ 16,080	(1) 0%
Money Market Accounts	94,143,117	120,774,699	(26,631,582)	(1) -22%
Investment Securities	24,221,310	24,198,615	22,695	(1) 0%
Interest Receivable	950,528	938,851	11,677	1%
Fees Receivables	14,530,362	13,674,841	855,521	6%
Prepaid Expenses & Other Receivable	4,291,606	3,194,634	1,096,972	(2) 34%
Furniture and Fixtures (net of depreciation)	569,809	250,893	318,916	(3) 127%
Intangible Lease Asset (net of amortization)*	-	763,411	(763,411)	(4) -100%
Net Pension Asset*	1,894,532	1,767,016	127,516	7%
Total Assets	144,761,679	169,707,295	(24,945,616)	-15%
Deferred Outflow of Resources (Pension & OPEB Contributions) *	4,490,914	5,479,906	(988,992)	-18%
Total Assets and Deferred Outflows	\$ 149,252,593	\$ 175,187,201	\$ (25,934,608)	-15%
LIABILITIES				
Accounts Payable and Other Liabilities	\$ 6,018,065	\$ 10,072,920	\$ (4,054,855)	(5) -40%
Unearned Fee Income	68,629,066	94,661,909	(26,032,843)	(6) -28%
Accrued Payroll Payable	2,117,513	1,893,333	224,180	(7) 12%
Lease Liability*	-	719,844	(719,844)	(4) -100%
Net Pension Liability *	3,454,593	3,584,711	(130,118)	-4%
Total Liabilities	80,219,237	110,932,717	(30,713,480)	-28%
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	4,935,541	6,907,214	(1,971,673)	-29%
NET POSITION				
Invested in Capital Assets	569,809	250,893	318,916	(3) 127%
Committed - Housing Washington *	122,628	350,886	(228,258)	-65%
Unrestricted	63,405,378	56,745,491	6,659,887	12%
Total Net Position	64,097,815	57,347,270	6,750,545	12%
Total Liabilities, Deferred Inflows and Net Position	\$ 149,252,593	\$ 175,187,201	\$ (25,934,608)	-15%

- (1) Fluctuations in these accounts are considered in aggregate. The decrease is primarily due to the drawdown of funds for the Homeowner Assistance Fund (HAF) program.
- (2) The increase in prepaids and other receivables balance is primarily due to greater receivables related to principal and interest advanced on GNMA securities serviced by IHFA, as well as a one month advanced, increased prepayment of HB/Salesforce annual fee compared to the prior year.
- (3) The increase in net capital assets reflects the purchase of new office furniture, audio and visual equipment, and network wiring, along with an offset from continued depreciation and amortization of capital assets.
- (4) These accounts reflect the implementation of GASB 87 in which long-term, non-ownership-transferring leases are recorded as an intangible right-of-use asset and a lease liability. Adjustments are made at year-end to record the amortization of the office rent lease asset and reduction in related lease liability.
- (5) The overall decrease in accounts payable and other liabilities is primarily due to lower payables related to interest earned on HAF program funds.
- (6) The overall decrease in unearned fee income is primarily due to the drawdown of funds from the HAF program, established in Section 3206 of the American Rescue Plan Act of 2021, with a smaller offset from greater Covenant Homeownership grant funds.
- (7) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, and effects of the 3% COLA and general increases at the beginning of the fiscal year.
- \* These balances are adjusted only at year-end.

**Washington State Housing Finance Commission  
Statement of Activities and Changes in Net Position**

**Fund: General Operating Fund**

**Division: All**

**For The Year To Date Ending: April 30, 2025**

(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 3,553,082	\$ 36,501,362	\$ 30,458,410	\$ 6,042,952 (1)	20%
Interest Earned & Realized Gain	1,223,003	12,845,694	12,804,531	41,163	0%
Other	17,660	219,974	210,393	9,581	5%
<i>Total Unadjusted Revenues</i>	<u>4,793,745</u>	<u>49,567,030</u>	<u>43,473,335</u>	<u>6,093,695</u>	<u>14%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,065,858	10,905,706	9,721,950	1,183,756 (2)	12%
Travel & Conferences	4,079	243,046	203,541	39,505 (3)	19%
Professional Fees	280,626	2,158,033	1,959,260	198,773 (4)	10%
Office Expense	252,708	2,613,692	2,269,791	343,901 (5)	15%
<i>Total Expenses</i>	<u>1,603,271</u>	<u>15,920,477</u>	<u>14,154,543</u>	<u>1,765,934</u>	<u>12%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	511,832	2,332,228	581,345	1,750,883	301%
Grant Revenue	6,042,059	51,414,239	60,794,060	(9,379,821)	-15%
<i>Expenses:</i>					
Grant Pass-Through	<u>6,042,059</u>	<u>51,414,239</u>	<u>60,794,060</u>	<u>(9,379,821)</u>	<u>-15%</u>
<i>Total Adjustments</i>	<u>511,832</u>	<u>2,332,228</u>	<u>581,345</u>	<u>1,750,883</u>	<u>301%</u>
Excess of Revenues over Expenses	<u>3,702,306</u>	<u>35,978,781</u>	<u>29,900,137</u>	<u>6,078,644</u>	<u>20%</u>
Net Position					
Total net position, beginning of period	60,395,509	28,119,034	27,447,133	671,901	2%
Current Increase (Decrease) - to Net position	<u>3,702,306</u>	<u>35,978,781</u>	<u>29,900,137</u>	<u>6,078,644</u>	<u>20%</u>
Total net position, end of year	<u>\$ 64,097,815</u>	<u>\$ 64,097,815</u>	<u>\$ 57,347,270</u>	<u>\$ 6,750,545</u>	<u>12%</u>

(1) The increase in fee income is primarily due to increased revenue from the Homeownership division's Home Advantage program, coupled with an acceleration of income related to the Citi Securitization program.

(2) The increase in salary and benefits expenses reflects a 3% cost of living wage increase for all staff on July 1, 2024, as well as regular annual increases, plus an approximately 8% increase in staff headcount compared to the prior year.

(3) The increase in travel and conference fee expenses is primarily due to in-state travel expenses incurred for lodging and transportation related to the Housing Washington conference held in Spokane. In the prior year, the conference was held in Tacoma.

(4) Professional fees increase is primarily due to an increase in expenses related to tax credit property inspections in the AMC division.

(5) The increase in office expenses is primarily due to the sponsorship of the Housing Washington conference program and events held in September 2024, along with greater office and computer related equipment expenses due to the office move.

\* Effective 1/1/2013, 25% of the Home Advantage Program revenue was transferred to the Single-family bond program's Commission Fund to ensure future indenture and program flexibility. Due to an ease in the revenue generated from the Home Advantage program, the 25% allocation has been suspended indefinitely, effective 7/1/23, until it is determined be beneficial to the Commission Fund to resume allocation and transfers.

# Washington State Housing Finance Commission

## Detailed Statement of Activities

### Fund: General Operating Fund

### Division: All

For The Year To Date Ending: April 30, 2025

(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to	
	%	Amount	Actual	Actual	Budget	Actual	%
<i>Revenues:</i>							
Program Fees	21.7%	\$ 4,689,449	\$ 21,587,549	\$ 26,276,998	\$ 23,715,133	\$ 2,561,865	10.8%
Issuance, Application, and Servicing Fees	15.3%	1,353,502	8,870,862	10,224,364	5,449,798	4,774,566	87.6%
Interest Earned & Realized Gain	0.3%	41,163	12,804,531	12,845,694	11,788,774	1,056,920	9.0%
Other Income	4.6%	9,581	210,393	219,974	746,863	(526,889)	-70.5%
<i>Total Unadjusted Revenues</i>	<u>14.0%</u>	<u>6,093,695</u>	<u>43,473,336</u>	<u>49,567,029</u>	<u>41,700,568</u>	<u>7,866,462</u>	<u>18.9%</u>
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	12.3%	932,491	7,563,985	8,496,476	9,889,474	(1,392,998)	-14.1%
Employee Benefits - Staff	11.6%	251,264	2,157,965	2,409,229	2,751,992	(342,763)	-12.5%
Conference, Education & Training	-7.0%	(5,707)	81,978	76,271	184,307	(108,036)	-58.6%
Travel out of state - Staff	-13.9%	(12,529)	90,063	77,534	190,688	(113,154)	-59.3%
Travel in state - Staff	183.3%	57,742	31,500	89,242	140,467	(51,225)	-36.5%
Accounting Fees	16.3%	16,161	99,222	115,383	135,247	(19,864)	-14.7%
Legal Fees	-18.9%	(120,296)	636,503	516,207	667,500	(151,293)	-22.7%
Financial Advisor Fees	82.5%	147,585	178,994	326,579	302,667	23,912	7.9%
Investment Management Fees	16.8%	24,496	145,428	169,924	181,667	(11,743)	-6.5%
Office Rent/Conf. Room Rentals	-9.0%	(42,532)	473,894	431,362	509,289	(77,927)	-15.3%
Furniture & Equipment Rental	-44.2%	(7,737)	17,496	9,759	22,563	(12,804)	-56.7%
Advertising	11.4%	7,681	67,342	75,023	266,779	(191,756)	-71.9%
Publications/ Subscriptions/ Dues	7.3%	6,074	83,594	89,668	110,050	(20,382)	-18.5%
Deliveries	-14.8%	(211)	1,424	1,213	4,267	(3,054)	-71.6%
Insurance	22.0%	11,592	52,697	64,289	55,125	9,164	16.6%
Meeting Expense	264.6%	83,501	31,555	115,056	153,959	(38,903)	-25.3%
Equipment & Building Maintenance	51.9%	16,076	30,972	47,048	89,183	(42,135)	-47.2%
Software Maint. Support & Other Info Svcs	8.4%	103,432	1,228,955	1,332,387	1,539,881	(207,494)	-13.5%
Non-capitalized Equipment/Supplies	157.3%	95,785	60,886	156,671	203,406	(46,735)	-23.0%
Postage	-23.4%	(172)	734	562	4,317	(3,755)	-87.0%
Printing	22.0%	1,301	5,925	7,226	11,642	(4,416)	-37.9%
State Services	9.6%	239	2,480	2,719	5,808	(3,089)	-53.2%
Supplies	163.5%	32,662	19,981	52,643	40,084	12,559	31.3%
Telephone	22.9%	14,368	62,706	77,074	47,830	29,244	61.1%
Contract Services	14.6%	130,828	899,113	1,029,941	1,437,763	(407,822)	-28.4%
Depreciation	16.9%	21,842	129,150	150,992	178,584	(27,592)	-15.5%
<i>Total Expenses</i>	<u>12.5%</u>	<u>1,765,936</u>	<u>14,154,545</u>	<u>15,920,478</u>	<u>19,124,539</u>	<u>(3,204,061)</u>	<u>-16.8%</u>
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	301.2%	1,750,883	581,345	2,332,228	-	2,332,228	NA
Grant Revenue	-15.4%	(9,379,821)	60,794,060	51,414,239	50,793,868	620,371	1.2%
<i>Expenses:</i>							
Grant Pass-Through	-15.4%	(9,379,821)	60,794,060	51,414,239	50,793,868	620,371	1.2%
	301.2%	1,750,883	581,345	2,332,228	-	2,332,228	NA
<i>Excess of Revenues over Expenses- adjusted</i>	<u>20.3%</u>	<u>6,078,642</u>	<u>29,900,136</u>	<u>35,978,779</u>	<u>22,576,029</u>	<u>13,402,751</u>	<u>59.4%</u>
Less transfer to Commission Fund	NA	-	-	-	-	-	NA
<i>Excess of Revenues over Expenses (Net of Transfers)</i>	<u>20.3%</u>	<u>\$ 6,078,643</u>	<u>\$ 29,900,136</u>	<u>\$ 35,978,779</u>	<u>\$ 22,576,029</u>	<u>\$ 13,402,751</u>	<u>59.4%</u>

# Events Calendar

<b>Date</b>	5/19/2025	<b>Length of Event</b>	9:00 AM - 4:00 PM
<b>Event</b>	Board Mtg./Budget & Plng. Sess'n.(Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	5/20/2025	<b>Length of Event</b>	9:00 AM - 12:00 PM
<b>Event</b>	Budget/Planning Session (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	6/24/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Housing Credit Connect Conf.	<b>Audience</b>	Conf. Attendees
<b>Address</b>	Marriott Marquis Chicago Hotel	<b>Division</b>	Administration
<b>City</b>	Chicago, IL	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	6/25/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Housing Credit Connect Conf.	<b>Audience</b>	Conf. Attendees
<b>Address</b>	Marriott Marquis Chicago Hotel	<b>Division</b>	Administration
<b>City</b>	Chicago, IL	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	6/26/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Housing Credit Connect Conf.	<b>Audience</b>	Conf. Attendees
<b>Address</b>	Marriott Marquis Chicago Hotel	<b>Division</b>	Administration
<b>City</b>	Chicago, IL	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	6/26/2025	<b>Length of Event</b>	10:00 AM - 4:00 PM
<b>Event</b>	Board Meeting & Work Session (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470
<b>Date</b>	6/27/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Housing Credit Connect Conf.	<b>Audience</b>	Conf. Attendees
<b>Address</b>	Marriott Marquis Chicago Hotel	<b>Division</b>	Administration
<b>City</b>	Chicago, IL	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470
<b>Date</b>	7/24/2025	<b>Length of Event</b>	1:00 PM - 4:00 PM
<b>Event</b>	Board Meeting (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470
<b>Date</b>	8/28/2025	<b>Length of Event</b>	1:00 PM - 4:00 PM
<b>Event</b>	Board Meeting (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470
<b>Date</b>	9/25/2025	<b>Length of Event</b>	1:00 PM - 4:00 PM
<b>Event</b>	Board Meeting (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470
<b>Date</b>	9/28/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 Housing WA Conference	<b>Audience</b>	Conf. Attendees
<b>Address</b>	Hyatt Regency Bellevue Hotel	<b>Division</b>	Administration
<b>City</b>	Bellevue, WA	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470



<b>Date</b>	9/29/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 Housing WA Conference	<b>Audience</b>	Conf. Attendees
<b>Address</b>	Hyatt Regency Bellevue Hotel	<b>Division</b>	Administration
<b>City</b>	Bellevue, WA	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	9/30/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 Housing WA Conference	<b>Audience</b>	Conf. Attendees
<b>Address</b>	Hyatt Regency Bellevue Hotel	<b>Division</b>	Administration
<b>City</b>	Bellevue, WA	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	10/4/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Annual Conf. & Showplace	<b>Audience</b>	Conf. Attendees
<b>Address</b>	New Orleans Marriott Hotel	<b>Division</b>	Administration
<b>City</b>	New Orleans, LA	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	10/5/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Annual Conf. & Showplace	<b>Audience</b>	Conf. Attendees
<b>Address</b>	New Orleans Marriott Hotel	<b>Division</b>	Administration
<b>City</b>	New Orleans, LA	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	10/6/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Annual Conf. & Showplace	<b>Audience</b>	Conf. Attendees
<b>Address</b>	New Orleans Marriott Hotel	<b>Division</b>	Administration
<b>City</b>	New Orleans, LA	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	10/7/2025	<b>Length of Event</b>	TBA
<b>Event</b>	2025 NCSHA Annual Conf. & Showplace	<b>Audience</b>	Conf. Attendees
<b>Address</b>	New Orleans Marriott Hotel	<b>Division</b>	Administration
<b>City</b>	New Orleans, LA	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	10/23/2025	<b>Length of Event</b>	10:00 AM - 4:00 PM
<b>Event</b>	Board Meeting & Work Session (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	11/20/2025	<b>Length of Event</b>	1:00 PM - 4:00 PM
<b>Event</b>	Board Meeting (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470

<b>Date</b>	12/11/2025	<b>Length of Event</b>	1:00 PM - 4:00 PM
<b>Event</b>	Board Meeting (Hybrid)	<b>Audience</b>	General Public
<b>Address</b>	Zoom/1000 2nd Ave, Ste. 2700 Board Roo	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470



# WSHFC 2025 Budget & Planning Session

Seattle, Washington  
May 19-20, 2025



## Day 1 Agenda

**9:00 am**

**Business Meeting**

**9:30 am**

**Call to Order/Housekeeping**

*Steve Walker, Executive Director*

**9:35 am**

**Financial Performance  
Analysis/Opportunities**

*Joanie Monaghan, Vice President,  
CSG Advisors*





## Day 1 Agenda (p.2)

**11:05 am**

### **Market Updates**

#### **Homeownership Market Update**

*Mike Awadis, Hilltop Securities*

*Mina Choo, RBC Capital Markets*

#### **Multifamily Housing Market Update**

*Mike Hemmens, Citi Community Capital*

**11:35 am –  
1:00 pm**

### ***LUNCH BREAK***

**1:00 pm**

### **Overview of Proposed Budget**

*Lucas Loranger*



## Day 1 Agenda (p.3)

**1:50 pm**

### **Program Related Investments:**

Status Report & Proposed Investments for FY2026

*Steve Walker, Lucas Loranger*

**2:20 pm**

### **Division Reports**

Successes & Meeting Challenges in FY 2026

### **Multifamily Housing & Community Facilities**

*Lisa Vatske, MHCF Director*

**2:40 pm –  
2:55 pm**

### ***BREAK***

**2:55 pm**

### **Asset Management & Compliance**

*Wubet Biratu, AMC Director*





## Day 1 Agenda (p.4)

**3:10 pm**

**Highlight: New Multifamily Partnership Initiative**

*Wubet Biratu & Lisa Vatske*

**Homeownership**

*Lisa DeBrock, Homeownership Director*

**3:40 pm**

**Update: Seller Servicer**

*Lisa DeBrock*

*Vicki Bonardi, Owner, Affiliated Consulting Services*

**\*\*ADJOURN DAY 1\*\***



# Financial Performance Analysis & Opportunities for Sustainability

*Washington State Housing Finance Commission*  
May 19, 2025



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION





# Agenda



## I. Purpose

## II. Big Picture

- WSHFC's Financial Structure
- Integrated Funding Tools
- Financial and Lending Trends
- Key Takeaways

## III. Understanding the Parts of the Whole

- Overview of Commission Components
- General Operating Fund
- Program-Related Investments (PRI) Fund

## IV. Key Performance Indicators

- Financial & Program Dashboards
- Peer Comparison

## V. A Sustainable Future

- Key Take-Aways
- Positioning for Long-term Success

# I. Purpose



## **Define the Commission's financial structure**

*Aim: understand how its individual parts impact the Commission's resources*

## **Analyze recent financial performance**

*Aim: identify what drives changes in the Commission's resources and overall financial strength*

## **Analyze lending trends and borrowers assisted**

*Aim: understand how the Commission's impact has changed over time – and is affected by the Commission's financial performance*

## **Establish Key Performance Indicators**

*Aim: provide clear measures of financial and lending performance to easily monitor and track progress and identify and respond to trends and challenges*

## **Evaluate how WSHFC compares to peer state housing finance authorities**

*Aim: understand ways that WSHFC's financial opportunities and challenges are similar to – and different from – other HFAs*

## **Identify next steps**

*Aim: suggest early actions WSHFC can take to optimize its financial position and sustainability in continuing to meet its mission*



## II. Big Picture: Financial Structure

Program Funds  
\$2.16 billion of Commission Assets\*

General and Investment Funds:  
\$ 1.05 Bil. of Commission Assets

Bond Funds:  
\$ 1.11 Bil. of Commission Assets

Program-Related Investments

*Assets: \$912.4 million*

*Net Position:  
\$795.2 mil.*

*Annual Net Income\*\*:  
\$12.5 mil.*

Annual  
Transfer of  
Earnings Above  
Reserve  
Requirement



General  
Operating Fund

*Assets:  
\$140.7million*

*Net Position:  
\$28.2 mil.*

*Annual Net  
Income\*\*:  
\$39.1 mil.*

Single-Family Homeownership Programs

General and NIBP Indenture

*Assets: \$938.5 mil.*

*Net Position:  
\$82.4 mil.*

*Annual Net Income:  
\$2.9 mil.*

Commission Fund

*Assets: \$176.7  
mil.*

*Net Position:  
\$85.6 mil.*

*Annual Net  
Income\*\*:  
\$9.2 mil.*

Conduit

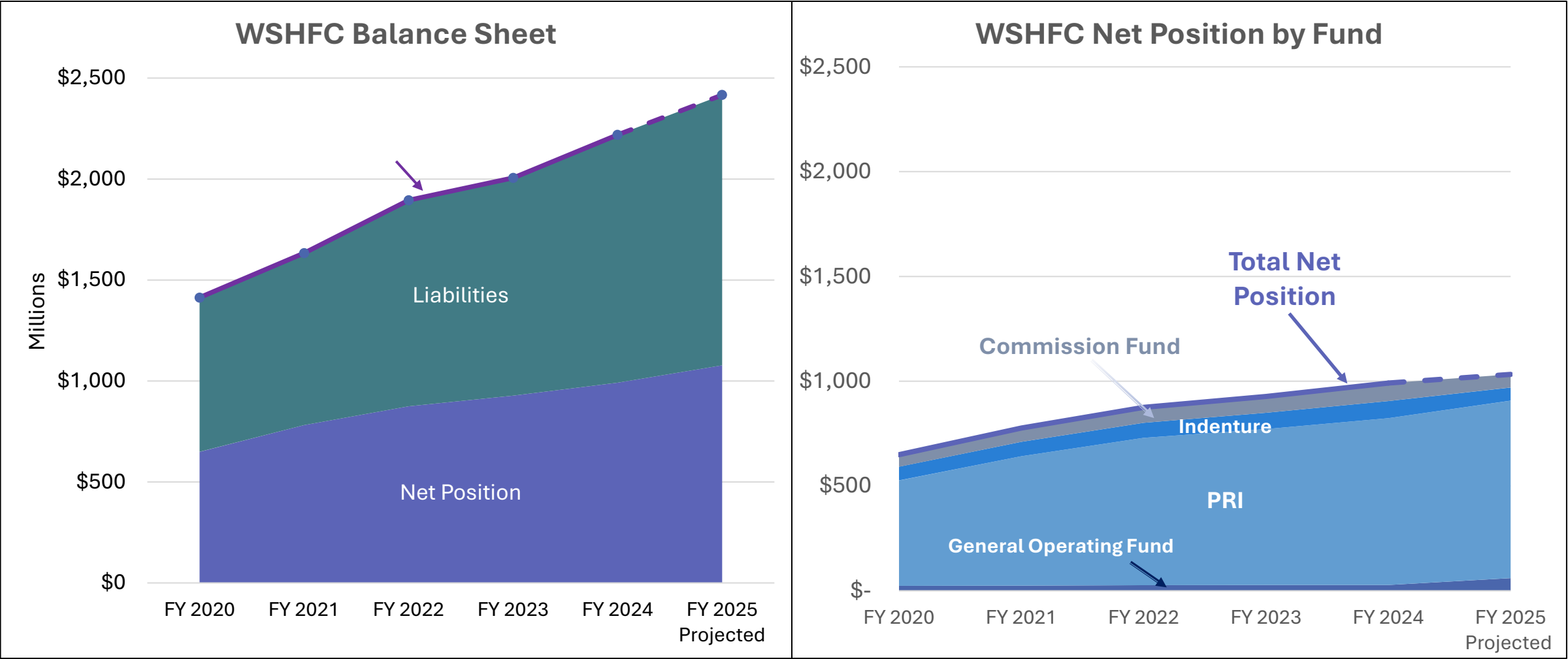
Multifamily and  
501 c 3 bonds

*Assets: \$0  
Commission  
Assets*

*Net Position: \$0*

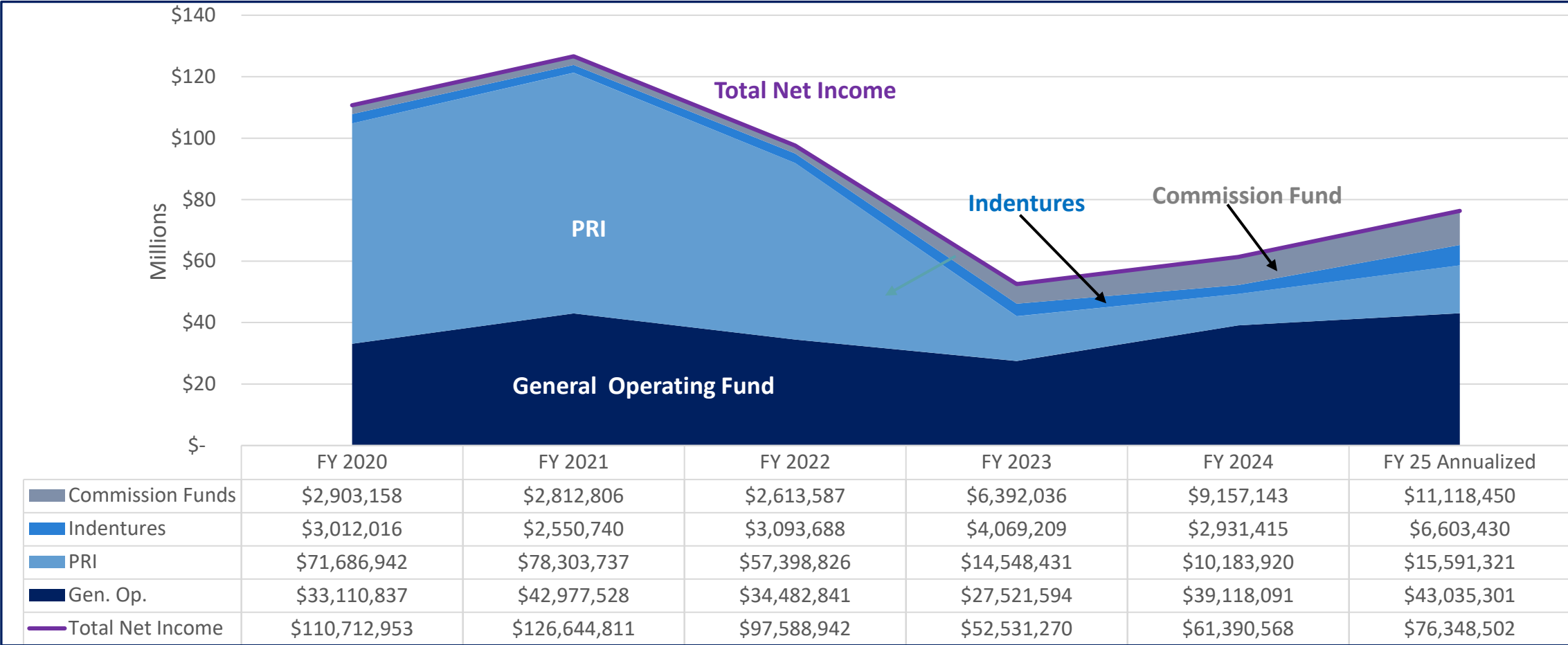
*Generates net  
annual income  
of \$14.9 mil for  
Gen Operating  
Fund*

# II. Big Picture: Financial Structure



# II. Big Picture: Financial Structure

## Net Income Remains Positive, But Has Decreased Materially



PRI net income excludes state grants;  
 Audited thru FY24; FY25 figures YTD through 3/31/25, annualized

## II. Big Picture: Integrated Funding Tools

### TBA Fueled Growth – But is Not Optimal in All Markets

#### BEFORE

TBA premiums **covered** Home Advantage DPA lending.

- Premiums were abundant; the Commission was able to **expand and further invest in mission-lending and programs.**
- TBA execution and strategy has allowed WSHFC to expand lending programs **AND build reserves** for many years.

*(FY2012 through FY2021)*

#### NOW

TBA no longer fully covers Home Advantage DPA, requiring subsidy increases from PRI.

- **Higher loan rates** have cut new lending by more than half.
- There has been an **increase in bond-funded lending**, using tax-exempt and taxable bond proceeds.

*(starting in FY22, high-interest rate environment)*

#### BOTTOM LINE

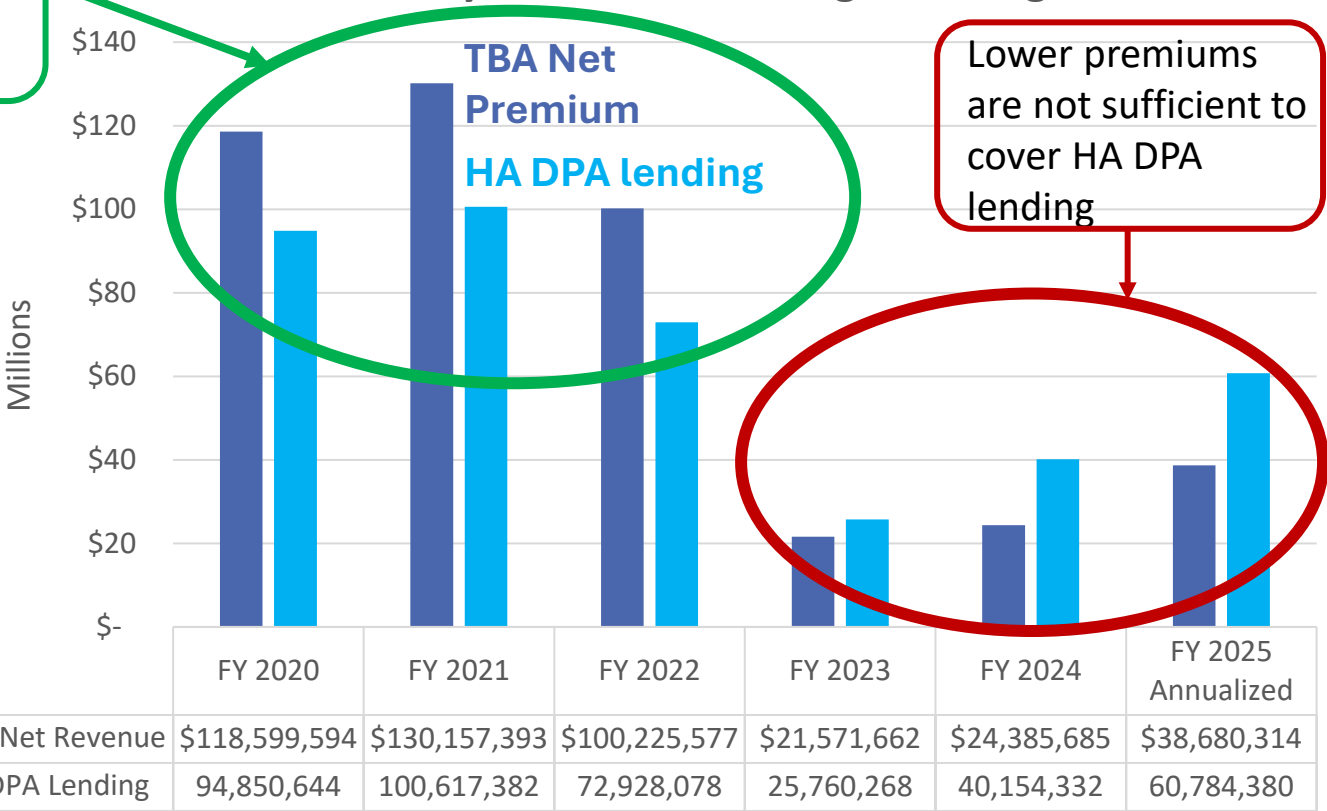
**WSHFC must pivot from such heavy reliance on TBA, when the environment is not favorable to do so, to a sustainable framework that supports best-execution decision-making for long-term sustainability.**

# II. Big Picture: Financial & Lending Trends

## TBA Premiums Are Now Less Than What's Needed to Fund DPA

Excess premium builds reserves

TBA Profitability & Home Advantage Lending



Lower premiums are not sufficient to cover HA DPA lending

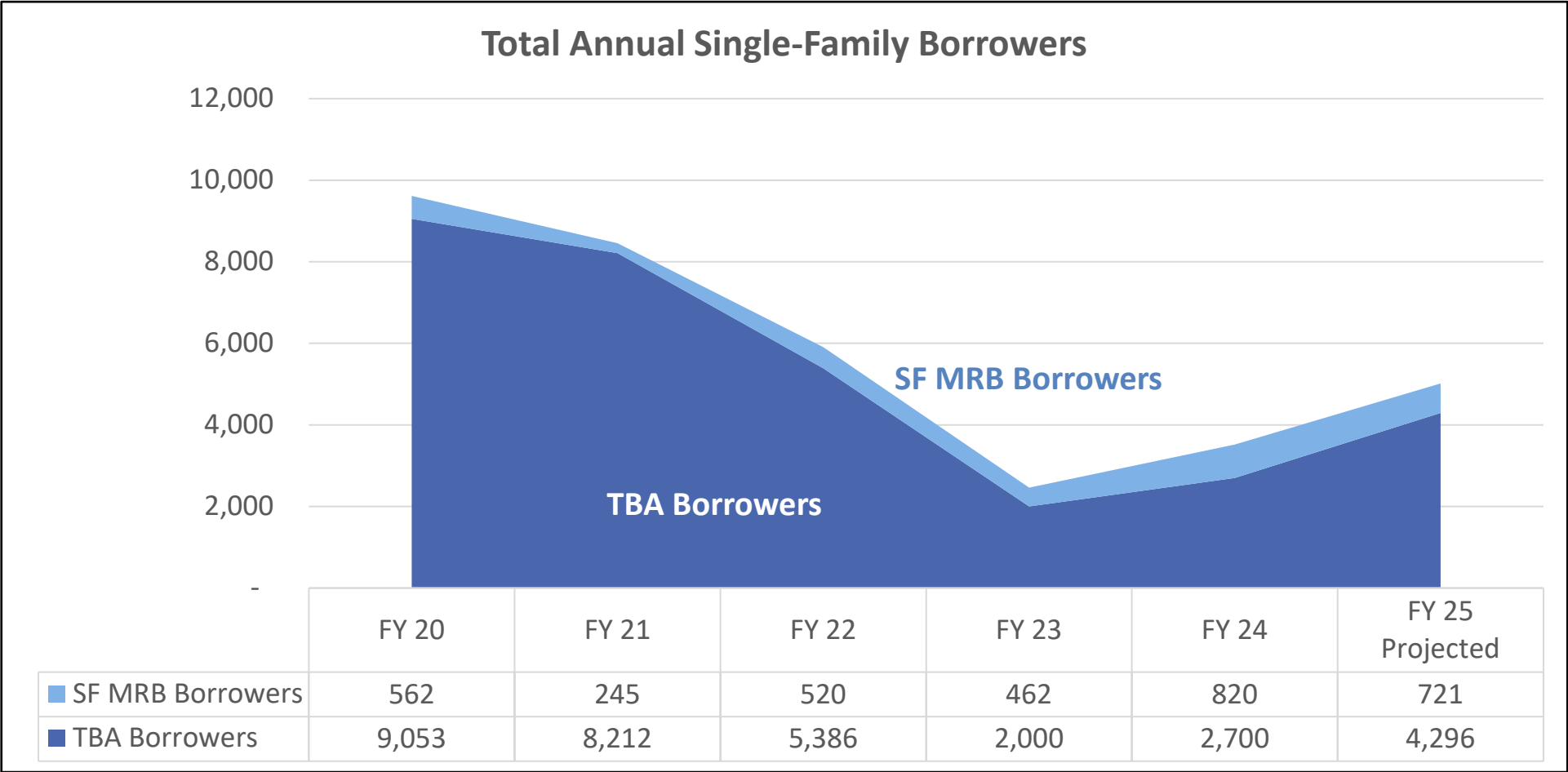
### Key Takeaways

Instead of building reserves with excess TBA premium after funding Home Advantage (HA) DPA, PRI reserves are now being drawn down.

- Net revenue from TBA premiums has declined 79.4 % between FY 2020 and FY2024
- HA DPA lending has decreased over the five years, but it is now well above the TBA net premium revenues used to fund HA DPA loans, which has decreased at a faster rate.
- This has required the Commission to ‘turn up the subsidy dial’, from 25% in FY20 to 75% in FY24 to maintain lending programs and sustain General Operating Fund operations.

# II. Big Picture: Financial & Lending Trends

## WSHFC is Assisting Fewer Homebuyers





## II. Big Picture: Key Takeaways



### Financial Strength & Ability to Fund Operations

- Net assets have grown, but at a decreasing rate in recent years
- This shift is largely due to a decline of premiums from TBA sales, the Commission's primary vehicle for single-family first mortgage production

### Assisting Borrowers & Funding Mission-Driven Lending

- Number of borrowers served has dropped as TBA-driven interest rates for funding DPA have risen more than conventional mortgage rates -- despite using Commission resources to buy down rates
- A challenging, less affordable housing market has also contributed to the lower borrower numbers and only increases the need to help homebuyers
- Mission-driven lending in PRI has increased, but resources to continue supporting these programs is limited and decreasing

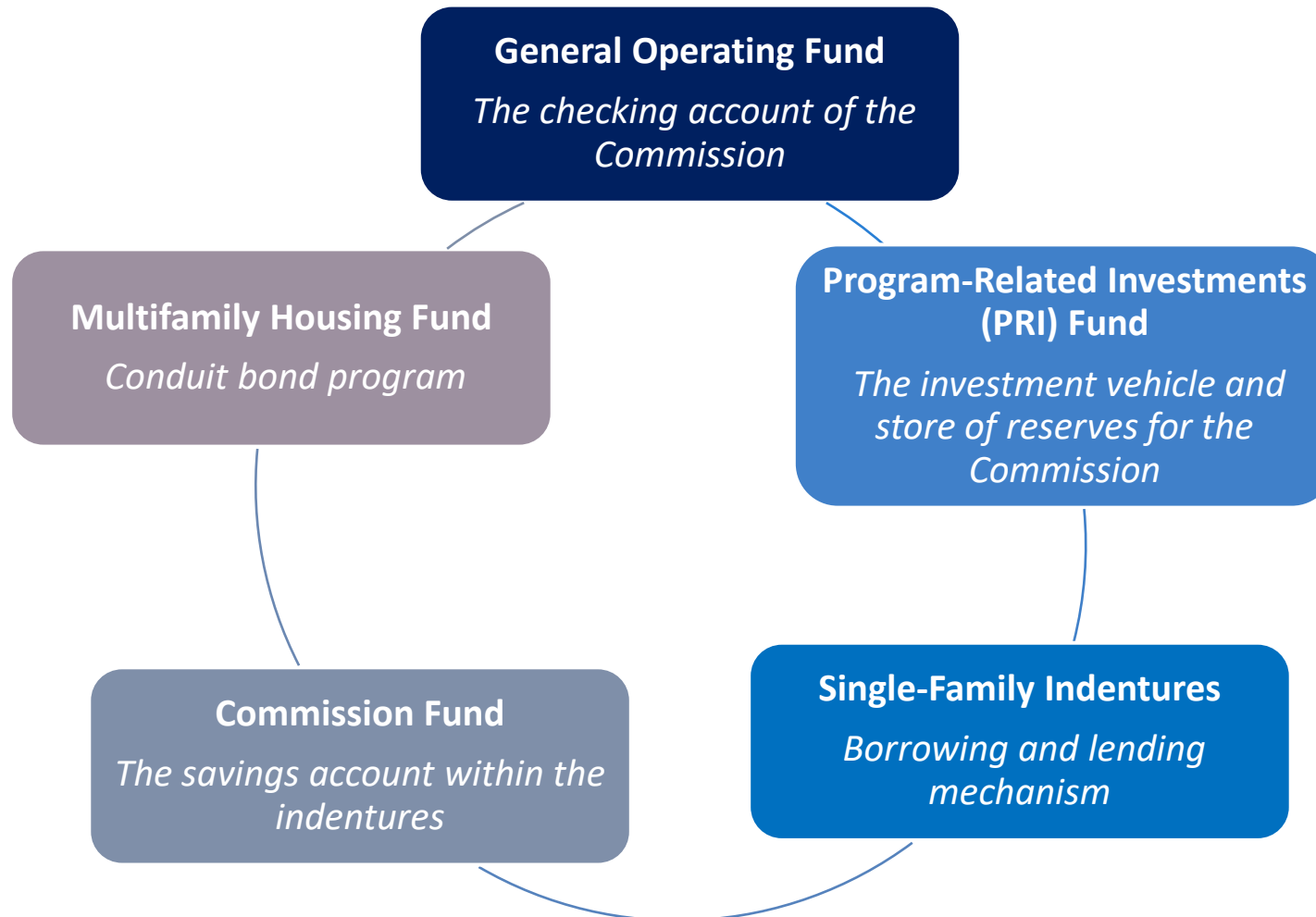
### Key Issue: How to Respond to This Changing Trend

- PRI resources available for new investment grew rapidly through FY 22 but much less since then
- Net revenues from TBA premiums declined by 80% between FY 20 and FY 24
- **This challenge of declining TBA premiums has affected HFAs nationally**, requiring a reevaluation in strategy and response to changing market environments to meet borrower needs
- While TBA premiums may rebound, the Commission needs a sustainable solution in markets where they are not as effective
- WSHFC's built-up resources have supported Commission lending and programs, but need to be strategically used in managing long-term sustainability

# III. Parts of the Whole

## Overview of Commission Components

*What Drives  
Commission  
Finances:*



### III. Parts of the Whole: General Operating Fund



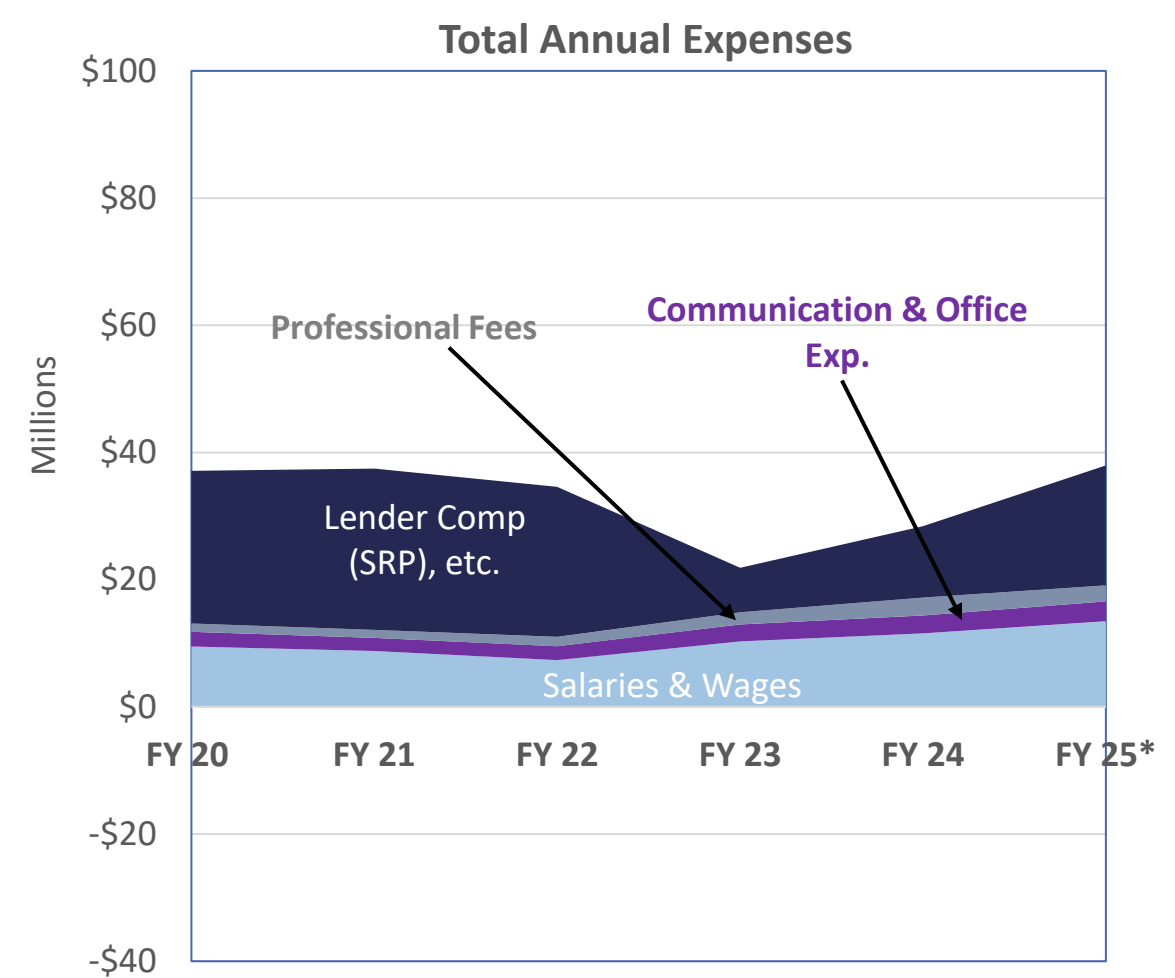
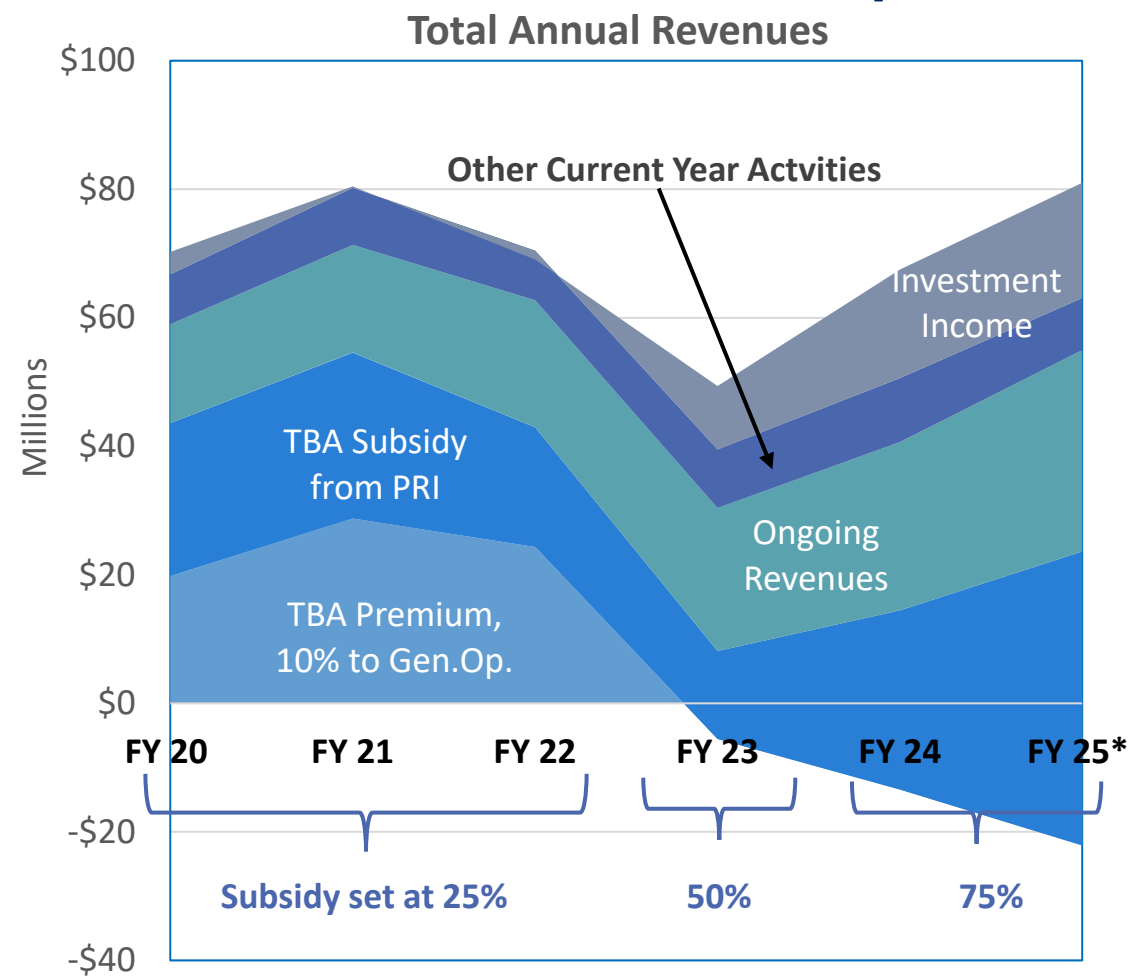
The General Operating Fund is effectively the **‘checking account’** for the Commission.

- Revenues come in and operating expenses are paid.
- Net position is, by design, relatively **stable** – enough to cover operations with a healthy equity “reserve”.
  - The Commission has established a **\$30 mil. reserve requirement** for the General Operating Fund.
  - When **resources accumulate beyond this reserve** in the General Operating Fund they are **swept to PRI for investment in mission-driven programs**

# III. Parts of the Whole



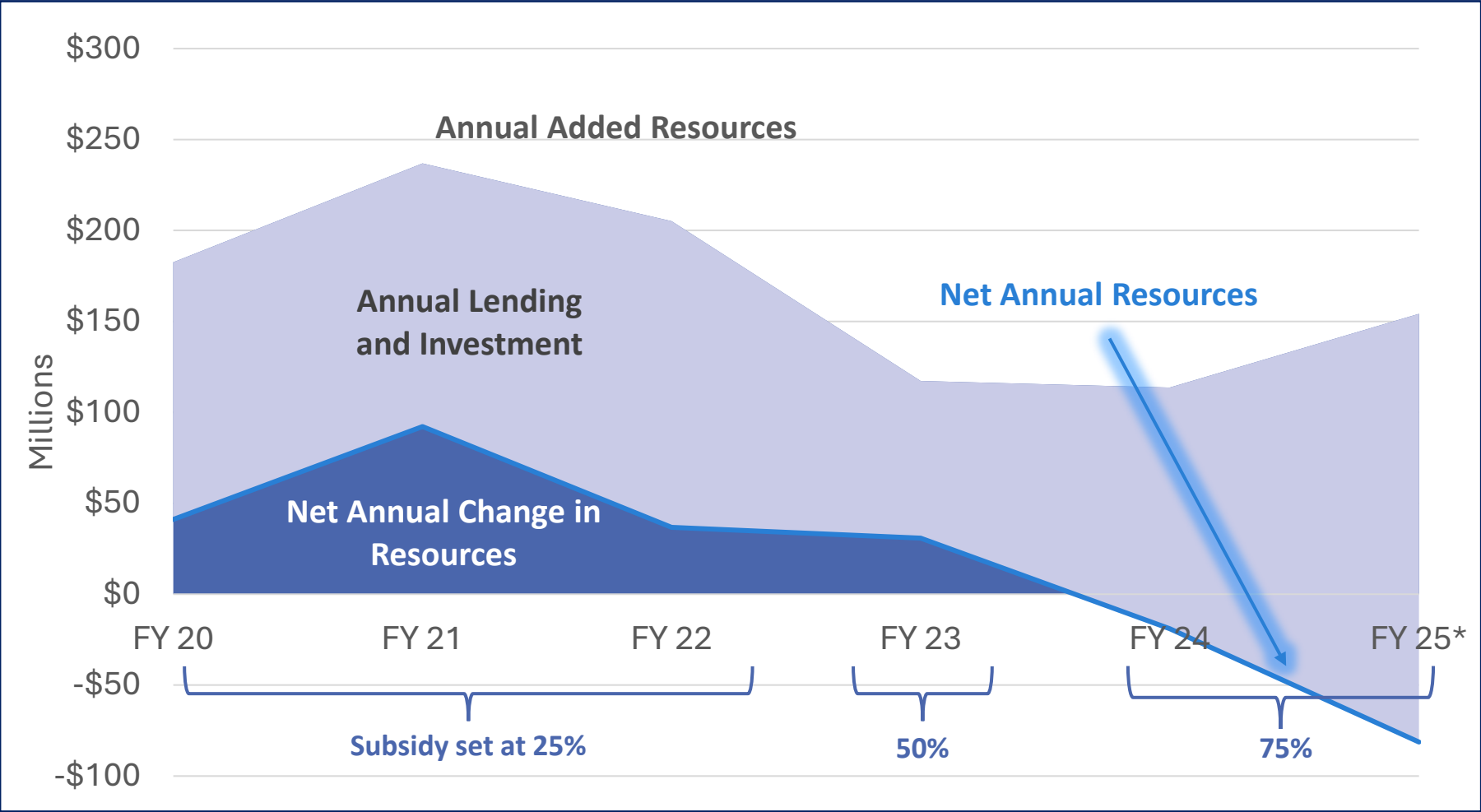
Revenues, including the **growing TBA subsidy** from PRI, exceed expenses, generating **positive net income**.



\* FY25: YTD through March 31, 2025, annualized

# III. Parts of the Whole: PRI

Annual lending and investment exceeds annual inflows, using reserve resources.

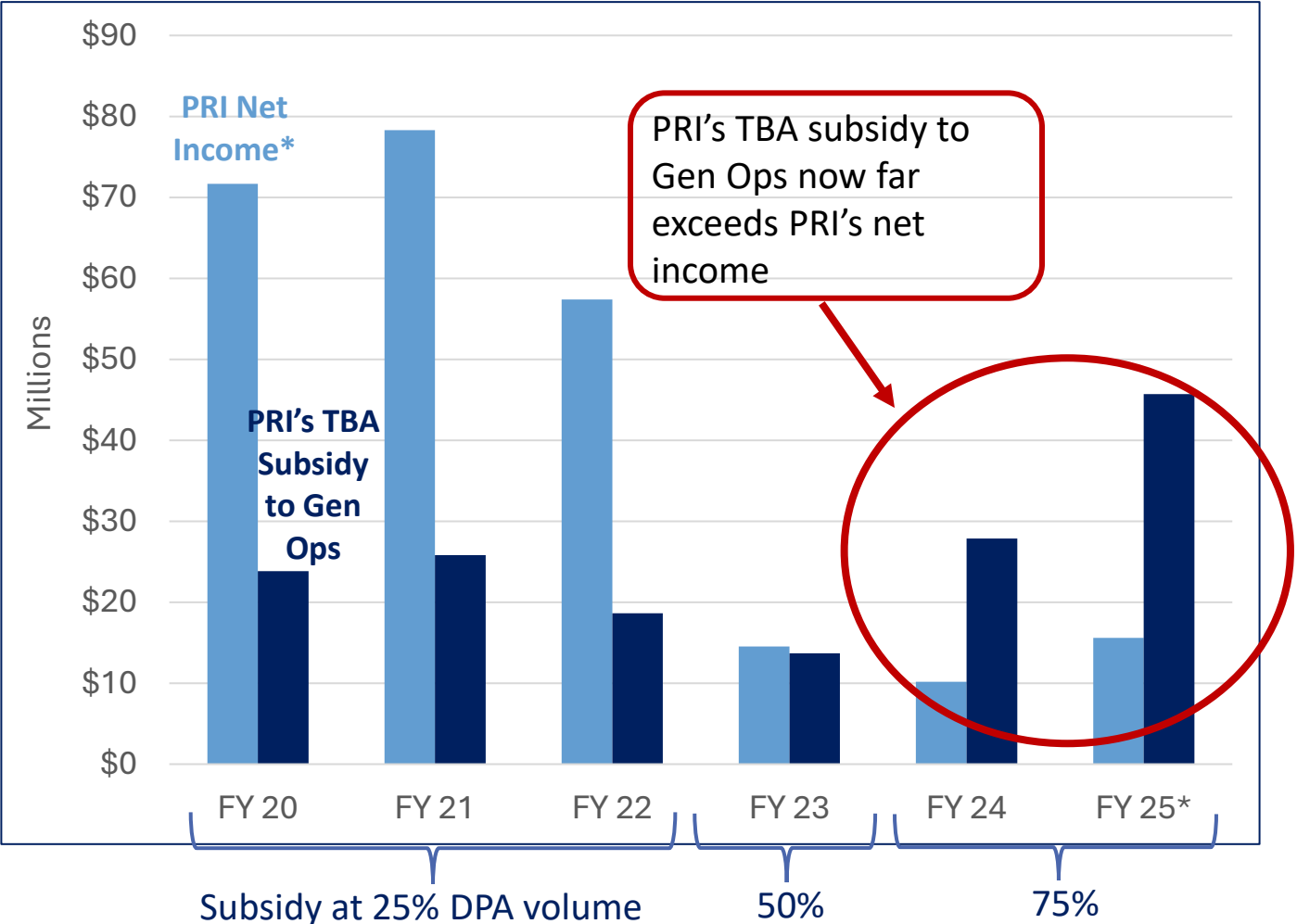


Starting in FY24, instead of each year PRI accumulating additional resources to lend and invest, PRI's available resources are now being spent down to maintain down payment assistance and other lending programs.

In FY24, **\$18.9 million in PRI resources were drawn upon to maintain lending and programs.** This figure is projected to reach **\$81.3 m. in FY 25** with the 75% subsidy reaching \$45.7 m.

# III. Parts of the Whole: PRI

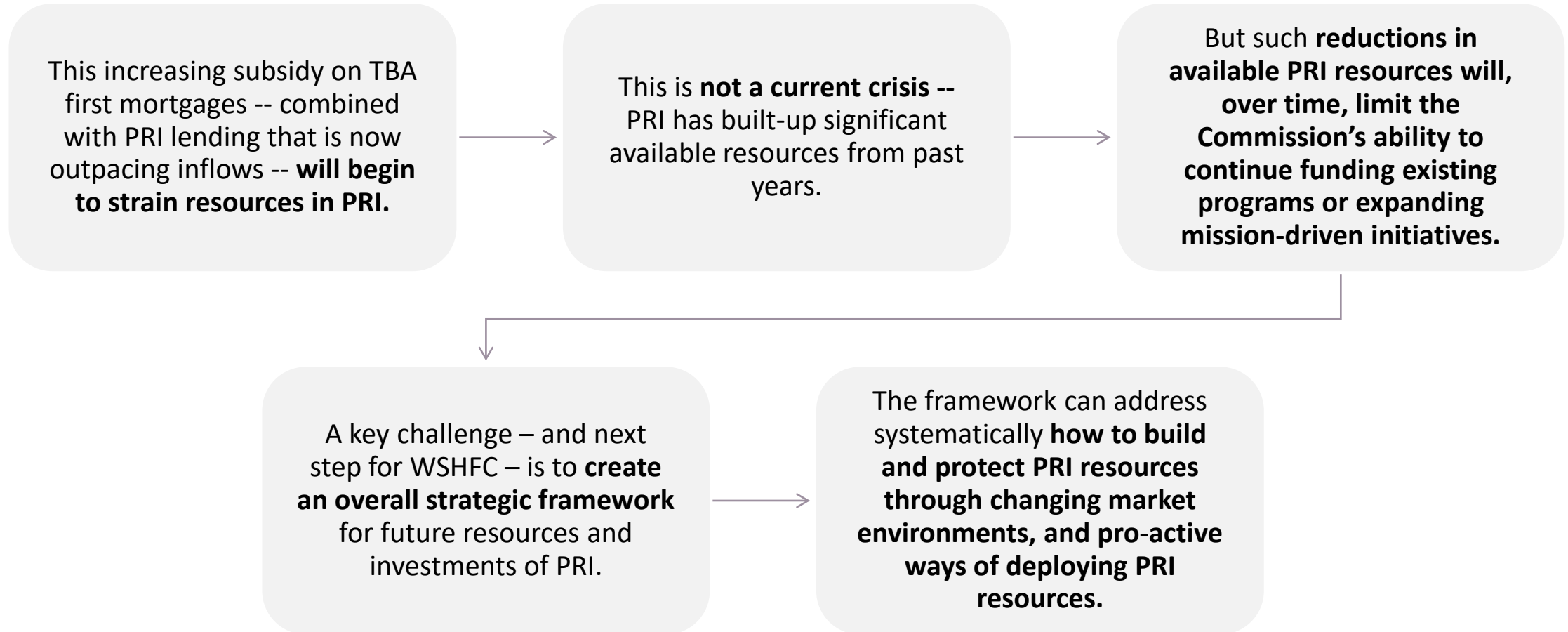
PRI's subsidy to general operating fund now exceeds its net income.



- The dollar amount of TBA subsidy to the General Operating Fund declined through FY23, even as the subsidy rate increased, because premiums and production have both declined.
- The “dial” on the subsidy has increased from 25% in FY20, to 50% in FY23, and to the maximum authorized amount of 75% in FY24 and FY25.
- This increasing % subsidy -- combined with PRI lending that is outpacing inflows -- will begin to strain resources in PRI, without additional sources of funds.
- In FY24 & FY25, production has increased, resulting in the subsidy, at 75% of HA DPA lending, to far exceed historical levels both in terms of dollar amount and as a stress to PRI resources.

\*PRI net income excludes state grants (audited thru FY24; FY25 figures YTD through 3/31/25, annualized)

# III. Parts of the Whole: PRI Future Impact



# IV. Key Performance Indicators



KPI's and financial dashboards help state housing finance agencies to:

## Identify

- The most critical factors that affect the Commission's financial future

## Monitor & Track

- To see and address evolving trends

## Compare

- The Commission's own historical performance,
- Peer state housing finance agencies, and
- Rating agency standards



# IV. Key Performance Indicators



## Financial Metrics

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	% Change FY20 - F24
Total Assets	\$1,413.2	\$1,633.2	\$1,895.4	\$ 2,005.5	\$ 2,219.0	57%
Total Net Position	\$ 649.5	\$ 781.1	\$ 874.9	\$ 927.5	\$ 991.3	53%
Net Position / Total Assets	46%	48%	46%	46%	45%	(3%)
Return on Assets	8%	9%	6%	3%	3%	(64%)
Return on Net Position	17%	16%	11%	6%	6%	(62%)
Net Income*	\$110.7 m.	\$127.6 m.	\$ 97.8 m.	\$52.6 m.	\$63.7 m.	(42%)

- Assets and net position are up significantly.
- Returns and net income are trending down, despite strong relative performance and levels.
- Net income is positive but highly volatile – swinging up to 67% year over year.

# IV. Key Performance Indicators

## Single-Family Lending Metrics

	FY 20	FY 21	FY 22	FY 23	FY 24	% Change FY 20 –24
New First Mortgages \$	\$2,765.9 m.	\$2,680.5 m.	\$2,066.0 m.	\$862.9 m.	\$1,299.1 m.	(53%)
# of New Borrowers	9,615	8,457	5,906	2,462	3,520	(63%)
Ave. First Mortgage \$	\$287,665	\$316,961	\$349,814	\$350,480	\$369,074	28%
New DPA \$	\$104.3 m.	\$103.8 m.	\$82.9 m,	\$34.0 m.	\$50.6 m.	(51%)
# DPA Borrowers Assisted Annually	8,991	8,178	5,815	2,390	3,339	(63%)
DPA Average Assistance \$	\$11,602	\$12,697	\$ 14,249	\$14,228	\$15,162	31%
Average DPA as % of First Mortgage	4.0%	4.0%	4.07%	4.06%	4.11%	2%

- Single-family loan volume and borrower count both dropped over 50% since FY20.
- Average mortgage and DPA assistance rose by 28% and 31%, respectively as homes have become more expensive.
- DPA remains critical – utilized with 95% + of loans – but is harder to sustain and fund

# IV. Key Performance Indicators

Peer Comparison: How HFAs Fund DPA depends on resources and best execution.

*Many HFAs combine these different tools to be able to flexibly respond to the market:*

## TBA net premiums

### Bond premium on tax-exempt and taxable bonds

PAC bonds  
Serial bonds and term bonds

### Bond principal on both tax-exempt and taxable bonds

HFA's own built-up **financial resources** (such as their equivalent to PRI and Commission Fund)

### Alternative equity funding

State appropriations  
Grants

*The key is not a particular tool but rather in **developing an overall and systematic strategy based on the HFA's specific resources**. One that reflects a holistic approach to the Commission and its long-term finances and sustainability, allowing selection of **best-execution in any given environment**.*

# V. A Sustainable Future



## Key Takeaways

WSHFC is in sound financial condition, resulting from years of a lucrative TBA program, favorable market environment, and prudent management of resources

As revenues from TBA sales have declined, Commission resources are being utilized faster than they are being replenished, as evidenced by diminishing net income and reduction in available PRI resources

In response, WSHFC is evaluating:

- Its approach to a sustainable future
- Thoughtful deployment and utilization of its balance sheet to generate higher and maintainable returns
- Programmatic adjustments, where needed and as they align within WSHFC's risk tolerance and strategic goals
- Maintenance of reserves at or above required levels to meet Commission priorities and reduce loss exposure

Holistic analysis and tracking of WSHFC's financial performance and health will best position the Commission for a sustainable future and optimal decision-making

- Obtaining an issuer credit rating is part of the Commission's long-term plan and will also help in monitoring and repositioning
- Program dashboards will help track metrics that align with sustainability goals



# V. A Sustainable Future

Positioning for Long-Term Success – NEXT STEPS:

*From what we've learned, we are ready to take next steps, positioning the Commission to make multi-year strategic decisions that optimize resources and maximize impact.*

1. **Design** dashboards to track financial and lending performance on an ongoing basis.
2. **Create** a framework for deploying and investing the Commission's limited resources, specifically in PRI.

# MSRB Rule G-42 Disclosures

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- CSG has not made any payments directly or indirectly to obtain or retain its clients’ municipal advisory business.
- CSG has not received any payments from third parties to enlist CSG’s recommendation to its clients of its services, any municipal securities transaction or any municipal finance product.
- CSG has not engaged in any fee-splitting arrangements involving CSG and any provider of investments or services to its clients.
- CSG does not have any legal or disciplinary event that is material to its clients’ evaluation of the municipal advisory or the integrity of its management or advisory personnel.

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CSG does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation, that would affect its ability to provide municipal advisory activities and adhere to its fiduciary duty. On September 17, 2024, resulting from the SEC’s industry-wide examination of text, email, and social media message retention by companies subject to SEC regulation, CSG agreed to pay a civil penalty of \$40,000 and to cease and desist from committing or causing violations and any future violations of rules noted below. The SEC found that CSG violated Section 17(a) of the Exchange Act and Rules 10Ba1-8 and Section 15B(c)(1) of the Exchange Act, as well as MSRB Rules G-8, G-9, and G-44. Clients may electronically access CSG’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html). For more information, please see the linked press release: <https://www.sec.gov/newsroom/pressreleases/2024-132>. There have been no additional material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.





# Homeownership Market Update & Discussion

Mike Awadis  
Hilltop Securities

Mina Choo  
RBC Capital Markets

# WSHFC Budget and Finance Meeting

May 19, 2025



*Opening doors to a better life*



Capital  
Markets



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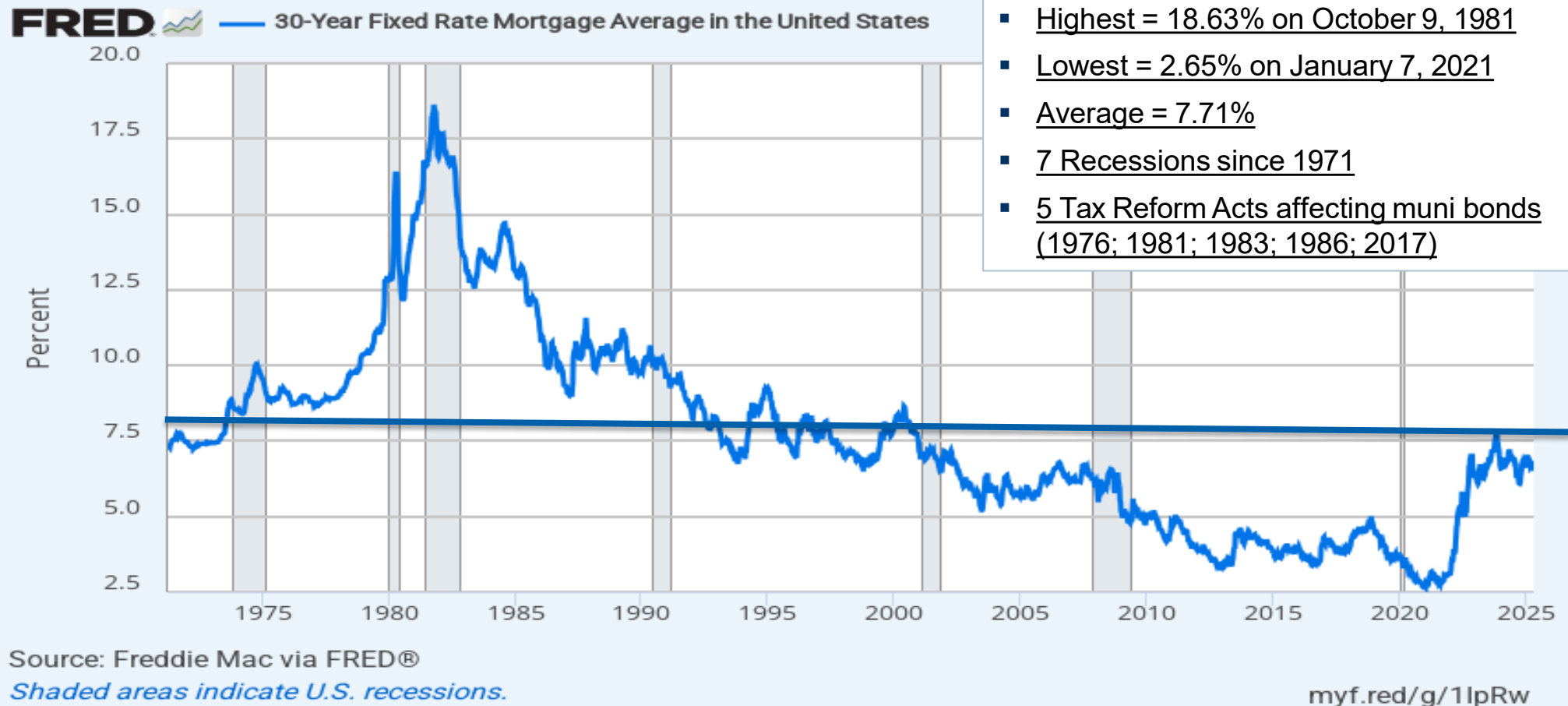
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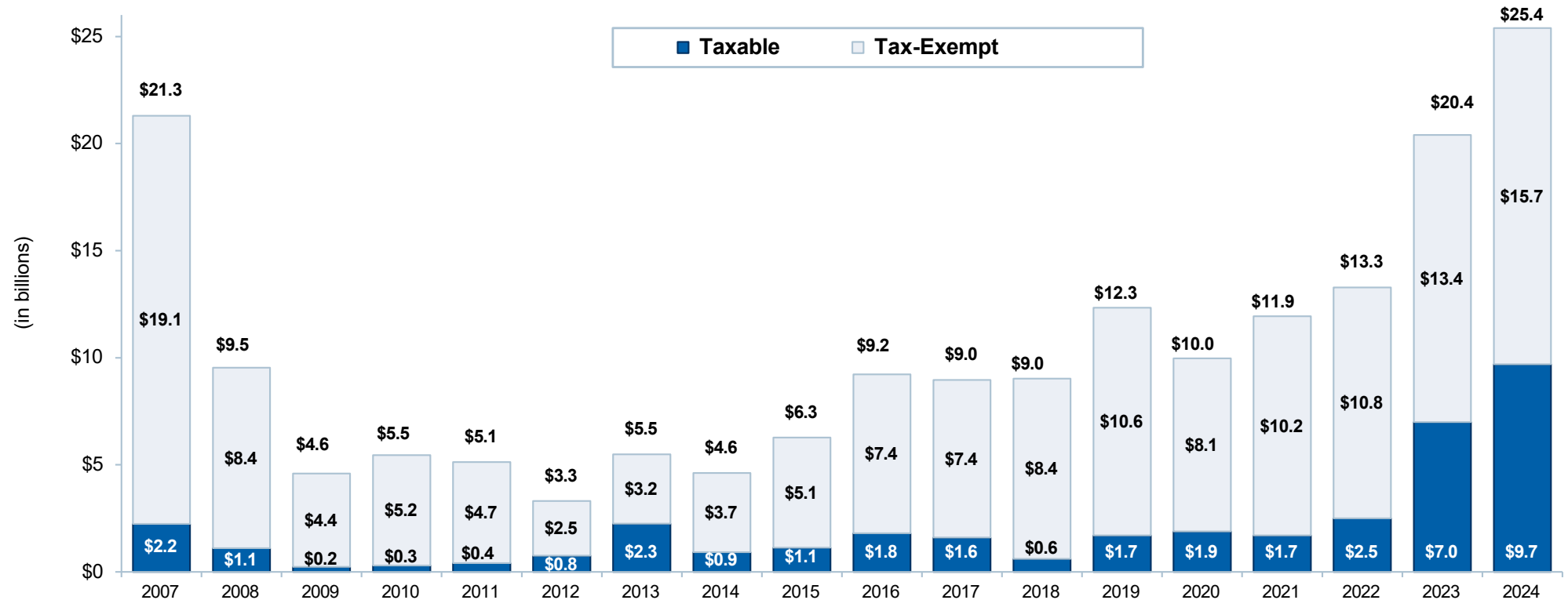
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# Historical 30-year Mortgage Rate



# Historical 30-Year Fixed Rate Mortgage Rates Since 1971

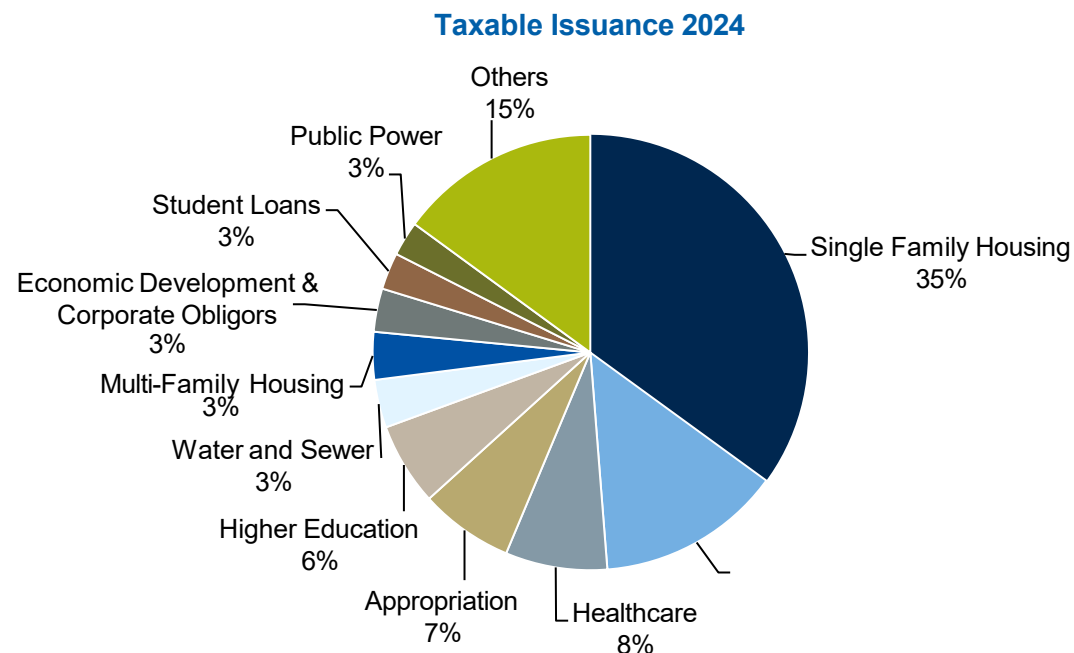
- HFA single family bond issuance in 2024 was the largest in history (due to taxable bonds)
- 38% of the total par amount is taxable (to stretch volume cap and to fund non-conforming loans)
- 69% of HFA single family bond issuances contained taxable bonds



## Taxable Municipal Bond Volume in 2024

- Housing Bonds comprised 38.5% of all taxable municipal bond issuance in 2024
- Expanding investor base (Foreign, GSEs, FHLBs, CRA Banks, ETFs)...[S/B]

Sector	Taxable Issuance 2024 (\$000)
Single Family Housing	10,007,020
General Obligation	3,926,530
Healthcare	2,163,598
Appropriation	1,989,440
Higher Education	1,752,895
Water and Sewer	1,019,980
Multi-Family Housing	1,012,875
Economic Development & Corporate Obligors	919,355
Student Loans	781,483
Public Power	734,380
Others	4,273,928
<b>Total</b>	<b>28,581,484</b>



- **Tariffs (Liberation Day)**
- **Volatility**
- **Economic Uncertainty (inflation vs growth)**
- **FOMC independence**
- **Privatization of FNMA/Freddie Mac**
- **Tax Reform (Munis and Private Activity Bonds)**
- **Shortage of Private Activity Cap**
- **Geopolitical Uncertainty**
- **Housing affordability (rates, home prices, insurance)**

- **Lobbying efforts**
- **Taxable Bonds**
  - Zeros (stored excess spread)
  - Indenture wealth (annuity)
  - Variable Rate Debt
  - New Investors (foreign, GSE, FHLB, CRA, ETFs)
- **COBs (Convertible Option Bonds)**
- **Downpayment Assistance (bonds, state funded)**
- **TBA (secondary market sales)**



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

BUDGET SESSION 2025



# Multifamily Market Update & Discussion

Mike Hemmens  
Citi Community Capital

May 19, 2025

# Citi Community Capital Affordable Housing Market Overview



## CAPITAL IMPACT

### LENDING VOLUME

\$7.0 Billion

### EQUITY INVESTED

\$222 Million



Balance Sheet | Acquisition

Construction | Permanent

LIHTC | NMTC | HTC

Portfolio Solutions

Investment Banking

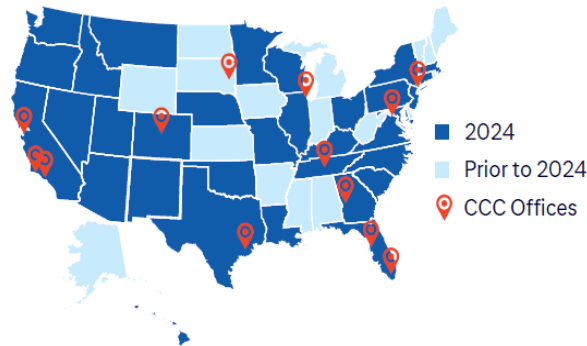
**Fast. Simple. Certain.**

*This is Citi Community Capital*

[citicommunitycapital.com](https://citicommunitycapital.com)

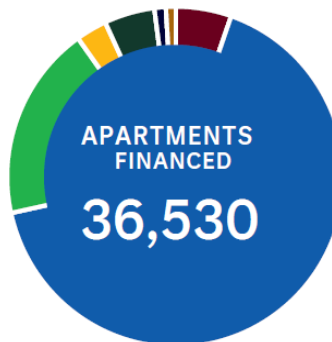
[askciticommunitycapital@citi.com](mailto:askciticommunitycapital@citi.com)

## WHERE PROJECTS CLOSED

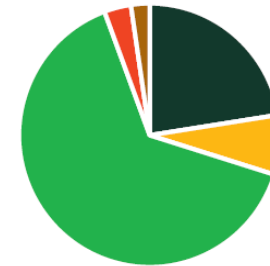


## DEBT PRODUCTION TYPES OF PROJECTS

- 156 New Construction
- 66 Rehabilitation
- 11 Acquisition & Permanent



- 24,204 Family Affordable (<80% AMI)
- 6,783 Seniors
- 1,084 RAD
- 1,767 Formerly Homeless
- 1,945 Mixed Income (80%+ AMI)
- 347 Veterans
- 400 Special Needs



- Permanent Loans
- Construction to Perm Loans
- Construction Loans
- Agency Loans
- Other Loans

CLIENTS  
SERVED

130



**33**  
States

**142**  
Cities

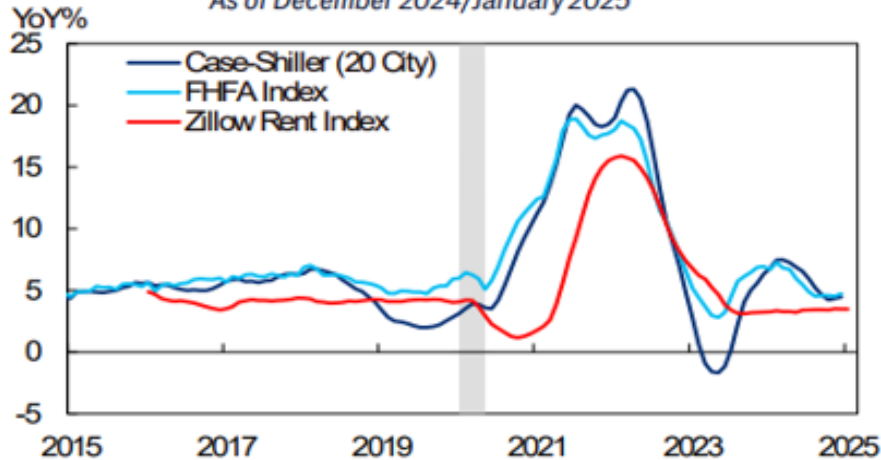
Source: Citi

# Citi Community Capital – Affordable Housing Underwriting

## The US Housing & Rental Market—Interpreting the Mixed Signals

**Housing & Rental Prices\***

As of December 2024/January 2025



**Housing Affordability\***

As of December 2024



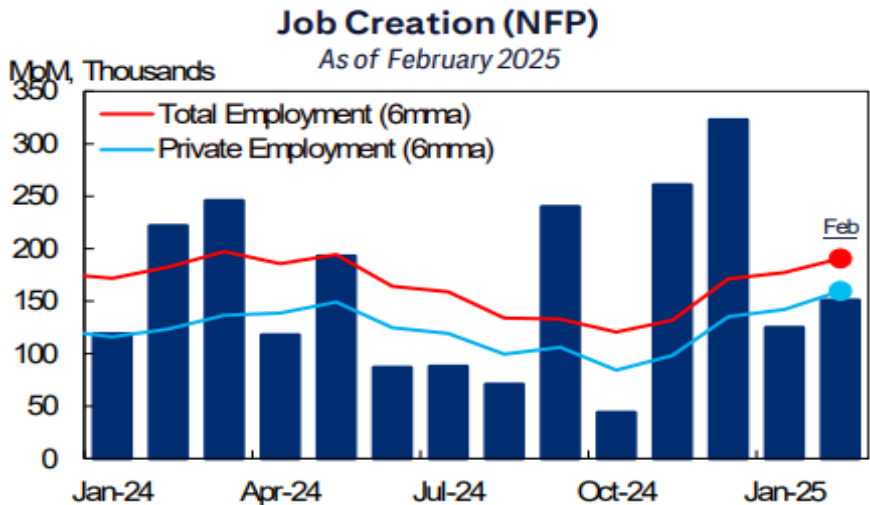
**Housing Starts & Permits\***

As of January 2025

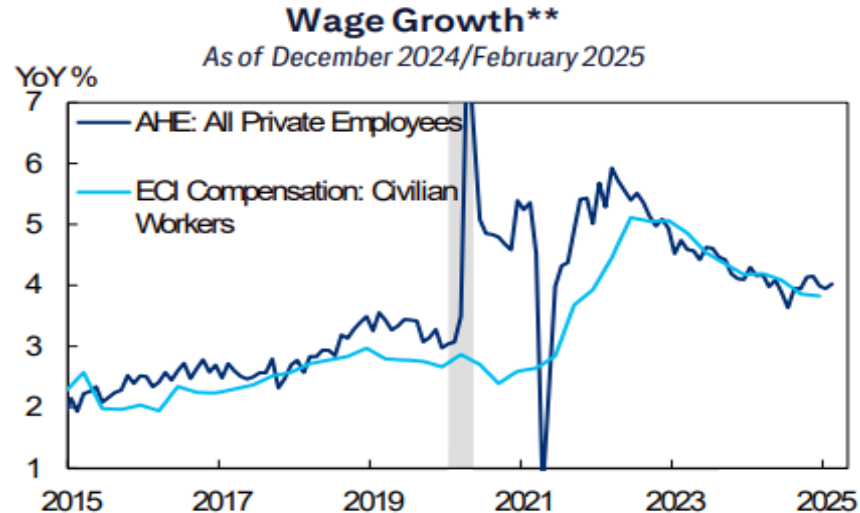
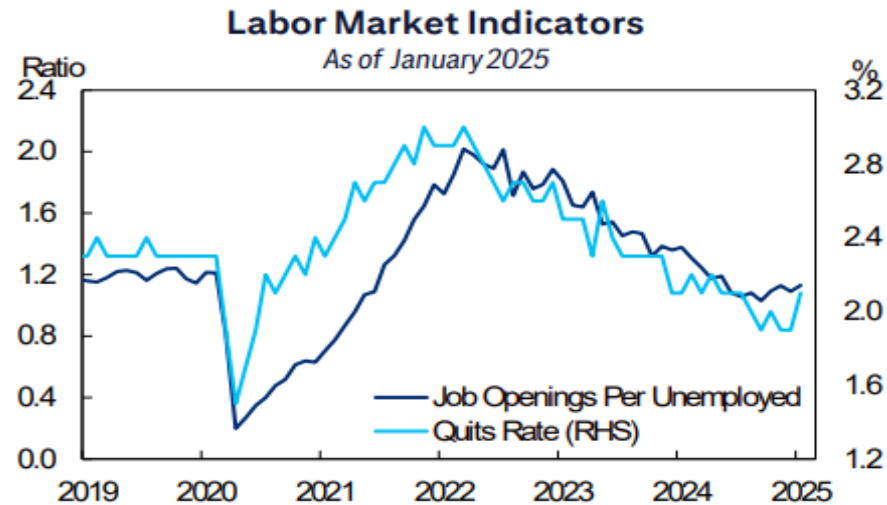
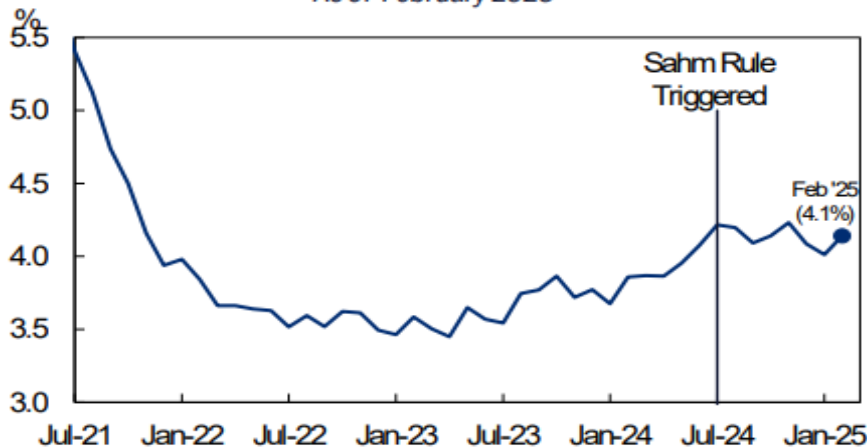


# Citi Community Capital – Affordable Housing Underwriting

US Labor Markets Look to Have Stabilized, but Risks Persist

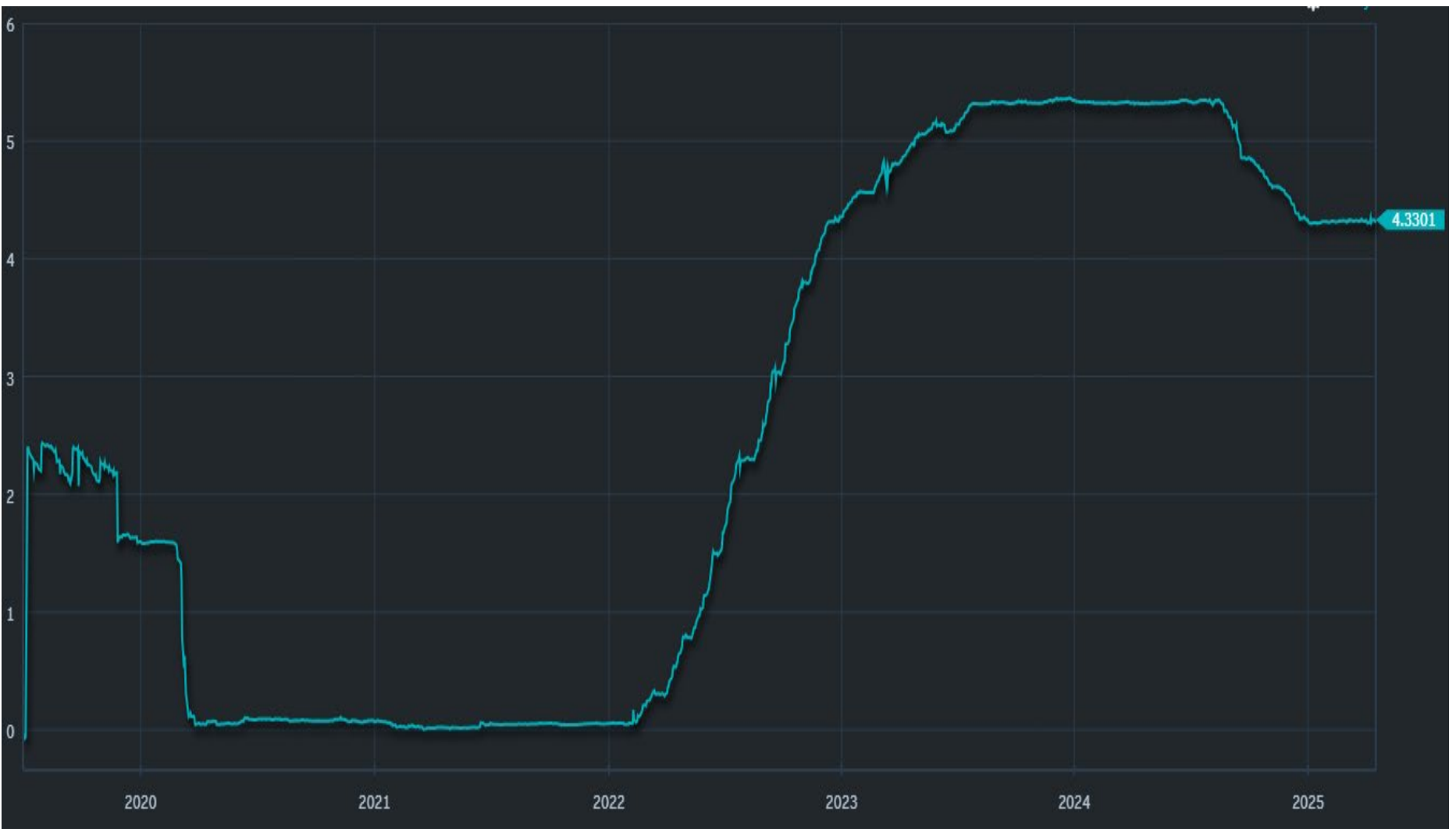


**US Unemployment Rate\***  
As of February 2025



# Citi Community Capital – Short Term Rates

Below is a chart showing the index used on construction loan rates:



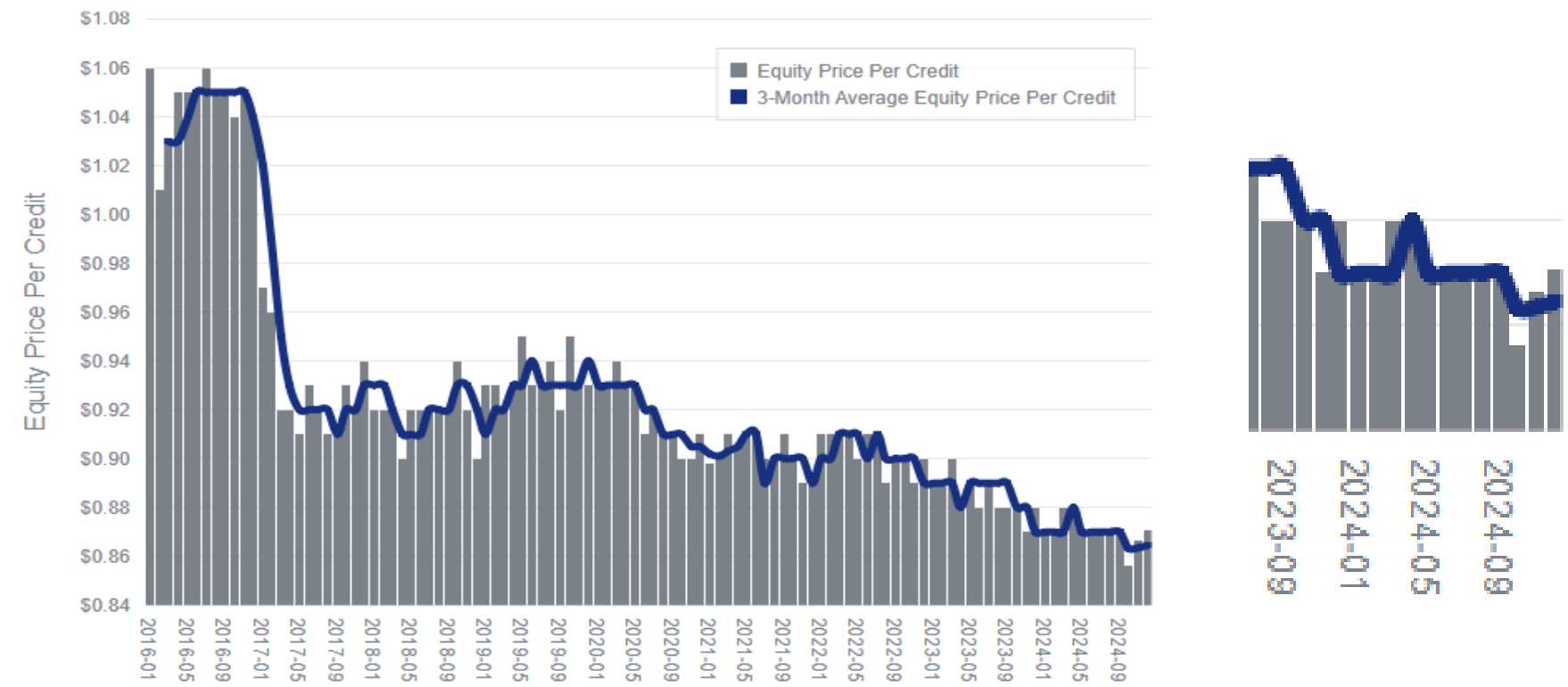
# Citi Community Capital – Long Term Rates

Below is a chart showing the index used on permanent loan rates:



# Citi Community Capital – LIHTC Equity

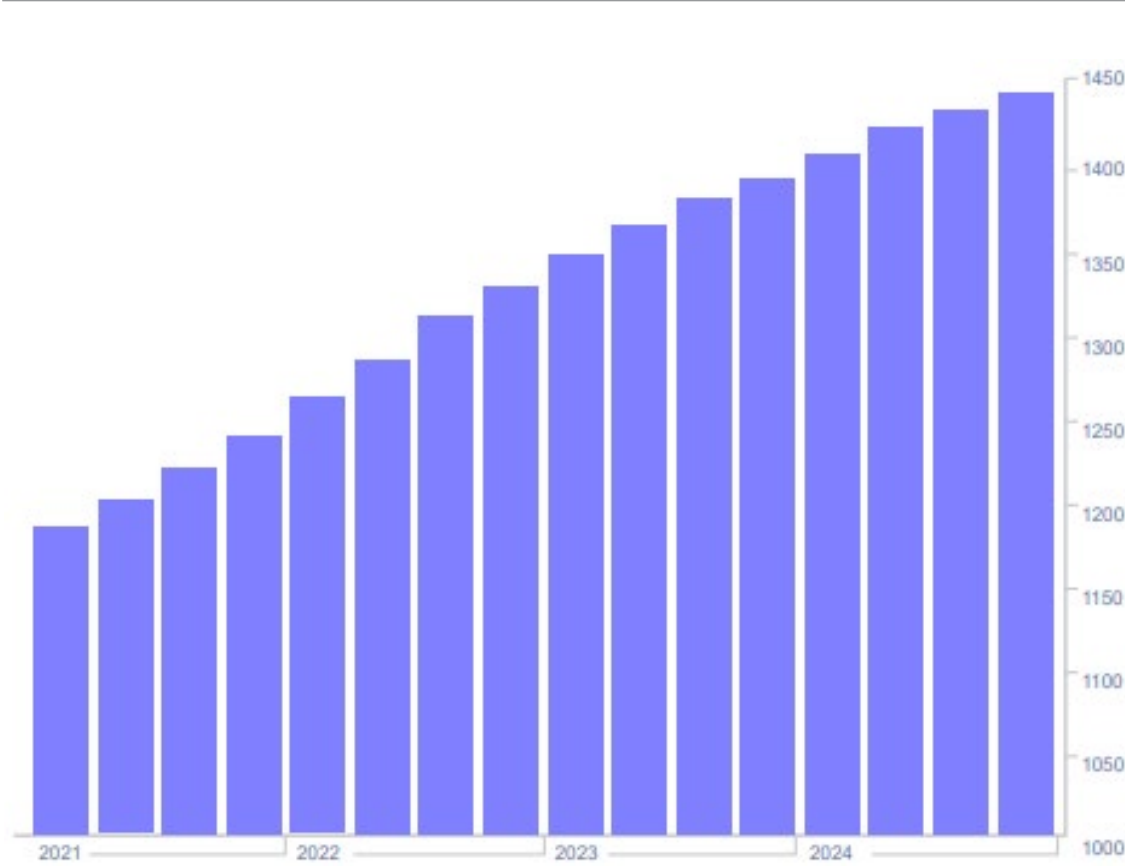
- LIHTC Equity Market:
  - Investor pool shrinking (partially driven by exit of several regional banks)
  - Banks are a major contributor to the investor pool
  - Needed expansion in investor pool



Disclaimer: This low-income housing tax credit equity pricing chart is presented for general information purposes only. Per credit equity pricing is based on syndicator Letter of Intent (LOI) pricing provided to Novogradac by market participants. The equity price reported for each month is the average equity price for LOI pricing data issued in that month. No adjustments to equity pricing are made for timing of capital contributions or other considerations. Data is rounded to the nearest cent.

# Citi Community Capital – Construction Costs

Construction costs have leveled out after experiencing significant increases:



- Multifamily apartment starts declined 44% year over year nationally.

Quarter	Index	Δ%
4th Quarter 2024	1442	0.70
3rd Quarter 2024	1432	0.77
2nd Quarter 2024	1421	0.92
1st Quarter 2024	1408	0.93

Year	Average Index	Δ%
2024	1426	3.9
2023	1373	6.0
2022	1295	8.0
2021	1199	1.9
2020	1177	1.8
2019	1156	5.5
2018	1096	5.6
2017	1038	5.0
2016	989	4.8
2015	943	4.5
2014	902	4.4
2013	864	4.1
2012	830	2.1

The Turner Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

# Citi Community Capital – Conclusions

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- Property operating expenses have experienced hyper inflation over the past three years, however, that appears to be settling
- Rent increases have helped mitigate the hyper inflated operating expenses but we believe that large rent increases will begin to normalize
- Costs have risen faster than we have seen historically but those are beginning to level out
- Interest rates appear to be stabilizing – short term rates have yet to come down
- Tax Credit Equity pricing has downward pressure
- COVID era tenant protection policies have started to ease but still prevalent in certain markets
- All of this to say it hasn't gotten easier



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# Fiscal Year 2026 Budget Review

July 1, 2025 – June 30, 2026

Lucas Loranger  
Senior Finance Director



- Business Objectives
- Allocated FTEs
- Revenue
- Expense
- Allocations
- Net result



## Four New High-Level Goals/Objectives:

### 1. Financial Stewardship Perspective:

- **Improve Funding and Financing Strategies:** Deploy resources effectively to ensure impact, cost efficiency, sustainable growth, and statewide investment.
- **Promote Agency Financial Health and Sustainability:** Focus on cost efficiency, budget management, revenue growth, transparency, risk management, resource allocation, compliance, and performance monitoring.

### 2. Engagement Perspective:

- **Drive Employee Engagement:** Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.
- **Promote Community Engagement:** Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.



## Four New High-Level Goals/Objectives:

### 3. Internal Process Perspective:

- **Enhance Business Process Efficiency:** Refine and streamline business processes to improve overall operational efficiency and effectiveness
- **Promote Sound Resource Stewardship:** Implement and uphold practices that ensure the responsible and sustainable use of resources, make informed funding decisions, and support the agency's mission, vision, and values.

### 4. Learning, Growth and Inclusion Perspective:

- **Cultivate Workforce Development and Culture:** Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusivity.
- **Promote Emerging Initiatives:** Identify, support, and promote innovative and emerging initiatives that align with our Mission, Vision, and Values.



- Large, complex process with lots of data
- Simultaneous bottom-up and top-down process
- Significant revenue and expense items projected with high level of certainty
  - ✓ Use significant amount of existing data
  - ✓ Apply known factors



- Division staff create business objectives for programs
- Project new production for the year
  - ✓ Homeownership Home Advantage loans
  - ✓ Conduit bond issuances (multifamily, nonprofit and specialty program)
  - ✓ Compliance fees on projects placed-in-service
- Project division specific expenditures



- Review/update assumptions
- Salaries, taxes and benefits
- Per capita items
- Other fixed and known costs





- **Revenue**

- ✓ Estimate about 90% MF, Comp revenue is known
- ✓ SF majority of revenue from servicing income

- **Expense**

- ✓ 70% people and related costs
- ✓ Overall, about 80% expenses fairly certain

# Revenue Sources

BUDGET SESSION 2025



	<u>HO</u>	<u>MHCF</u>	<u>AMC</u>	<u>Finance</u>	<u>Admin</u>	<u>Total</u>
Issuance & app fees	3,510,071	5,903,806	-	-	-	9,413,877
Comm (ongoing) fees	-	13,236,213	-	-	-	13,236,213
Citi (ongoing) revenue	-	337,096	-	337,096	-	674,192
Comp (ongoing) fees	-	-	4,443,915	-	-	4,443,915
Servicing (ongoing) fees	13,482,963	-	-	-	-	13,482,963
Interest	-	-	-	11,920,539	-	11,920,539
Other	156,000	-	169,000	4,000	34,944	363,944
<b>Total</b>	<b>17,149,034</b>	<b>19,477,115</b>	<b>4,612,915</b>	<b>12,261,635</b>	<b>31,200</b>	<b>53,535,643</b>

# Revenue Comparison (in millions)

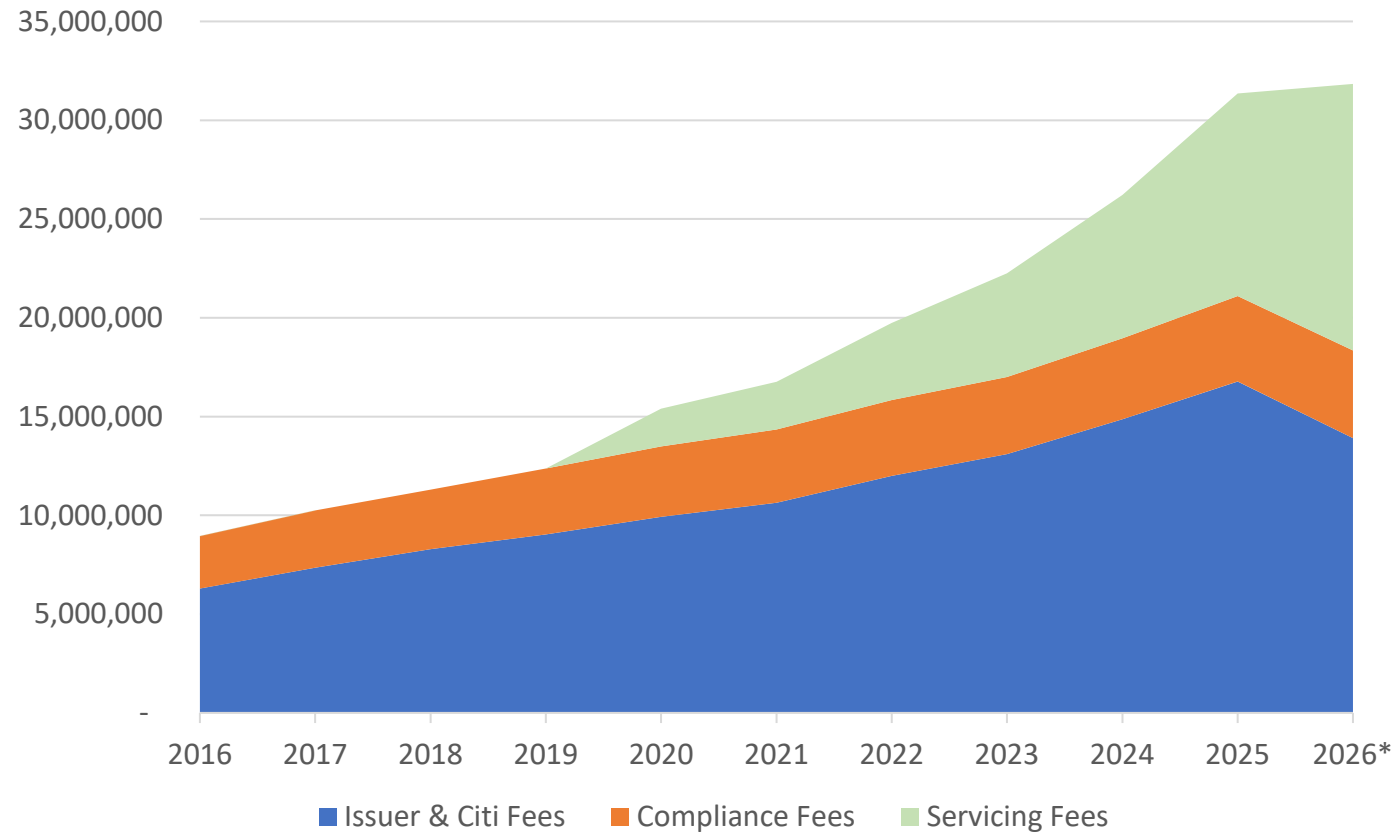
BUDGET SESSION 2025



	<b>FY 2026 Budget</b>	<b>FY2025 Projected</b>	<b>% Change</b>	<b>% Change FY2024 Actual</b>
<b>Ongoing Fees (Comm, Comp, Servicing, Citi)</b>	\$31.84	\$31.35	2%	21%
<b>Issuance &amp; App Fees</b>	9.41	12.59	-25%	-21%
<b>Interest</b>	11.92	15.58	-23%	-25%
<b>Other</b>	0.36	0.27	33%	-62%
<b>Total Revenue</b>	\$53.54	\$59.79	-10%	-2%



## Ongoing Revenues



\*FY 2026 amounts are budgeted

- Ongoing revenues have grown 250% since 2016
- Largest driver in increase is servicing fees on Home Advantage loans
- Decrease to Issuer & Citi Fees in FY 2026 due to expiring provision in past Citi Securitizations



Division/Entity	Fiscal Year 2025 Budget	Fiscal Year 2026 Budget
Homeownership	19.30	19.30
MHCF	19.80	22.30
Asset Mgmt Compliance	16.30	16.30
Finance	12.82	12.80
Administration	15.43	16.53
IT Services	6.91	6.91
<b>WSHFC</b>	<b>90.56</b>	<b>94.14</b>
<b>WHEFA</b>	<b>2.44</b>	<b>0.86</b>
<b>Total</b>	<b>93.00</b>	<b>95.00</b>

# Expense Comparison

BUDGET SESSION 2025



	<b>FY 2026 Budget</b>	<b>FY 2025 Projected</b>	<b>% Change</b>	<b>% Change FY 2024 Actual</b>
<b>People &amp; travel</b>	17.20	13.44	28%	59%
<b>Professional fees</b>	1.49	1.36	10%	15%
<b>Office expense</b>	5.38	4.26	26%	26%
<b>Total Expense</b>	<b>\$24.07</b>	<b>\$19.06</b>	<b>26%</b>	<b>47%</b>

# Why the Variance?



- 2 new FTEs to support future initiatives
- Scheduled pay increases for staff
- Difficulty recruiting new staff
- IT initiatives
- New office space
- Reboot of Annual Report

# Net Revenue Comparison

BUDGET SESSION 2025



	FY 2026 Budget	FY 2025 Projected	% Change	% Change FY 2024 Actual
Net revenue	\$29.46	\$40.73	-28%	-23%





WASHINGTON STATE  
**HOUSING FINANCE  
COMMISSION**

Nicole Bascomb-Green  
*Chair*

Steve Walker  
*Executive Director*

## memorandum

To: Commissioners

From: Lucas Loranger & Shirleen Noonan

CC: Executive Management Team

Date: May 15, 2025

Re: Budget proposal for the fiscal year July 1, 2025 – June 30, 2026

### **BACKGROUND**

Each year, management of the Washington State Housing Finance Commission presents a draft budget for the upcoming fiscal year during the Commission's May Planning Session. The proposed budget outlines the various program's purpose, business objectives, and supplemental information to support their proposal. The Commissioners have traditionally provided feedback to staff at the Planning Session and then approved the budget, with any revisions, at its June meeting.

The draft budget packet for the upcoming fiscal year July 1, 2025 through June 30, 2026 (FY26) is attached. The document outlines the various program's purpose, business objectives, projected income and expense, as well as supplemental information supporting each program. We will seek your feedback on the FY26 budget during the Planning Session.

Here are some highlights of program production, revenue, and expense projections for FY26:

- Production in the Home Advantage, taxable single-family mortgage program, improved significantly in the current fiscal year despite challenging market conditions and high home prices. Last fiscal year, we budgeted loan production at 4,000 loans and are on pace to exceed that target with approximately 4,300 new loans. For FY26, we expect production to stay at about this level or decrease slightly, as we will be reducing our

subsidy to the program from 75% of DPA amounts to 50%, which may cause interest rates to rise. For FY26, we have budgeted Home Advantage loan production again at 4,000 new loans, which represents a 7% lower volume than actual projected FY25 results and the same volume as budgeted in FY25. Revenue is budgeted to reflect the margin currently received on loans pooled adjusted for the subsidy from PRI, as well as the impact of the servicing revenue model on our loans serviced by Idaho where we receive less up front but are paid a portion of the servicing revenue over time. The program is budgeted to provide \$16.9 million of the budgeted revenue for FY26, an increase of 21.5% from FY25 projected actuals.

- With interest rates continuing to remain elevated compared to recent levels, and modest rate decreases expected over the coming year, the Commission expects interest earnings on funds held in reserve to continue to be a significant component of agency revenues. Interest revenue for FY26 is budgeted to be \$11.9 million, a 23.5% decrease from FY25 projected revenues, but representing 22.3% of budgeted revenues for FY26.
- For the next year, the Commission expects financings by the Multifamily Housing and Community Facilities Division totaling \$490.3 million. Estimated fees directly related to the Multifamily Housing and Community Facilities Division represent \$19.5 million of the budgeted revenue for FY26. This includes issuance fees of 25 basis points (bps) of the bond amount earned at closing, the annual fees currently ranging from 10 to 25 bps of the outstanding bond amount, and tax credit application and reservation fees.
- Revenues (excluding pass-through grants) for FY26 are budgeted 7% more than the prior year's budget. The increase is primarily due to the growth of our servicing portfolio with Idaho Housing and increased levels of bonds outstanding.
- Expenses (excluding pass-through grants) for FY26 are budgeted 5% greater than the prior year's budget. The increase is primarily due to the addition of 2.0 FTEs, coupled with scheduled pay and cost of living increases effective July 1, 2025. This is partially offset by decreases in some categories like advertising, equipment, and contract services. In addition, we are budgeting for increased software and IT services as we continue to modernize and adapt to a technologically driven world.
- The increase in revenue, coupled with the increase in expenses, results in a budgeted \$29.5 million net income, an 8.7% increase from FY25 budgeted net income.

## **PROPOSED ACTION**

Consider and provide feedback to staff on the proposed fiscal year 2024 - 2025 budget.

# WASHINGTON STATE HOUSING FINANCE COMMISSION

## Budget for Fiscal Year Ending June 30, 2026

	HOMEOWNERSHIP			MULTIFAMILY HOUSING & COMMUNITY FACILITIES*	ASSET MANAGEMENT AND COMPLIANCE	FINANCE			INFORMATION TECHNOLOGY SERVICES	EXECUTIVE OFFICE			TOTAL BUDGET
	Home- ownership	Homebuyer Education	TOTAL			Bond Portfolio Management	General Operations	TOTAL		Administration	Comm.	TOTAL	
<b>REVENUE</b>													
Fee Revenue	16,993,034	-	16,993,034	10,605,024	8,337,717	5,315,385	-	5,315,385	-	-	-	-	41,251,160
Interest Revenue	-	-	-	-	-	-	11,920,539	11,920,539	-	-	-	-	11,920,539
Misc. Revenue	-	156,000	156,000	-	169,000	-	4,000	4,000	-	34,944	-	34,944	363,944
Pass through Grants	-	7,613,008	7,613,008	-	-	-	-	-	-	-	-	-	7,613,008
<b>TOTAL REVENUE</b>	<b>16,993,034</b>	<b>7,769,008</b>	<b>24,762,042</b>	<b>10,605,024</b>	<b>8,506,717</b>	<b>5,315,385</b>	<b>11,924,539</b>	<b>17,239,924</b>	<b>-</b>	<b>34,944</b>	<b>-</b>	<b>34,944</b>	<b>61,148,651</b>
<b>EXPENSES</b>													
Salaries & Wages	3,227,658	510,896	3,738,554	3,823,373	2,939,901	719,468	1,350,422	2,069,890	1,236,441	2,971,699	21,475	2,993,174	16,801,333
Travel	59,663	10,421	70,084	71,104	57,218	13,410	28,560	41,970	18,087	66,694	70,290	136,984	395,447
Professional Fees	395,200	20,000	415,200	290,000	140,000	207,280	254,000	461,280	-	185,000	-	185,000	1,491,480
Office Exp. & Other	499,319	79,252	578,571	366,856	1,340,829	147,602	171,811	319,413	1,303,533	1,448,857	25,850	1,474,707	5,383,909
Pass through Grants	-	7,613,008	7,613,008	-	-	-	-	-	-	-	-	-	7,613,008
<b>TOTAL EXPENSES</b>	<b>4,181,840</b>	<b>8,233,577</b>	<b>12,415,417</b>	<b>4,551,333</b>	<b>4,477,948</b>	<b>1,087,760</b>	<b>1,804,793</b>	<b>2,892,553</b>	<b>2,558,061</b>	<b>4,672,250</b>	<b>117,615</b>	<b>4,789,865</b>	<b>31,685,177</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>12,811,194</b>	<b>(464,569)</b>	<b>12,346,625</b>	<b>6,053,691</b>	<b>4,028,769</b>	<b>4,227,625</b>	<b>10,119,746</b>	<b>14,347,371</b>	<b>(2,558,061)</b>	<b>(4,637,306)</b>	<b>(117,615)</b>	<b>(4,754,921)</b>	<b>29,463,474</b>
<b>Overhead Allocations</b>	<b>786,721</b>	<b>116,746</b>	<b>903,467</b>	<b>856,232</b>	<b>842,427</b>	<b>204,638</b>	<b>(10,119,746)</b>	<b>(9,915,108)</b>	<b>2,558,061</b>	<b>4,637,306</b>	<b>117,615</b>	<b>4,754,921</b>	<b>-</b>
<b>Program Allocations</b>	<b>221,613</b>	<b>44,323</b>	<b>265,936</b>	<b>4,166,327</b>	<b>-</b>	<b>(4,432,263)</b>	<b>-</b>	<b>(4,432,263)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOME</b>	<b>13,819,528</b>	<b>(303,500)</b>	<b>13,516,028</b>	<b>11,076,250</b>	<b>4,871,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,463,474</b>

**CAPITAL EXPENDITURES 45,000**

### FYE 2025 Budgeted Revenue & Expenses for Comparative Purposes

<b>REVENUE</b>													
Fee Revenue	10,511,163	-	10,511,163	10,767,262	7,910,117	5,809,375	-	5,809,375	-	-	-	-	34,997,917
Interest Revenue	-	-	-	-	-	-	14,146,529	14,146,529	-	-	-	-	14,146,529
Misc. Revenue	-	709,036	709,036	-	152,000	-	4,000	4,000	-	31,200	-	31,200	896,236
Pass through Grants	-	60,952,641	60,952,641	-	-	-	-	-	-	-	-	-	60,952,641
<b>TOTAL REVENUE</b>	<b>10,511,163</b>	<b>61,661,677</b>	<b>72,172,840</b>	<b>10,767,262</b>	<b>8,062,117</b>	<b>5,809,375</b>	<b>14,150,529</b>	<b>19,959,904</b>	<b>-</b>	<b>31,200</b>	<b>-</b>	<b>31,200</b>	<b>110,993,323</b>
<b>EXPENSES</b>													
Salaries & Wages	3,027,457	484,745	3,512,202	3,335,921	2,841,499	759,212	1,226,151	1,985,363	1,166,123	2,540,475	21,476	2,561,951	15,403,059
Travel	59,663	10,421	70,084	66,471	65,218	14,025	25,579	39,604	38,526	60,132	70,290	130,422	410,325
Professional Fees	358,000	50,000	408,000	220,000	250,000	207,280	254,000	461,280	-	185,000	-	185,000	1,524,280
Office Exp. & Other	563,672	197,444	761,116	682,400	1,220,933	149,382	159,693	309,075	969,908	1,624,354	25,850	1,650,204	5,593,636
Pass through Grants	-	60,952,641	60,952,641	-	-	-	-	-	-	-	-	-	60,952,641
<b>TOTAL EXPENSES</b>	<b>4,008,792</b>	<b>61,695,251</b>	<b>65,704,043</b>	<b>4,304,792</b>	<b>4,377,650</b>	<b>1,129,899</b>	<b>1,665,423</b>	<b>2,795,322</b>	<b>2,174,557</b>	<b>4,409,961</b>	<b>117,616</b>	<b>4,527,577</b>	<b>83,883,941</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>6,502,371</b>	<b>(33,574)</b>	<b>6,468,797</b>	<b>6,462,470</b>	<b>3,684,467</b>	<b>4,679,476</b>	<b>12,485,106</b>	<b>17,164,582</b>	<b>(2,174,557)</b>	<b>(4,378,761)</b>	<b>(117,616)</b>	<b>(4,496,377)</b>	<b>27,109,382</b>
<b>Overhead Allocations</b>	<b>1,600,399</b>	<b>296,467</b>	<b>1,896,866</b>	<b>1,718,569</b>	<b>1,747,656</b>	<b>451,081</b>	<b>(12,485,106)</b>	<b>(12,034,025)</b>	<b>2,174,557</b>	<b>4,378,761</b>	<b>117,616</b>	<b>4,496,377</b>	<b>-</b>
<b>Program Allocations</b>	<b>307,833</b>	<b>51,306</b>	<b>359,139</b>	<b>4,771,418</b>	<b>-</b>	<b>(5,130,557)</b>	<b>-</b>	<b>(5,130,557)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOME</b>	<b>8,410,603</b>	<b>314,199</b>	<b>8,724,802</b>	<b>12,952,457</b>	<b>5,432,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,109,382</b>

**CAPITAL EXPENDITURES 110,000**

\* Programs Non-Profit Housing (NPH), Non-Profit Facilities (NPF), Beginning Farmer (BFL), Sustainable Energy (SEP), and Tax Credits (TCR) are included in Multifamily Housing & Community Facilities

WSHFC		FYE 2026 -- BUDGET Roll-up by Division															
		HOMEOWNERSHIP				MULTIFAMILY HOUSING & COMMUNITY FACILITIES				ASSET MANAGEMENT & COMPLIANCE				FINANCE			
		Budget FYE 2026	Budget FYE 2025	Projected Act FYE 2025	Actual FYE 2024	Budget FYE 2026	Budget FYE 2025	Projected Act FYE 2025	Actual FYE 2024	Budget FYE 2026	Budget FYE 2025	Projected Act FYE 2025	Actual FYE 2024	Budget FYE 2026	Budget FYE 2025	Projected Act FYE 2025	Actual FYE 2024
Revenues:																	
Commission Fees		-		-	-	4,364,122	5,392,061	4,088,138	3,974,279	3,893,802	3,590,672	3,968,442	3,828,626	4,978,289	4,322,159	4,699,183	4,395,467
Compliance Fees		-		-	-	-	-	-	-	4,443,915	4,319,445	4,040,568	3,901,717	-	-	-	-
All other Program Fees		13,482,963	9,346,608	10,246,805	7,251,565	337,096	-	2,005,898	1,336,476	-	-	287,040	188,010	337,096	1,487,216	2,009,683	1,336,200
Issuance & Application Fees		3,510,071	1,164,555	4,539,121	3,189,669	5,903,806	5,375,202	8,046,163	8,660,284	-	-	-	-	-	-	-	-
Interest Revenue		-	-	-	-	-	-	-	-	-	-	-	-	11,920,539	14,146,529	15,578,167	15,872,536
Other Income		156,000	709,036	51,170	770,172	-	-	-	-	169,000	152,000	179,557	138,891	4,000	4,000	7,825	4,802
Grant Revenue		7,613,008	60,952,641	60,496,239	72,208,081	-	-	-	76,157	-	-	-	-	-	-	-	-
Total Unadjusted Revenues		24,762,042	72,172,840	75,333,335	83,419,487	10,605,024	10,767,263	14,140,198	14,047,196	8,506,717	8,062,117	8,475,608	8,057,244	17,239,924	19,959,904	22,294,858	21,609,004
Expenses:																	
EMPLOYEE EXPENSES																	
Salaries, Wages & Temp. staffing		2,934,129	2,735,370	2,413,697	2,170,923	2,962,042	2,583,134	2,366,712	2,046,010	2,289,459	2,210,023	1,743,156	1,754,994	1,592,207	1,522,435	1,239,503	1,180,036
Employee Benefits		768,675	733,582	665,494	620,053	821,231	716,087	691,660	595,862	620,542	601,576	500,978	492,274	453,933	439,478	372,408	362,124
Conference, Education & Training		35,750	43,250	10,234	18,322	40,100	36,700	14,372	19,896	29,900	29,900	19,303	22,923	23,750	23,450	10,699	5,773
TRAVEL EXPENSES																	
Travel out of state		48,750	48,750	10,585	15,905	45,000	42,500	16,052	31,594	38,750	38,750	19,860	21,413	25,000	22,500	3,330	16,607
Travel in state		21,334	21,334	25,755	8,871	26,104	23,971	21,478	13,101	18,468	26,468	30,952	20,164	16,970	17,104	7,589	1,866
PROFESSIONAL FEES																	
Accounting Fees		-	-	-	-	-	-	-	-	-	-	-	-	142,080	142,080	115,383	120,782
Legal Fees		170,000	200,000	210,813	108,192	215,000	165,000	142,219	206,688	140,000	250,000	140,214	199,985	1,000	1,000	-	7,578
Financial Advisor Fees		245,200	208,000	235,200	121,594	75,000	55,000	-	-	-	-	-	-	100,200	100,200	148,599	108,400
Investment Management Fees		-	-	-	-	-	-	-	-	-	-	-	-	218,000	218,000	202,351	227,132
OFFICE EXPENSE																	
Office Rent/Conf. Room Rentals		124,940	127,116	88,036	72,503	143,786	130,412	90,591	86,820	108,099	117,359	70,002	106,913	82,531	84,438	58,289	59,815
Furniture & Equipment Rental		-	-	-	-	-	-	-	-	-	7,800	-	7,721	-	-	-	-
Advertising		50,500	131,000	16,472	12,080	15,000	36,500	1,667	15,690	2,500	7,000	978	3,016	1,900	1,900	-	-
Publications/ Subscriptions/ Dues		12,389	11,900	1,838	1,109	39,000	37,000	31,088	17,233	8,100	8,000	5,598	6,650	2,368	2,368	300	2,892
Deliveries		100	500	116	67	1,000	950	892	702	-	-	-	263	100	100	-	20
Insurance		12,000	-	8,937	-	-	-	-	-	-	-	-	-	-	-	-	-
Meeting Expense		1,500	5,000	527	823	10,000	10,500	545	954	3,000	3,500	2,242	4,204	751	751	-	-
Equipment & Building Maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software Maint. Support & Other Info		230,754	259,647	204,857	198,115	126,815	145,758	108,891	89,268	345,635	206,979	334,375	270,695	202,742	190,495	181,638	168,715
Non-capitalized Equipment/Supplies		931	2,896	500	1,017	3,345	2,971	581	314	2,445	2,445	363	7,865	1,921	1,923	-	821
Postage		100	600	13	87	250	150	267	154	50	250	40	40	430	430	165	236
Printing		50	1,000	162	66	-	150	-	99	1,000	5,000	4,224	6,633	320	320	44	33
State Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies		2,000	2,500	2,139	1,039	150	1,500	179	839	2,000	5,000	1,472	2,163	1,350	1,350	632	713
Telephone		2,950	5,000	2,923	2,516	8,000	-	7,095	6,208	3,000	6,600	4,110	3,771	-	-	-	363
Other Office Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Services		109,400	183,000	121,431	321,380	-	249,000	35,705	122,997	865,000	851,000	543,144	581,376	10,000	10,000	29,837	5,458
Depreciation		30,957	30,957	30,957	20,638	19,510	67,509	77,006	98,250	-	-	-	-	15,000	15,000	-	-
Grant Pass-Through		7,613,008	60,952,641	60,496,239	72,208,081	-	-	-	76,157	-	-	-	-	-	-	-	-
Total Expenses		12,415,417	65,704,043	64,546,924	75,903,382	4,551,333	4,304,793	3,607,001	3,428,834	4,477,948	4,377,650	3,421,010	3,513,062	2,892,553	2,795,322	2,370,767	2,269,362
Revenue over expense, prior to allocations		12,346,625	6,468,797	10,786,411	7,516,105	6,053,691	6,462,470	10,533,198	10,618,362	4,028,769	3,684,467	5,054,598	4,544,182	14,347,371	17,164,582	19,924,091	19,339,642
% of Total Expenses		20.0%	20.7%	21.3%	22.5%	18.9%	18.8%	18.9%	20.4%	18.6%	19.1%	18.0%	21.4%	12.0%	12.2%	12.4%	13.8%
NET INCOME		12,346,625	6,468,797	10,786,411	7,516,105	6,053,691	6,462,470	10,533,198	10,618,362	4,028,769	3,684,467	5,054,598	4,544,182	14,347,371	17,164,582	19,924,091	19,339,642
OVERHEAD ALLOCATION		903,467	1,896,866	3,849,403	3,134,858	856,232	1,718,569	3,118,268	2,990,717	842,427	1,747,656	2,781,158	2,640,294	(9,915,108)	(12,034,025)	(15,319,314)	(12,306,972)
PROGRAM ALLOCATION																	
BOND PORTFOLIO MANAGEMENT		265,936	359,139	368,382	421,960	4,166,327	4,771,418	4,236,395	6,610,709	-	-	-	-	(4,432,263)	(5,130,557)	(4,604,777)	(7,032,670)
BOND COMPLIANCE																	
TAX CREDIT COMPLIANCE																	
NET INCOME		13,516,028	8,724,802	15,004,196	11,072,923	11,076,250	12,952,457	17,887,860	20,219,789	4,871,196	5,432,123	7,835,756	7,184,476	-	-	-	-
OVERHEAD ALLOCATION PERCENTAGE		32%	35%	35%	33%	31%	28%	28%	31%	30%	25%	25%	28%	7%	11%	11%	8%
PROGRAM ALLOCATION PERCENTAGE																	
BOND PORTFOLIO MANAGEMENT (Based on		6%	8%	8%	6%	94%	92%	92%	94%	0%	0%	0%	0%	0%	0%	0%	0%

WSHFC													
		INFORMATION TECHNOLOGY SERVICES				EXECUTIVE ADMINISTRATION				FYE 2026 TOTAL BUDGET	FYE 2025 TOTAL Budget	@ 03/31/25 FYE 2025 Proj Actl	Actual FYE 2024
		Budget FYE 2026	Budget FYE 2025	Projected Act FYE 2025	Actual FYE 2024	Budget FYE 2026	Budget FYE 2025	Projected Act FYE 2025	Actual FYE 2024				
<b>Revenues:</b>													
Commission Fees		-	-	-	-	-	-	-	-	13,236,213	11,817,675	12,755,763	12,198,372
Compliance Fees		-	-	-	-	-	-	-	-	4,443,915	4,319,445	4,040,568	3,901,717
All other Program Fees		-	-	-	-	-	-	-	-	14,157,155	12,321,040	14,549,425	10,112,251
Issuance & Application Fees		-	-	-	-	-	-	-	-	9,413,877	6,539,757	12,585,284	11,849,953
Interest Revenue		-	-	-	-	-	-	-	-	11,920,539	14,146,529	15,578,167	15,872,536
Other Income		-	-	-	-	34,944	31,200	31,200	31,200	363,945	896,236	269,753	945,064
Grant Revenue		-	-	-	-	-	-	-	-	7,613,008	60,952,641	60,496,239	72,284,238
<b>Total Unadjusted Revenues</b>		-	-	-	-	<b>34,944</b>	<b>31,200</b>	<b>31,200</b>	<b>31,200</b>	<b>61,148,651</b>	<b>110,993,324</b>	<b>120,275,199</b>	<b>127,164,131</b>
<b>Expenses:</b>													
<b>EMPLOYEE EXPENSES</b>													
Salaries, Wages & Temp. staffing		948,213	875,915	518,053	419,581	2,292,549	1,940,492	1,952,269	1,567,039	13,018,599	11,867,369	10,233,390	9,138,582
Employee Benefits		259,228	246,310	120,193	105,855	641,663	565,357	535,674	(808,129)	3,565,272	3,302,390	2,886,407	1,368,038
Conference, Education & Training		29,000	43,898	19,002	20,150	58,962	56,102	26,536	19,747	217,462	233,300	100,146	106,811
<b>TRAVEL EXPENSES</b>													
Travel out of state		7,000	27,192	20,749	12,558	78,773	74,558	30,786	38,053	243,273	254,250	101,363	136,130
Travel in state		11,087	11,334	1,236	1,673	58,211	55,864	30,104	30,343	152,174	156,075	117,115	76,019
<b>PROFESSIONAL FEES</b>													
Accounting Fees		-	-	-	-	-	-	-	-	142,080	142,080	115,383	120,782
Legal Fees		-	-	-	-	185,000	185,000	160,354	197,172	711,000	801,000	653,600	719,614
Financial Advisor Fees		-	-	-	-	-	-	-	-	420,400	363,200	383,799	229,994
Investment Management Fees		-	-	-	-	-	-	-	-	218,000	218,000	202,351	227,132
<b>OFFICE EXPENSE</b>													
Office Rent/Conf. Room Rentals		44,554	45,512	26,903	48,836	111,263	106,310	174,568	180,766	615,173	611,147	508,389	555,652
Furniture & Equipment Rental		-	-	611	-	25,876	19,276	11,503	14,061	25,876	27,076	12,113	21,783
Advertising		-	-	-	-	143,735	143,735	72,173	69,208	213,635	320,135	91,290	99,994
Publications/ Subscriptions/ Dues		8,316	1,800	4,568	4,714	70,995	70,992	62,379	64,180	141,168	132,060	105,770	96,778
Deliveries		-	-	-	-	3,570	3,570	503	372	4,770	5,120	1,511	1,424
Insurance		-	-	-	-	66,150	66,150	67,960	63,075	78,150	66,150	76,897	63,075
Meeting Expense		-	-	797	-	142,000	142,000	149,297	29,961	157,251	161,751	153,408	35,941
Equipment & Building Maintenance		-	-	-	-	56,220	107,020	55,575	36,691	56,220	107,020	55,575	36,691
Software Maint. Support & Other Info		1,066,465	724,421	619,767	635,101	337,449	320,557	153,207	147,779	2,309,860	1,847,857	1,602,735	1,509,672
Non-capitalized Equipment/Supplies		58,037	70,537	151,629	53,979	13,480	163,315	33,688	12,348	80,159	244,087	186,760	76,344
Postage		-	-	-	-	3,750	3,750	216	322	4,580	5,180	701	840
Printing		-	-	-	66	8,000	7,500	5,117	1,107	9,370	13,970	9,547	8,005
State Services		-	-	-	-	6,970	6,970	3,691	2,487	6,970	6,970	3,691	2,487
Supplies		2,000	2,000	9,029	3,771	35,750	35,750	55,550	17,539	43,250	48,100	69,000	26,064
Telephone		63,720	42,660	58,286	12,386	3,136	3,136	19,411	50,865	80,806	57,396	91,826	76,109
Other Office Expenses		-	-	-	-	-	-	-	-	-	-	-	-
Contract Services		30,000	35,000	9,833	1,880	376,316	397,316	369,666	477,995	1,390,716	1,725,316	1,109,616	1,511,085
Depreciation		30,441	47,978	40,939	31,494	70,047	52,857	29,864	7,279	165,955	214,301	178,766	157,661
Grant Pass-Through		-	-	-	-	-	-	-	-	7,613,008	60,952,641	60,496,239	72,284,238
<b>Total Expenses</b>		<b>2,558,061</b>	<b>2,174,557</b>	<b>1,601,595</b>	<b>1,352,045</b>	<b>4,789,865</b>	<b>4,527,577</b>	<b>4,000,091</b>	<b>2,220,259</b>	<b>31,685,177</b>	<b>83,883,942</b>	<b>79,547,386</b>	<b>88,686,943</b>
<b>Revenue over expense, prior to allocations</b>		<b>(2,558,061)</b>	<b>(2,174,557)</b>	<b>(1,601,595)</b>	<b>(1,352,045)</b>	<b>(4,754,921)</b>	<b>(4,496,377)</b>	<b>(3,968,891)</b>	<b>(2,189,059)</b>	<b>29,463,474</b>	<b>27,109,382</b>	<b>40,727,812</b>	<b>38,477,188</b>
<b>% of Total Expenses</b>		10.6%	9.5%	8.4%	8.2%	19.9%	19.7%	21.0%	13.5%	100%	100%	100%	100%
<b>NET INCOME</b>		(2,558,061)	(2,174,557)	(1,601,595)	(1,352,045)	(4,754,921)	(4,496,377)	(3,968,891)	(2,189,059)	29,463,474	27,109,382	40,727,812	38,477,188
<b>OVERHEAD ALLOCATION</b>		2,558,061	2,174,557	1,601,595	1,352,045	4,754,921	4,496,377	3,968,891	2,189,059	-	-	-	-
<b>PROGRAM ALLOCATION</b>													
BOND PORTFOLIO MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-
BOND COMPLIANCE		-	-	-	-	-	-	-	-	-	-	-	-
TAX CREDIT COMPLIANCE		-	-	-	-	-	-	-	-	-	-	-	-
<b>NET INCOME</b>		-	-	-	-	-	-	-	-	<b>29,463,474</b>	<b>27,109,382</b>	<b>40,727,812</b>	<b>38,477,188</b>
<b>OVERHEAD ALLOCATION PERCENTAGE</b>										<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>PROGRAM ALLOCATION PERCENTAGE</b>										<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
BOND PORTFOLIO MANAGEMENT (Based on													

**Washington State Housing Finance Commission**  
**Projected Statement of Operations**  
**FYE 25 Projected Actual & FYE 26 Budget versus FYE 25 Budget**

	FYE 2026 Bdgt vs. FYE 2025 Bdgt Change	FYE 2026 Bdgt vs. FYE 2025 Bdgt Variance	FYE 2025 Budget	FYE 2026 Budget	@ 03/31/25 FYE 2025 Projected Actual	FYE 2026 Bdgt vs. FYE 2025 Proj Variance	FYE 2026 Bdgt vs. FYE 2025 Prj Change	FYE 2026 Budget %
<b>Revenues:</b>								
Program Fees	12%	3,379,123	28,458,160	31,837,283	31,345,756	491,527	2%	59.5%
Issuance & Application Fees	44%	2,874,120	6,539,757	9,413,877	12,585,284	(3,171,407)	-25%	17.6%
Interest Revenue	-16%	(2,225,990)	14,146,529	11,920,539	15,578,167	(3,657,628)	-23%	22.3%
Other Income	-59%	(532,292)	896,236	363,944	269,753	94,191	35%	0.7%
<b>Total Unadjusted Revenues excluding Grants</b>	<b>7%</b>	<b>3,494,960</b>	<b>50,040,683</b>	<b>53,535,643</b>	<b>59,778,960</b>	<b>(6,243,317)</b>	<b>-10%</b>	<b>500%</b>
<b>Expenses:</b>								
<b>EMPLOYEE EXPENSES</b>								
Salaries, Wages & Temp. staffing	10%	1,151,230	11,867,369	13,018,599	10,233,390	2,785,209	27%	54.1%
Employee Benefits	8%	262,882	3,302,390	3,565,272	2,886,407	678,865	24%	14.8%
Conference, Education & Training	-7%	(15,838)	233,300	217,462	100,146	117,316	117%	0.9%
<b>TRAVEL EXPENSES</b>								
Travel out of state	-4%	(10,977)	254,250	243,273	101,363	141,910	140%	1.0%
Travel in state	-2%	(3,901)	156,075	152,174	117,115	35,059	30%	0.6%
<b>PROFESSIONAL FEES</b>								
Accounting Fees	0%	(0)	142,080	142,080	115,383	26,698	23%	0.6%
Legal Fees	-11%	(90,000)	801,000	711,000	653,600	57,400	9%	3.0%
Financial Advisor Fees	16%	57,200	363,200	420,400	383,799	36,601	10%	1.7%
Investment Management Fees	0%	(0)	218,000	218,000	202,351	15,649	8%	0.9%
<b>OFFICE EXPENSE</b>								
Office Rent/Conf. Room Rentals	1%	4,026	611,147	615,173	508,389	106,784	21%	2.6%
Furniture & Equipment Rental	-4%	(1,200)	27,076	25,876	12,113	13,763	114%	0.1%
Advertising	-33%	(106,500)	320,135	213,635	91,290	122,345	134%	0.9%
Publications/ Subscriptions/ Dues	7%	9,108	132,060	141,168	105,770	35,398	33%	0.6%
Deliveries	-7%	(350)	5,120	4,770	1,511	3,259	216%	0.0%
Insurance	18%	12,000	66,150	78,150	76,897	1,253	2%	0.3%
Meeting Expense	-3%	(4,500)	161,751	157,251	153,408	3,843	3%	0.7%
Equipment & Building Maintenance	-47%	(50,800)	107,020	56,220	55,575	645	1%	0.2%
Software Maint. Support & Info Svcs	25%	462,003	1,847,857	2,309,860	1,602,735	707,125	44%	9.6%
Non-capitalized Equipment/Supplies	-67%	(163,928)	244,087	80,159	186,760	(106,601)	-57%	0.3%
Postage	-12%	(600)	5,180	4,580	701	3,879	553%	0.0%
Printing	-33%	(4,600)	13,970	9,370	9,547	(177)	-2%	0.0%
State Services	0%	0	6,970	6,970	3,691	3,279	89%	0.0%
Supplies	-10%	(4,850)	48,100	43,250	69,000	(25,750)	-37%	0.2%
Telephone	41%	23,410	57,396	80,806	91,826	(11,020)	-12%	0.3%
Contract Services	-19%	(334,600)	1,725,316	1,390,716	1,109,616	281,100	25%	5.8%
Depreciation	-23%	(48,346)	214,301	165,955	178,766	(12,811)	-7%	0.7%
<b>Total Expenses excluding Grants</b>	<b>5%</b>	<b>1,140,868</b>	<b>22,931,301</b>	<b>24,072,169</b>	<b>19,051,147</b>	<b>5,021,022</b>	<b>26%</b>	<b>200%</b>
Grant Pass-Through Revenue	-88%	(53,339,634)	60,952,641	7,613,008	60,496,239	(52,883,231)	-87%	
Grant Pass-Through Expense	-88%	53,339,633	(60,952,641)	(7,613,008)	(60,496,239)	52,883,231	-87%	
<b>Total Grants Net</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>9%</b>	<b>2,354,091</b>	<b>27,109,382</b>	<b>29,463,474</b>	<b>40,727,812</b>	<b>(11,264,339)</b>	<b>-28%</b>	

## STAFFING SUMMARY

Division/Entity	Fiscal Year 2025 Budget	FY 26 FTE Addition/(Reduction)			Fiscal Year 2026 Budget
		Manager	Analyst	Admin Assistant	
Homeownership	19.30				19.30
MHCF	19.80		2.50		22.30
Asset Mgmt Compliance	16.30				16.30
Finance	12.82			(0.02)	12.80
Administration	15.43	0.70	1.00	(0.60)	16.53
IT	6.91				6.91
<b>WSHFC</b>	<b>90.56</b>	<b>0.70</b>	<b>3.50</b>	<b>(0.62)</b>	<b>94.14</b>
<b>WHEFA</b>	<b>2.44</b>	<b>(0.70)</b>		<b>(0.88)</b>	<b>0.86</b>
<b>TSA</b>	<b>-</b>		<b>-</b>		<b>-</b>
<b>Total</b>	<b>93.00</b>	<b>-</b>	<b>3.50</b>	<b>(1.50)</b>	<b>95.00</b>

# WASHINGTON STATE HOUSING FINANCE COMMISSION

## CAPITAL BUDGET SUMMARY

### For The Budget Year Ending: June 30, 2026

#### CATEGORY

Program Description	TOTAL
<b>SOFTWARE</b>	
GOP   Servicing Software	45,000
<b>TOTAL SOFTWARE</b>	<u>45,000</u>
 <b>GRAND TOTAL</b>	 <u><u>\$     45,000</u></u>

Allowance for Annual Depreciation:	Life	Basis	In Service	Depreciation
GOP - Servicing Software	3	45,000	July 2025	<u>15,000</u>
New Depreciation				15,000
Depreciation of Existing Capital Assets				
ADM - Furniture, Equipment	3 - 7			70,047
MFH - On-line Application & Community Build	3			19,510
ITS - Rubrik, Network Wiring	3			30,441
HBE - Homebuyer Portal	3			<u>30,957</u>
<b>Total Depreciation</b>				<u><u>\$   165,954</u></u>



**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
Homeownership Division Program Summary  
Fiscal Year 2025 – 2026**

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**Division: Homeownership**

**Business Objectives**

**Financial Stewardship Perspective**

- Improve Funding and Financing Strategies: Deploy resources effectively to ensure impact, cost efficiency, sustainable growth, and statewide investment.
- Promote Agency Financial Health and Sustainability: Focus on cost efficiency, budget management, revenue growth, transparency, risk management, resource allocation, compliance, and performance monitoring.
  1. Expand access to affordable financing options to low- to moderate-income borrowers and historically underserved communities
  2. Become an approved seller-servicer to maintain flexible underwriting guidelines and challenge biased traditional financing requirements

**Engagement Perspective**

- Drive Employee Engagement: Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.
- Promote Community Engagement: Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.
  1. Strengthen partnerships with lenders, real estate professionals, nonprofits, and community-based organizations from historically underserved communities to reach potential homebuyers.
  2. Sponsor statewide homebuyer education classes, ensuring accessibility to underserved communities.

## Internal Processes Perspective

- Enhance Business Process Efficiency: Refine and streamline business processes to improve overall operational efficiency and effectiveness.
- Promote Sound Resource Stewardship: Implement and uphold practices that ensure responsible and sustainable use of resources, make informed funding decisions, and support the agency's mission, vision, and values.
  1. Enhance the loan reservation system to streamline processes and improve user experience.
  2. Develop and implement equitable distribution processes for homeownership and counseling grants.

## Learning, Growth and Inclusion Perspective

- Cultivate Workforce Development and Culture: Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusiveness
- Promote Emerging Initiatives: Identify, support, and promote innovative and emerging initiatives that align with our Mission, Vision, and Values.
  1. Align homeownership and counseling assistance efforts with state and national housing priorities.
  2. Increase future homebuyer access to Covenant and other homeownership programs.

**All Division (\*)**  
**First-time Home Buyers (FTH)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26</b>	<b>FYE 25</b>	<b>FYE 25</b>
	<b>Proposed Budget</b>	<b>Projected Actual</b>	<b>Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	16.43	15.43	16.43
Temporary	-	-	-
<b>Total FTE's</b>	<b>16.43</b>	<b>15.43</b>	<b>16.43</b>
<b>Program Budget</b>			
Fee Income	16,993,034	14,826,547	10,511,163
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	344,776	-
<b>Total Revenue</b>	<b>16,993,034</b>	<b>15,171,323</b>	<b>10,511,163</b>
Employee Expenses	3,227,658	2,642,921	3,027,457
Travel Expenses	59,663	32,285	59,663
Professional Fees	492,600	519,353	456,000
Office Expenses	401,919	298,433	465,672
Grant Program Expense	-	344,776	-
<b>Total Expenses</b>	<b>4,181,840</b>	<b>3,837,767</b>	<b>4,008,792</b>
<b>Income over Expense Excess (Deficit)</b>	<b>12,811,194</b>	<b>11,333,555</b>	<b>6,502,371</b>
Overhead Allocation	786,721	3,095,460	1,600,399
Program Allocation	221,613	330,002	307,833
<b>Total Income/(Loss)</b>	<b>13,819,528</b>	<b>14,759,017</b>	<b>8,410,603</b>

**All Division (\*)**  
**Homebuyers Education (HBE)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26 Proposed Budget</b>	<b>FYE 25 Projected Actual</b>	<b>FYE 25 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	2.87	2.87	2.87
Temporary			
<b>Total FTE's</b>	<b>2.87</b>	<b>2.87</b>	<b>2.87</b>
<b>Program Budget</b>			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	156,000	51,311	709,036
Grant Program Income	7,613,008	60,317,661	60,952,641
<b>Total Revenue</b>	<b>7,769,008</b>	<b>60,368,972</b>	<b>61,661,677</b>
Employee Expenses	510,896	454,991	484,745
Travel Expenses	10,421	4,155	10,421
Professional Fees	32,000	49,649	135,000
Office Expenses	67,252	60,026	112,444
Grant Program Expense	7,613,008	60,317,661	60,952,641
<b>Total Expenses</b>	<b>8,233,577</b>	<b>60,886,483</b>	<b>61,695,251</b>
<b>Income over Expense Excess (Deficit)</b>	<b>(464,569)</b>	<b>(517,511)</b>	<b>(33,574)</b>
Overhead Allocation	116,746	504,085	296,467
Program Allocation	44,323	66,000	51,306
<b>Total Income/(Loss)</b>	<b>(303,500)</b>	<b>52,574</b>	<b>314,199</b>

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION**

**Program Summary  
Fiscal Year 2025-2026**

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**Division: Multifamily Housing & Community Facilities**

**Business Objectives**

**Financial Stewardship Perspective**

- Improve Funding and Financing Strategies: Deploy resources effectively to ensure impact, cost efficiency, sustainable growth, and statewide investment.
- Promote Agency Financial Health and Sustainability: Focus on cost efficiency, budget management, revenue growth, transparency, risk management, resource allocation, compliance, and performance monitoring.
  1. Leverage traditional financing tools to increase the availability of affordable rental housing across the state
  2. Leverage innovative financing tools to increase the availability of affordable rental housing across the state
  3. Respond and adapt to federal and state legislative changes

**Engagement Perspective**

- Drive Employee Engagement: Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.
- Promote Community Engagement: Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.
  1. Enhance engagement and capacity-building for emerging developers

**Internal Processes Perspective**

- Enhance Business Process Efficiency: Refine and streamline business processes to improve overall operational efficiency and effectiveness.
- Promote Sound Resource Stewardship: Implement and uphold practices that ensure responsible and sustainable use of resources, make informed funding decisions, and support the agency's mission, vision, and values.
  1. Improve internal processes to streamline operations and enhance overall efficiency

## **Learning, Growth and Inclusion Perspective**

- Cultivate Workforce Development and Culture: Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusiveness
- Promote Emerging Initiatives: Identify, support, and promote innovative and emerging initiatives that align with our Mission, Vision, and Values.
  1. Innovate and develop new programs to address gaps in the affordable housing system and bring benefits to residents
  2. Invest in the growth of staff and interns through mentorship, training and career development programs

All Division (\*)  
Multifamily Housing (MFH|NPH|NPF|SEP|TCR|BFL)  
Multi-Family Housing & Community Facilities  
Budget Summary for the fiscal year ending: June 30, 2026

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26 Proposed Budget</b>	<b>FYE 25 Projected Actual</b>	<b>FYE 25 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	22.30	19.80	19.80
Temporary	-	-	-
<b>Total FTE's</b>	<b>22.30</b>	<b>19.80</b>	<b>19.80</b>
<b>Program Budget</b>			
Fee Income	10,605,024	14,140,198	10,767,263
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
<b>Total Revenue</b>	<b>10,605,024</b>	<b>14,140,198</b>	<b>10,767,263</b>
Employee Expenses	3,823,373	3,081,186	3,335,921
Travel Expenses	71,104	37,633	66,471
Professional Fees	290,000	178,413	469,000
Office Expenses	366,856	309,769	433,400
Grant Program Expense	-	-	-
<b>Total Expenses</b>	<b>4,551,333</b>	<b>3,607,001</b>	<b>4,304,793</b>
<b>Income over Expense Excess (Deficit)</b>	<b>6,053,691</b>	<b>10,533,197</b>	<b>6,462,470</b>
Overhead Allocation	856,232	3,118,268	1,718,569
Program Allocation	4,166,327	4,236,395	4,771,418
<b>Total Income/(Loss)</b>	<b>11,076,250</b>	<b>17,887,860</b>	<b>12,952,457</b>

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION**

**Program Summary  
Fiscal Year 2025 – 2026**

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**Division: Asset Management & Compliance**

**Business Objectives**

**Financial Stewardship Perspective**

- Improve Funding and Financing Strategies: Deploy resources effectively to ensure impact, cost efficiency, sustainable growth, and statewide investment.
  - Promote Agency Financial Health and Sustainability: Focus on cost efficiency, budget management, revenue growth, transparency, risk management, resource allocation, compliance, and performance monitoring.
1. Complete timely and thorough compliance monitoring of the multifamily portfolio to maintain adherence to regulatory requirements.
  2. Ensure tax credit properties are inspected to promote safe and healthy housing.
  3. Strengthen asset management practices to mitigate risk in portfolio.
  4. Educate owners and managers about program rules to promote compliance adherence.

**Engagement Perspective**

- :
- Drive Employee Engagement: Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.
  - Promote Community Engagement: Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.
1. Enhance affordable housing resources and engagement for external stakeholders.
  2. Improve communication with and support of residents.
  3. Achieve timely response for all technical assistance requests and other property inquiries ensuring customer and operational efficiency.
  4. Support and promote stable housing for renters of WSHFC portfolio.
  5. Enhance the accessibility of compliance resident certification forms to ensure usability for all parties (owners, managers, residents/applicants, advocates).
  6. Enhance user experience and engagement with AMC's online resources through improved website design, functionality, and accessibility.



## Internal Processes Perspective

- Enhance Business Process Efficiency: Refine and streamline business processes to improve overall operational efficiency and effectiveness.
- Promote Sound Resource Stewardship: Implement and uphold practices that ensure responsible and sustainable use of resources, make informed funding decisions, and support the agency's mission, vision, and values.
  1. Enhance compliance review process with revised comprehensive Portfolio Analyst Desk Manual.
  2. Improve the Placed-In-Service (PIS) process.
  3. Integrate related processes into the new preservation policy aligned with the asset management framework.

## Learning, Growth and Inclusion Perspective

- Cultivate Workforce Development and Culture: Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusiveness
- Promote Emerging Initiatives: Identify, support, and promote innovative and emerging initiatives that align with our Mission, Vision, and Values.
  1. Enhance staff training and development goals.

**All Division (\*)**  
**Compliance (COM)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26 Proposed Budget</b>	<b>FYE 25 Projected Actual</b>	<b>FYE 25 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	16.30	15.00	16.30
Temporary	-	-	-
<b>Total FTE's</b>	<b>16.30</b>	<b>15.00</b>	<b>16.30</b>
<b>Program Budget</b>			
Fee Income	8,337,717	8,295,558	7,910,117
Interest Income	-	-	-
Other Income	169,000	180,050	152,000
Grant Program Income	-	-	-
<b>Total Revenue</b>	<b>8,506,717</b>	<b>8,475,608</b>	<b>8,062,117</b>
Employee Expenses	2,939,901	2,269,655	2,841,499
Travel Expenses	57,218	50,951	65,218
Professional Fees	1,005,000	685,235	1,101,000
Office Expenses	475,829	415,169	369,933
Grant Program Expense	-	-	-
<b>Total Expenses</b>	<b>4,477,948</b>	<b>3,421,010</b>	<b>4,377,650</b>
<b>Income over Expense Excess (Deficit)</b>	<b>4,028,769</b>	<b>5,054,598</b>	<b>3,684,467</b>
Overhead Allocation	842,427	2,781,158	1,747,656
Program Allocation	-	-	-
<b>Total Income/(Loss)</b>	<b>4,871,196</b>	<b>7,835,756</b>	<b>5,432,123</b>

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION**

**Program Summary  
Fiscal Year 2025– 2026**

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**Division: Finance**

**Business Objectives**

**Financial Stewardship Perspective**

- Improve Funding and Financing Strategies: Deploy resources effectively to ensure impact, cost efficiency, sustainable growth, and statewide investment.
- Promote Agency Financial Health and Sustainability: Focus on cost efficiency, budget management, revenue growth, transparency, risk management, resource allocation, compliance, and performance monitoring.
  1. Ensure maximum funds available for loan fundings through PRI, bond funds, and warehouse lines, as necessary.
  2. Ensure timely compliance with all financial reporting requirements.
  3. Provide accurate and timely management information to divisional directors, managers, and Commissioners
  4. Facilitate financial, state accountability, and statewide single audit as necessary.
  5. Oversee the investment of the Commission's general operating reserves.
  6. Ensure timely and accurate reporting to the GSEs as necessary
  7. Manage financial agreements with external partners.

**Engagement Perspective**

- Drive Employee Engagement: Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.
- Promote Community Engagement: Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.
  1. Lead the development of an equity-based protocol to guide Commission decisions on memberships and sponsorships of organizations and initiatives.

## Internal Processes Perspective

- Enhance Business Process Efficiency: Refine and streamline business processes to improve overall operational efficiency and effectiveness.
- Promote Sound Resource Stewardship: Implement and uphold practices that ensure responsible and sustainable use of resources, make informed funding decisions, and support the agency's mission, vision, and values.
  1. Acquire and implement loan servicing software to track and monitor PRI loans.
  2. Acquire and implement time and leave tracking software.

## Learning, Growth and Inclusion Perspective

- Cultivate Workforce Development and Culture: Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusiveness
- Promote Emerging Initiatives: Identify, support, and promote innovative and emerging initiatives that align with our Mission, Vision, and Values.
  1. Engage with Moody's and acquire Issuer Credit Rating (ICR)

**All Division (\*)**  
**Bond Portfolio Management (BPM)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26</b>	<b>FYE 25</b>	<b>FYE 25</b>
	<b>Proposed Budget</b>	<b>Projected Actual</b>	<b>Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	4.09	3.78	4.09
Temporary			
<b>Total FTE's</b>	<b>4.09</b>	<b>3.78</b>	<b>4.09</b>
<b>Program Budget</b>			
Fee Income	5,315,385	6,708,865	5,809,375
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
<b>Total Revenue</b>	<b>5,315,385</b>	<b>6,708,865</b>	<b>5,809,375</b>
Employee Expenses	719,468	599,630	759,212
Travel Expenses	13,410	6,063	14,025
Professional Fees	207,280	224,244	207,280
Office Expenses	147,602	126,362	149,381
Grant Program Expense	-	-	-
<b>Total Expenses</b>	<b>1,087,760</b>	<b>956,299</b>	<b>1,129,898</b>
<b>Income over Expense Excess (Deficit)</b>	<b>4,227,625</b>	<b>5,752,567</b>	<b>4,679,476</b>
Overhead Allocation	204,638	848,793	451,081
Program Allocation	(4,432,263)	(6,601,359)	(5,130,557)
<b>Total Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**All Division (\*)**  
**General Operations (GOP)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26 Proposed Budget</b>	<b>FYE 25 Projected Actual</b>	<b>FYE 25 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	8.71	6.46	8.71
Temporary	-	-	-
<b>Total FTE's</b>	<b>8.71</b>	<b>6.46</b>	<b>8.71</b>
<b>Program Budget</b>			
Fee Income	-	-	-
Interest Income	11,920,539	17,924,116	14,146,529
Other Income	4,000	7,825	4,000
Grant Program Income	-	-	-
<b>Total Revenue</b>	<b>11,924,539</b>	<b>17,931,941</b>	<b>14,150,529</b>
Employee Expenses	1,350,422	1,022,979	1,226,151
Travel Expenses	28,560	3,946	25,579
Professional Fees	264,000	274,693	264,000
Office Expenses	161,811	114,706	149,693
Grant Program Expense	-	-	-
<b>Total Expenses</b>	<b>1,804,793</b>	<b>1,416,325</b>	<b>1,665,423</b>
<b>Income over Expense Excess (Deficit)</b>	<b>10,119,746</b>	<b>16,515,616</b>	<b>12,485,106</b>
Overhead Allocation	(10,119,746)	(16,515,616)	(12,485,106)
Program Allocation	-	-	-
<b>Total Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION**

**Program Summary  
Fiscal Year 2025-2026**

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**Division: IT Services**

**Business Objectives**

**Financial Stewardship Perspective**

- Improve Funding and Financing Strategies: Deploy resources effectively to ensure impact, cost efficiency, sustainable growth, and statewide investment.
  - Promote Agency Financial Health and Sustainability: Focus on cost efficiency, budget management, revenue growth, transparency, risk management, resource allocation, compliance, and performance monitoring.
- 
1. Maintain and provide a quarterly Security Breach Report.
  2. Maintain the after-hours maintenance schedule.
  3. Ensure that all critical IT hardware (servers, switches, and firewalls) and software remain under warranty coverage in accordance with the agreed-upon SLA (service level agreement).
  4. Maintain systems that guard against ransomware and malware.

**Engagement Perspective**

- Drive Employee Engagement: Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.
  - Promote Community Engagement: Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.
- 
1. Support the continued audiovisual needs of Commissioners' Hybrid Meetings.
  2. Facilitate the Commission's transition to a data-driven decision-making agency.

## Internal Processes Perspective

- Enhance Business Process Efficiency: Refine and streamline business processes to improve overall operational efficiency and effectiveness.
  - Promote Sound Resource Stewardship: Implement and uphold practices that ensure responsible and sustainable use of resources, make informed funding decisions, and support the agency's mission, vision, and values.
1. Help Divisions Adopt a Paperless Work Environment
  2. Maintain Commission's web-based/cloud applications (Salesforce, Laserfiche, Business Central, etc.)
  3. Continue to support a hybrid office solution as directed by the executive staff.
  4. Ensure IT Service Desk incidents are resolved in accordance with the terms of our Service Level Agreement (SLA) based on severity level.
  5. Support the Commission's Disaster Recovery efforts

## Learning, Growth and Inclusion Perspective

- Cultivate Workforce Development and Culture: Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusiveness
  - Promote Emerging Initiatives: Identify, support, and promote innovative and emerging initiatives that align with our Mission, Vision, and Values.
1. Maintain an Information Technology training program that will ensure that current and future IT and Commission staff stay current with present and future technologies.



**All Division (\*)**  
**IT Services (rev 07/08 from BIT) (ITS)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26 Proposed Budget</b>	<b>FYE 25 Projected Actual</b>	<b>FYE 25 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	6.91	6.00	6.91
Temporary			
<b>Total FTE's</b>	<b>6.91</b>	<b>6.00</b>	<b>6.91</b>
<b>Program Budget</b>			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee Expenses	1,236,441	659,055	1,166,123
Travel Expenses	18,087	22,045	38,526
Professional Fees	30,000	9,860	35,000
Office Expenses	1,273,533	910,635	934,908
Grant Program Expense	-	-	-
<b>Total Expenses</b>	<b>2,558,061</b>	<b>1,601,595</b>	<b>2,174,557</b>
<b>Income over Expense Excess (Deficit)</b>	<b>(2,558,061)</b>	<b>(1,601,595)</b>	<b>(2,174,557)</b>
Overhead Allocation	2,558,061	1,601,595	2,174,557
Program Allocation	-	-	-
<b>Total Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION**

**Program Summary  
Fiscal Year 2025-2026**

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**Division: Executive Office**

**Business Objectives**

**Financial Stewardship Perspective**

- Improve Funding and Financing Strategies: Deploy resources effectively to ensure impact, cost efficiency, sustainable growth, and statewide investment.
  - Promote Agency Financial Health and Sustainability: Focus on cost efficiency, budget management, revenue growth, transparency, risk management, resource allocation, compliance, and performance monitoring.
1. Earn a minimum of \$380,000 per FTE in revenue each fiscal year.
  2. Spend less than \$250,000 per FTE each fiscal year.

**Engagement Perspective**

- Drive Employee Engagement: Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.
  - Promote Community Engagement: Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.
1. Produce and distribute the web-based Annual Report and Cumulative Report.
  2. Create a new framework for conference planning and standard operating procedures for the future.
  3. Refresh and enhance the WSHFC.org website.
  4. Increase awareness of the Covenant program and other homeownership programs throughout the state.
  5. Improve scores for areas with less than 50% positive ratings from last year's Employee Engagement Survey.
  6. Advance Commission's recruitment outreach in support of Gov. EO 24-04
  7. Demonstrate leadership in affordable housing.

## Internal Processes Perspective

- Enhance Business Process Efficiency: Refine and streamline business processes to improve overall operational efficiency and effectiveness.
  - Promote Sound Resource Stewardship: Implement and uphold practices that ensure responsible and sustainable use of resources, make informed funding decisions, and support the agency's mission, vision, and values.
1. Evaluate and strengthen the current process for public record requests (PRR).

## Learning, Growth and Inclusion Perspective

- Cultivate Workforce Development and Culture: Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusiveness
  - Promote Emerging Initiatives: Identify, support, and promote innovative and emerging initiatives that align with our Mission, Vision, and Values.
1. Plan and conduct annual all-staff planning session by June 30, 2026.
  2. Evaluate and invest in professional training for community engagement staff, and for leadership supporting these efforts.
  3. Develop a community engagement team workplan, shared approach and framework for collaborating commission-wide on community engagement.
  4. Provide leadership training for people managers to engage in conflict resolution and other high-stakes conversations as outlined in the Racial Equity Strategic Plan.
  5. Outline a process for employees to meaningfully participate in organizational equity work.

**All Division (\*)**  
**Administration (ADM)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26 Proposed Budget</b>	<b>FYE 25 Projected Actual</b>	<b>FYE 25 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	16.53	15.43	15.43
Temporary	-	-	-
<b>Total FTE's</b>	<b>16.53</b>	<b>15.43</b>	<b>15.43</b>
<b>Program Budget</b>			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	34,944	31,286	31,200
Grant Program Income	-	-	-
<b>Total Revenue</b>	<b>34,944</b>	<b>31,286</b>	<b>31,200</b>
Employee Expenses	2,971,699	2,514,914	2,540,475
Travel Expenses	66,694	42,054	60,132
Professional Fees	561,316	531,477	582,316
Office Expenses	1,072,541	895,802	1,227,038
Grant Program Expense	-	-	-
<b>Total Expenses</b>	<b>4,672,250</b>	<b>3,984,247</b>	<b>4,409,961</b>
<b>Income over Expense Excess (Deficit)</b>	<b>(4,637,306)</b>	<b>(3,952,962)</b>	<b>(4,378,761)</b>
Overhead Allocation	4,637,306	3,952,962	4,378,761
Program Allocation	-	-	-
<b>Total Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**All Division (\*)**  
**Commissioners (EXO)**  
**Budget Summary for the fiscal year ending: June 30, 2026**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 26 Proposed Budget</b>	<b>FYE 25 Projected Actual</b>	<b>FYE 25 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent			
Temporary			
<b>Total FTE's</b>	-	-	-
<b>Program Budget</b>			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
<b>Total Revenue</b>	-	-	-
Employee Expenses	21,475	6,473	21,476
Travel Expenses	70,290	19,004	70,290
Professional Fees	-	-	-
Office Expenses	25,850	1,356	25,850
Grant Program Expense	-	-	-
<b>Total Expenses</b>	117,615	26,833	117,616
<b>Income over Expense Excess (Deficit)</b>	(117,615)	(26,833)	(117,616)
Overhead Allocation	117,615	26,833	117,616
Program Allocation	-	-	-
<b>Total Income/(Loss)</b>	-	-	-



## **Requests for allocation from 2025 PRI Undesignated to three main initiatives.**

1. \$15 Million: Home Advantage DPA Subsidy Fund
2. \$20 Million: Credit Enhancement/subordinate loan – new initiative with Housing Authorities
3. \$5 Million: Critical Community Projects for rehabilitation/preservation strategy

*Additional requests for reprogramming of existing designated funds in FarmPAI as well as the Social equity reserve are anticipated in the coming year.*





# Successes & Challenges: Multifamily Housing & Community Facilities

**Lisa Vatske**  
**MHCF Director**



People



Programs



Policies



Partnerships





## Our Team





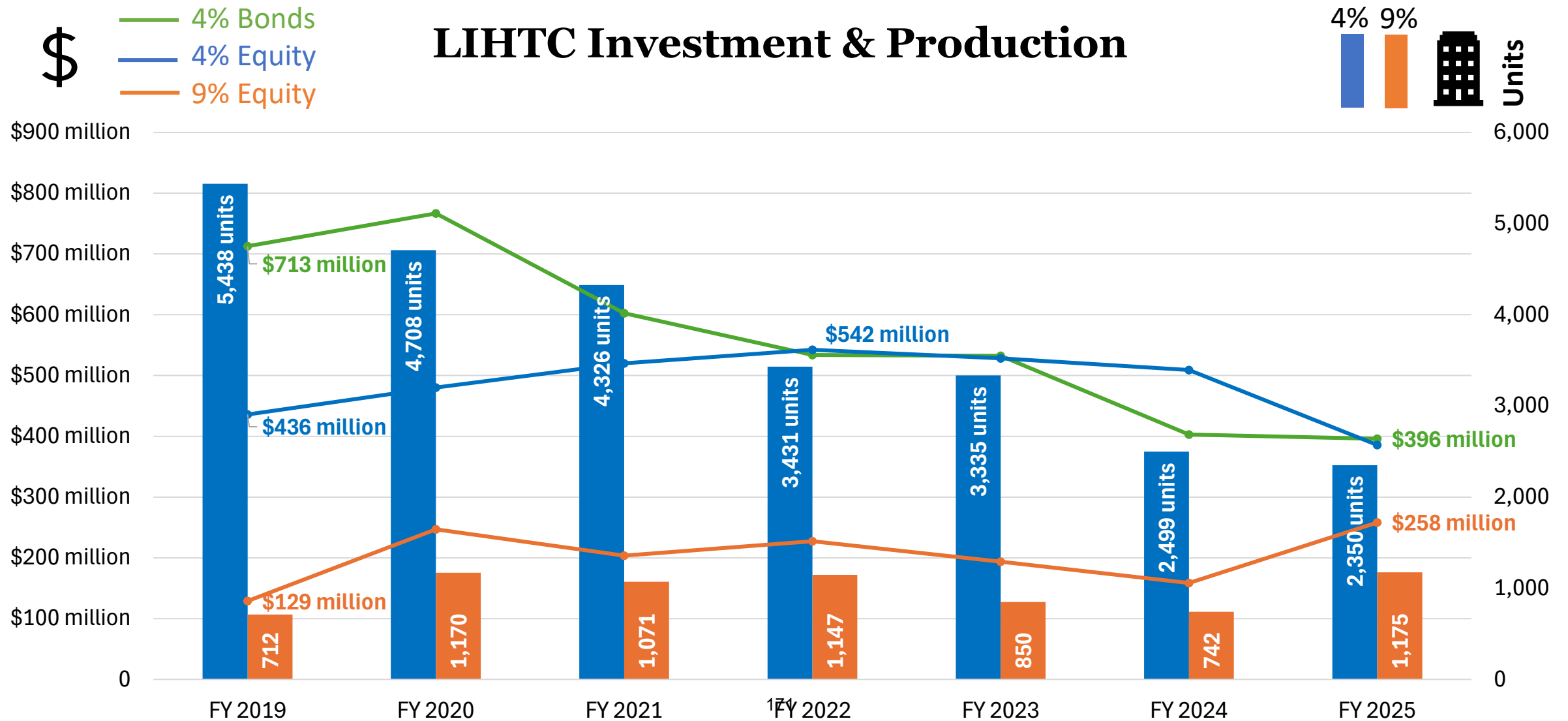
## Where we are solid

- Technical program expertise
- Project evaluation
- Deal-based problem solving
- Getting deals to close

## What we aspire to achieve

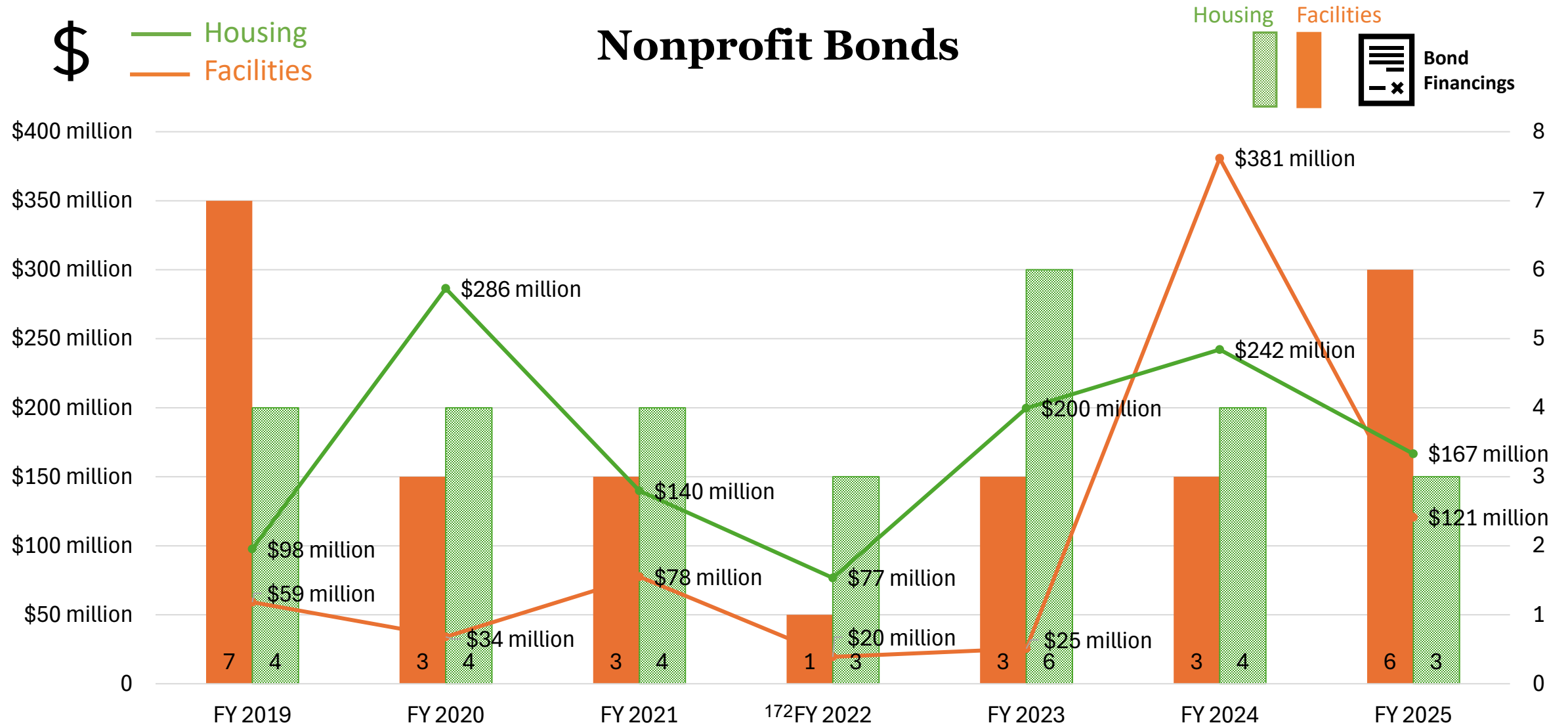
- Data-driven policy analysis
- Business Process improvement
- Collaborative community outreach & engagement







## Nonprofit Bonds







## 7 Active PRI programs Past Year Activity

**Land Acquisition Program (LAP)** Managing 4 different funding streams, Commission, State, Microsoft and Sound Transit

Total invested: \$31 M, 1200 units projected

**Critical Community Projects**  
Providing gap and preservation financing





## **Sustainable Energy Trust (SET)**

Recharging- Servicing and Navigating IRA

## **Community Land Trust Fund**

\$7.6M, 170 Homeownership units

## **Manufactured Housing Communities**

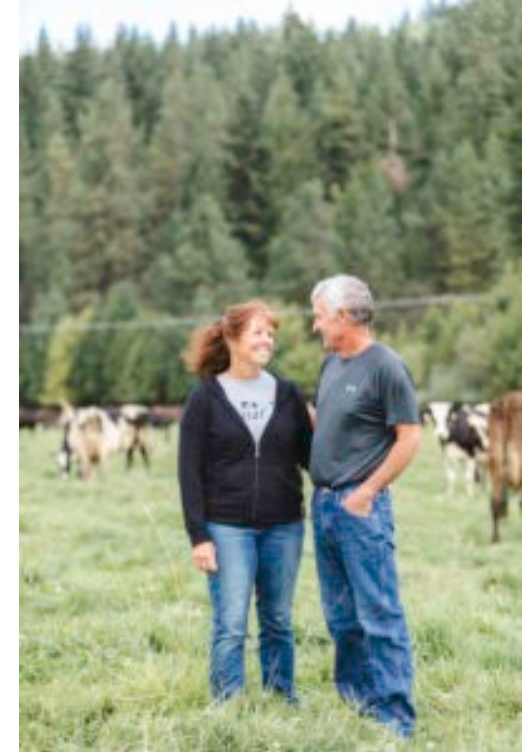
\$9.5M in loans, 4 communities; 327 sites/units- 1 community workout resolved

## **Farm PAI**

\$3.7M in loans, 411 acres

## **Capital Plus**

\$9.4 M, 8 organizations



Lesli & Robert Schmid:  
dairy farm purchased  
through FarmPAI



Reset Program Policy Process = Shift to Pro-Active approach for 9% and Bond/4%  
Potential increase in resources through federal tax package



Community Engagement = Evaluation and Support of Program Policy Reset



Preservation Strategy = Assemble Tool Kit to address financing needs



Rent Stabilization = Incorporate Work Group recommendations



Desired Result: Adopt a **pro-active approach** that allows adequate space for deeper analysis, thought partnership, and **co-creation with interested parties (internal/external)** to better inform our policy work

Proposal: Develop 3-year strategy for program policy improvements, that **efficiently focus staff capacity** on bodies of work that **support outcomes** with meaningful impact for both residents and housing providers.







## Both Programs

- Need language clean up and guidance for applicants + TA!
- Combined Funders Application (CFA) being updated by Commerce to include market rents

## 9% PROGRAM:

- Add language from Bond/4% program section 1.1.1.1 regarding Commission's right to strategically prioritize resources and alignment with sub-market conditions

## BOND/4% PROGRAM:

- Guidance for Energy Points – clarify some language in policies; update Utility Incentive Form; Bond TC Addendum;
- Guidance for CBO section – provide some examples
- Update Investor term sheet to match lender term sheet language

# Partnerships

BUDGET SESSION 2025



Housing Trust Fund/Apple Health and Home

Sound Transit/King County public funders/HDC

Microsoft/Amazon/Community Foundations/Other Impact investors

Housing Authorities/AWhA

Community Based Organizations (LISC/BHI)

FarmTrust /WA State Conservation Commission

ROC/NWCDC/WCRA

State Energy Office/Federal IRA/Greenbank/WSU







## Successes & Challenges:

## Asset Management & Compliance Division

**Wubet Biratu**  
AMC Director



Compliance  
Monitoring

Asset  
Management

Community  
Engagement &  
Education

Policy &  
Procedure

Business  
Processes &  
Reporting

Staff Capacity  
Building



PROPERTIES



UNITS



STAFF

**PRE-2020**

Avg. data from 2017-2019

**947**

**84,413**

**12**

**2025-2026**

**1,202**

**119,758**

**16**



## Pre-Pandemic

- Tax Credit rules
- Tax-Exempt Bond rules
- Long-standing inspection rules (UPCS)
- Incremental program changes

## Now

- Foundational changes to federal income and asset calculations and verification (HOTMA)
- Entirely new federal inspection rules (NSPIRE)
- Rapid pivoting and reiterating in monitoring required by growth of customize financial structures (e.g., recycled bond cap, private funds like Amazon)
- Growth of preservation and asset management issues requiring extensive analysis



## Compliance Monitoring

Asset Management

Community Engagement  
& Education

Policy and Procedure

Business Processes  
& Reporting

Staff Capacity Building

- As of 12/31/24, we monitored over **118,000** units in over **1,200** properties
- In CY2024, **34** properties (**4,890** units) were Placed-In-Service. In the same period, **23** properties' Reg Agreements expired (total of 846 restricted units)
- Inspected nearly **5,000** units in **366** properties during CY 2024





Compliance Monitoring

**Asset Management**

Community Engagement  
& Education

Policy and Procedure

Business Processes  
& Reporting

Staff Capacity Building

- Completed **30** ARRA Reviews
- Processed and approved over **30** property transfer transactions including Year 15, property sales, and General Partner changes
- Processed and approved a total of **4** retargeting requests





Compliance Monitoring

Asset Management

➤ Community Engagement  
& Education

Policy and Procedure

Business Processes  
& Reporting

Staff Capacity Building

- Hosted **8** compliance workshops statewide, offered both in-person and virtually, reaching over **300** participants

“

*Awesome training, we were able to ask questions to the instructors and it was very helpful.*

*Your staff members are extraordinary. The MOST effective part of the training--the PEOPLE who led it, spoke and organized it to be accessible, interesting and thorough.*

”

Highlights from the Training Survey



- Presented in-person compliance sessions at the AHMA Annual Convention
- Collaborated with a consultant to enhance the accessibility and usability of compliance forms
- Streamlined our customer ticketing system through our Customer Service Portal
- Designing Renter/Community-Focused Webpage



Compliance Monitoring

Asset Management

Community Engagement  
& Education



Policy and Procedure

Business Processes  
& Reporting

Staff Capacity Building

- Rent Stabilization
- Housing Opportunity Through Modernization Act (HOTMA)  
Implementation – *extensively updated our compliance Manuals, forms and FAQs and implemented revised materials by target date of January 1, 2025*
- Eventual Tenant Ownership – *completed state audit and implemented new procedures*



Compliance Monitoring

Asset Management

Community Engagement  
& Education

Policy and Procedure

➤ Business Processes  
& Reporting

Staff Capacity Building

- New **Table 5** in WBARS, Extended Vacancy/Rent-Ready Report: *Improved vacancy reporting for better analysis and monitoring*
- Streamlined Transfer Process: *Completed automated workflows that make process more transparent and consistent.*
- Enhanced Community feedback Processes and Data Gathering: *Leveraging dynamic data capture and processing tools*



Compliance Monitoring

Asset Management

Community Engagement  
& Education

Policy and Procedure

Business Processes  
& Reporting



Staff Capacity Building

- Hired Community Outreach Specialist, additional Portfolio Analysts, and an Operations Support Analyst to support growing workload and bridge the capacity gap needed to meet business objectives
- In the process of hiring an Asset Management Analyst





**A** Adaptation & Agility

**M** Monitoring & Business Improvement/  
Long-term Portfolio Sustainability

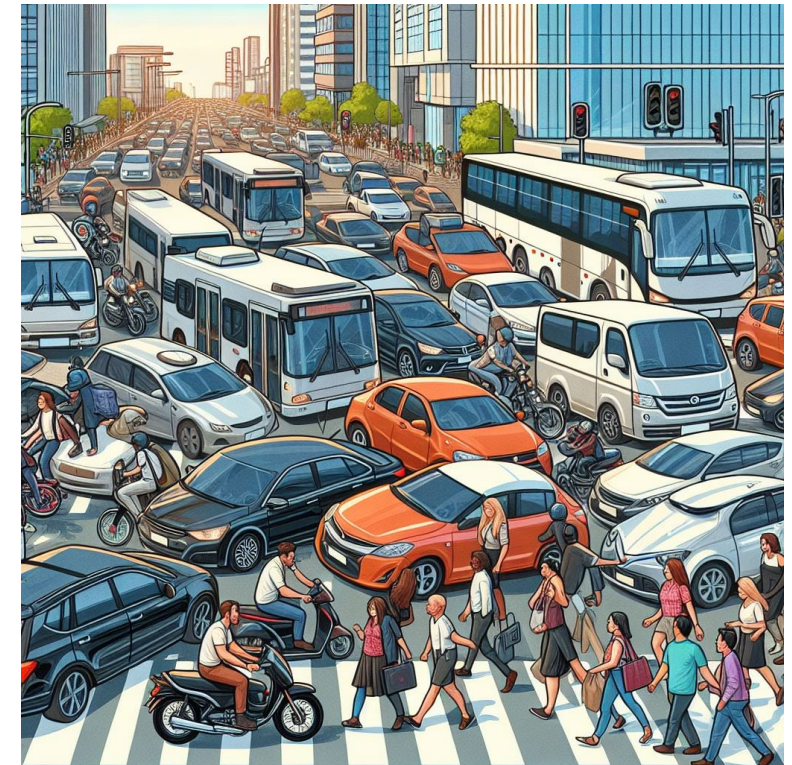
**C** Collaboration & Management





## Adaptation & Agility

- Balancing Federal and State requirements, being responsive and proactive to portfolio challenges while being short-staffed required us to be creative and nimble
- Adapting to technology and multiple formats of training and content delivery
- Incorporating feedback from all parties centering end users and embracing change on language & accessibility for more inclusive communication





## Monitoring & Business Improvement

- Opportunity to institutionalize learnings through updated manuals, project management and reporting tools for equitable and responsive processes
- HOTMA resources and updated training offer scalable tools for future compliance education
- Opportunity to standardize Placed-In-Service workflow and provide training to support consistent, efficient project handovers
- Enhance compliance and streamline review processes through a revised, comprehensive Portfolio Analyst desk manual

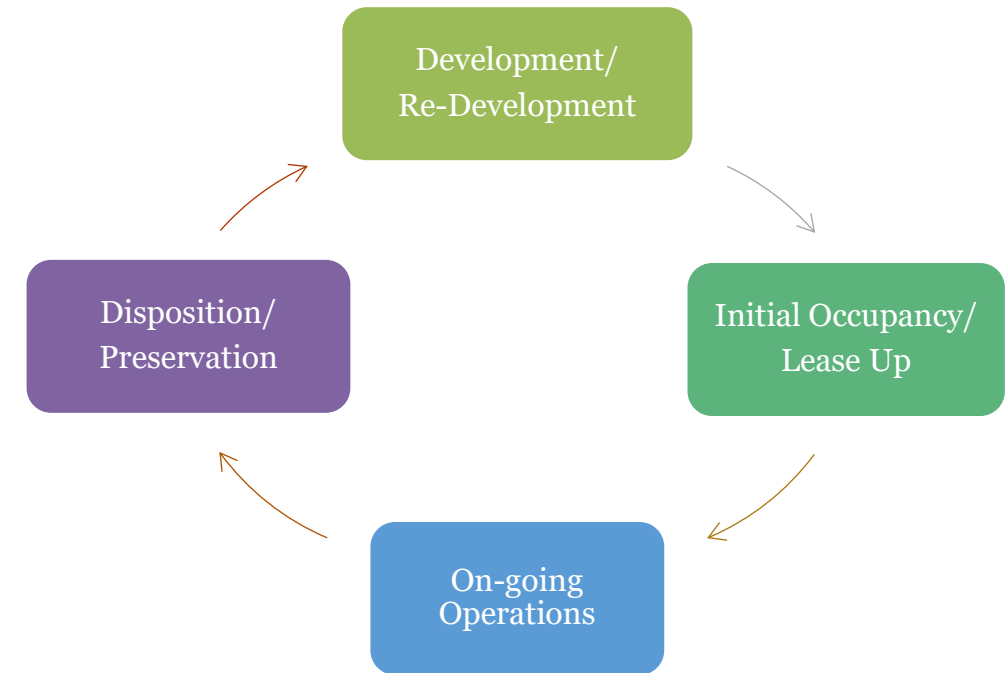






## Monitoring & Long-term Portfolio Sustainability

- ▶ Portfolio operational issues emerged that lead to collaboration among KCPF and the development of asset management framework
- ▶ Poised to develop Portfolio Risk Management & Preservation policies and Asset Management procedures, including development and integration of risk management tools with allocation and compliance business processes



**Life Cycle Approach**



## Collaboration & Management

- Opportunity for robust Asset and Risk management of the portfolio
- Opportunity for stronger cross divisional as well as public and private funder collaborations
- Coordinating across agencies to align strategies and timelines
- Managing community feedback and expectations



# Memorandum

To: Commissioners

From: Lisa Vatske, Director, Multifamily Housing and Community Facilities  
Wubet Biratu, Director, Asset Management and Compliance

CC: Steve Walker, Executive Director

Date: May 14, 2025

Re: New Multifamily Partnership Initiative – Impact Investor Washington Housing Fund

## Background

Commission staff have been in discussions and are collaborating with an impact investor and their consultants to create a new program for the development of new construction affordable rental homes in King and Pierce counties. This initiative will offer a flexible subsidy specifically designed to support the construction of affordable multifamily developments focusing on family-sized units for families earning around 50% of the Area Median Income. At least half of the units need to be targeted at this level with the subsidy only going to those units.

A distinctive and innovative feature of this new program is its commitment to not finance developments receiving Low-Income Housing Tax Credits (LIHTC) or other forms of limited and competitive public subsidies. The impact investor aims to add to the affordable housing supply without tapping oversubscribed resources.

## Proposal

The Commission's role is proposed to serve as the Lender and Asset Steward for this program. On a development-by-development basis, the Commission will receive a recoverable grant from the impact investor to originate subordinate loans as identified by the impact investor's funding recommendations. The underwriting and recommendations will be done through the consultant who we are working closely with to develop the draft term sheet.

The Commission will originate loans utilizing its established documentation and closing processes. The Commission will also provide long-term stewardship of the fund portfolio. This will include monitoring affordability, development financial performance, and other compliance requirements consistent with those applied across the Commission's broader portfolio. In addition, the Commission will review and approve the resubordination and assumption of loans as requested by borrowers.

All ongoing costs for program operations will be paid by the developments funded by the program. Each development will pay one-time origination fees, annual asset management and monitoring fees, and one-time fees at resubordination.

Additionally, the impact investor has offered a planning grant to cover upfront legal fees and enhanced WBARS functionality. This will assist with nuanced compliance monitoring and asset management responsibilities. This opportunity also allows us to pilot innovative strategies for rent stabilization and strong operating performance, benefiting both potential renters and owners.

### **Next Steps**

Staff anticipate presenting an update, including authorization for the Executive Director to sign an agreement with the impact investor, at its July Board meeting. The first development is expected to close before the end of the year.



# Successes & Challenges: Homeownership Division

**Lisa DeBrock**  
**Homeownership Director**

**Vicki Bonardi, Affiliated  
Consulting Services**



Almost There! You will get a tour tomorrow!

- Completion of Homeownership Website
- Homebuyer Education Instructor Portal



- Seller Servicer
- Production – Decreased Subsidy/Technology Improvements
- Covenant Homeownership Program
- HAF Program Closeout
- Our Partners/Outreach Initiatives/Marketing Efforts



- HB 1696 Program Implementation
- Seller Servicer – Freddie Mac Deliveries & Continued Implementation
- Staffing
- HAF Program Wrap Up
- Marketing/Outreach





- Update!
- Intro – Vicki Bonardi, Affiliated Consulting Services



## Day 2 Agenda

**9:00**

### **Executive Session**

Executive Director Performance Evaluation

**10:00**

### **Continuation of Division Reports**

#### ***Finance Division***

*Lucas Loranger*

#### **Communications Activities Update**

*Margret Graham, Communications Director*

#### **Diversity, Equity and Inclusion**

*Nashika Stanbro, DEI Director*



## Day 2 Agenda (p.2)

### Information Technology Division

*Bob Woodard, IT Director*

### Administration/Executive Division

*Bob Peterson, Deputy Director*

**11:15 am**

Chair: Discussion of FY2026 Budget, External Challenges and Direction to Staff

**ADJOURN BUDGET PLANNING SESSION**





# Successes & Challenges: Finance Division

Lucas Loranger, Sr.  
Finance Director





- Processed over 1,200 invoices to date, to over 200 different vendors
- Deposited and recorded 3300+ transactions
- Monthly financial statements provided timely each month
- Processed over 4200 new PRI loans for over \$150 million





- Will have issued \$227 million in bonds during FY 25 for both House Key and Home Advantage programs
- First time issuing a blend of tax-exempt and taxable bonds for House Key program since 2007, extending volume cap
- Facilitated the purchase of over 4200 1<sup>st</sup> mortgage loans for \$1.6 billion
- Recorded and reconciled 49 MBS settlements





- Worked with CSG Advisors to do a deep dive in to the Commission's finances agency wide
- Developed financial and production metrics to better help us track the financial health of the Commission, guiding decision making
- Process laid the groundwork for obtaining an issuer credit rating





Staffing!



Challenging and uncertain market



Issuer credit rating



Modernizing and streamlining processes





# WSHFC Communications Update

Margret Graham  
Communications Director



## What's New?

### New Capacity:

- Added outreach person
- New role: communications strategist
- New comms contractors



### New Needs:

- Increased media contacts
- More outreach and engagement
- More legislative needs



## Covenant Homeownership Program

- New Staff: Angela Smith
- Outreach contractors:
  - WA Homeownership Resource Center
  - Healthy Smart Homes
- Gathering homebuyer stories
- Responding to media interest
- Success in Spokane and with Native communities



[wshfc.org/covenant](https://wshfc.org/covenant)





## New Homeownership Website

UAT TEST SITE - Share your feedback here! [FIND A LENDER](#) [TODAY'S RATES](#) [ABOUT US](#) [LATEST NEWS](#)



[FOR HOMEBUYERS](#) [FOR HOMEOWNERS](#) [FOR LENDERS](#) [FOR REAL ESTATE P](#)



## FOR LENDERS

Fast Turnaround Guarantee: We are currently reviewing files submitted 5/15/2025.

### Become a new lending partner!

Are you interested in becoming a Commission lending partner? If so, this is the place to start! To originate our loans and teach Homebuyer Education Classes, you must be employed by a Commission-approved participating lender and attend both days of our Initial Training for Homeownership Professionals.

[Participating Lender Application](#)

### Current partners, how can we help you today?

[Today's Rates](#)

[Reserve a Loan](#)

[Check Loan Status](#)

[Program Manuals and Forms](#)

[Program Announcements](#)

[Request Login Codes \(Back Office Only\)](#)

[Change of Employment Notice](#)

[Request Payoff Info](#)

## HOMEBUYERS



### Ready to buy a home? Start with a free class!

Commission-sponsored homebuyer education classes are a great first step toward purchasing a home! Taught by lenders and real-estate professionals across the state, each five-hour class gives you the knowledge you need to approach homeownership with your eyes open. Plus, the class is required for all homebuyers using our programs. Get started today!

[Find a Homebuyer Education Class!](#)

### Find a Participating Loan Officer

act one of our participating lenders to assess your financial readiness get you on a path to homeownership.

[Find a Participating Loan Officer](#)



### Downpayment assistance that fits every buyer

Having enough cash for the downpayment is an obstacle for many homebuyers. Every Commission home loan includes downpayment assistance in the form of a second loan.

[Explore our Downpayment Programs](#)





## Community Engagement Team

- Launched in March 2025
- Goal: A Relationship-Centric Approach
  - **Inclusivity:** Ensuring diverse voices are heard, especially those historically marginalized.
  - **Long-Term Vision:** Looking beyond immediate gains to sustainable, community-driven outcomes.
  - **Mutual Benefit:** Recognizing that our success is intertwined with the well-being of our community.



## ➤ Team Purpose

- Larger context for engagement – building relationships as a Commission, not just individual lines of business
- Support the individuals in their work and the divisions in their specific goals
- Consistency and coherence in our approach – avoid duplication, missed opportunities, community fatigue
- Ensure that dialogue with communities can create real change in our programs



## ➤ Community Engagement Work Areas

- Multifamily Housing and Community Facilities
  - Example: Engagement with CBO housing developers and CBOs that partner with for-profit developers
- Homeownership
  - Examples: Covenant Program and other homebuyer outreach
- Asset Management and Compliance
  - Examples: Resident-focused resources, revising forms for understanding
- Communications and DEI across agency



- Train team members in community engagement best practices (IAPP2) – planned this summer
- Develop guidelines for community compensation that align with RCW
- Develop a common set of messaging, materials, etc. about the work of the Commission and our lines of business so we can share a holistic view of the Commission
- Develop/select tools for managing community relationships across the team – sharing contacts, tracking community feedback, etc.





- Northwest Indian Housing Association Spring Conference (April)
- Associated Tribe of Northwest Indians
  - Joint attendance and presentations by two team members (Angela and Keri, plus Chrystal at ATNI)
  - Sharing resources about the Covenant program and multifamily/community facilities
- Will continue building on these contacts and relationships





# Diversity, Equity & Inclusion Update

**Nashika Stanbro**  
**DEI Director**

Approach | Priorities | Successes  
Challenges | Opportunities



- Change management
- Systems change
- Measuring impact
- Leading with empathy
- Cultivating a gracious space
- Prioritizing Co-creation



- Promote sustainable policies, procedures, and practices that promote community integration and organizational justice (External/Internal)
- Community Engagement (Internal/External)
- Strategic Planning (Internal)
- Recruitment and Retention (External/Internal)
- Employee Experience (Internal)



- New training workshops for leadership and staff (In progress)
- Accountability tool (tracker + reports) for the Racial Equity Strategic Plan (In progress)
- Revised OPM for reviewing OPM's inclusively (Complete)
- Revised Hybrid Telework policy (Complete)
- Co-created a cross-organizational team to lead a cohesive approach to Community Engagement (Complete + ongoing)
- DEI State training (A Path Toward Equity)





- One year at the Commission
- Adapting (Internal/External)
- Impact Team Planning







# Successes & Challenges: IT Division

**Bob Woodard**  
**IT Director**



- Complete relocation of existing IT Hardware to the 27<sup>th</sup> floor
- Modernization of all the Commission's meeting spaces
- Commission endpoint protection platform upgrade to a zero-trust solution
- Continued the digital transformation by implementing additional Laserfiche forms and processes
- Implemented a secure WIFI solution that allows staff to access network resources in all workspaces
- We added a layer of email security with an update to our Darktrace Intrusion Detection system





- Multifactor Authentication and separating it from personal devices
- Transition to the Emphasys cloud and ensure all the reporting features are transferred, including the single-family and Finance modules.
- Meeting room setups for the new layout on the 27<sup>th</sup> floor
- Moving Commission files to Laserfiche cloud





- Multifactor Authentication and separating it from personal devices
- Working towards becoming a data-driven organization
- Continuing to move towards a paperless work environment
- Establishing an incident response team
- Creating a culture where cybersecurity is everyone's responsibility





# **Successes & Challenges: Administration Division**

**Bob Peterson  
Deputy Director**





- Completed Move Back to 27<sup>th</sup> Floor
- Held 11 Successful Board Meetings
- Held two New Commissioner Orientations
- Housing Washington Conference sold out for first time



# Administration Challenges

BUDGET SESSION 2025



- Managing in a New Office Culture in a Hybrid Workplace
- Creating a New Tracking System for the RESP & Business Objectives
- Volume of Requests for Public Records
- Recruiting New Commissioners





- Successfully filled 8 positions
- Hiring panel members have completed the mandatory Mitigating Bias in the Hiring Process training.
- Continued to enhance inclusive recruiting practices to expand the Commission's reach into diverse communities.







- Working with employees to navigate workplace challenges as we transitioned to a hybrid work environment.
- We are making great progress scheduling staff for the state's new DEI training. Need to continue to monitor completions and to encourage staff to complete all four training modules.
- We continue to explore new recruiting platforms to expand our recruitment efforts and results.

