



# WASHINGTON STATE HOUSING FINANCE COMMISSION

## **\*\*AMENDED\*\*** BOARD MEETING PACKET

**SEPTEMBER 25, 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** in the **27<sup>th</sup> Floor Board Room**, located at **1000 Second Avenue, Seattle, WA 98104-3601**, on Thursday, September 25<sup>th</sup>, 20, at 1:00 p.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.](#), go to “Join” or “Join a Meeting” and enter:

**Webinar/Meeting ID: 884 9617 8572**

**Passcode:116824**

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 page one above for instructions.

- I. Call to Order**
- II. Steve Walker: Roll Call**
- III. Chair: Approval of the Minutes from the August 28, 2025, special meeting**
- IV. Chair: Conduct a Public Hearing on the following:**
  - A. Tacoma Pierce County Habitat for Humanity, OID # 25-75A**  
**Bianca Pyko:** The proposed issuance of one or more series of tax-exempt and/or taxable revenue obligations to finance a portion of the costs for the acquisition of an existing facility located at 4824 S Tacoma Way and 4820 S Tacoma Way, Tacoma, WA 98409 to be owned and operated by Tacoma/Pierce County Habitat for Humanity, a Washington nonprofit public benefit corporation and an organization described under section 501(c)(3). Proceeds of the obligations will be for the acquisition of an existing facility, and to pay all or a portion of the costs of issuing the obligations. The estimated maximum obligation amount is not expected to exceed \$1,700,000. (5 min.)

- B. Jacob Richardson:** Recommend and present Projects for Allocation of Low-Income Housing Tax Credits from the 2025 funding round. (15 min.)

TC #	Project Name	City	County	Annual Tax Credit Amount
25-15	Franz Anderson	Olympia	Thurston	\$1,928,539
25-03	Lewis, Spruce, and Sixth	Yakima	Yakima	\$1,378,777
25-10	Catlin & Main	Kelso	Cowlitz	\$1,105,600

- C. Proposed Bond/Tax Credit Policy changes for the 2026 Allocation round**  
**Jason Hennigan/Jackie Moynahan:** A public hearing on the proposed changes to the Bond/Tax Credit Policies for the 2026 allocation round. (10 min.)

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

- A. Resolution No. 25-76 for the 2025 Allocation of Credit for the Housing Tax Credit Program**

**Lisa Vatske:** A resolution authorizing the Executive Director to make reservations and/or allocations of 2025 Housing Tax Credits. (5 min.)

TC #	Project Name	City	County	Annual Tax Credit Amount
25-15	Franz Anderson	Olympia	Thurston	\$1,928,539
25-03	Lewis, Spruce, and Sixth	Yakima	Yakima	\$1,378,777
25-10	Catlin & Main	Kelso	Cowlitz	\$1,105,600

- B. ~~Resolution No. 25-67, 192 Shoreline Supplemental, OID # 21-33A~~**

~~**Lisa Vatske:** A resolution approving the issuance of one or more series of tax exempt and taxable revenue obligations to finance a portion of the costs for the acquisition, construction and equipping of a 250-unit multifamily housing facility located at 19022 Aurora Avenue N., Shoreline, WA 98133, to be owned by Shoreline TWG LLLP, a Washington limited liability limited partnership. Proceeds of the obligations may also be used to pay all or a portion of the costs of issuing the obligations. The total estimated obligation amount is not expected to exceed \$48,000,000. The public hearing was held September 17, 2025. (10 min.)~~

- C. Resolution No. 25-77, The Bush School, OID # 25-54A**

**Lisa Vatske:** A resolution approving issuance of one or more series of tax-exempt and/or taxable revenue obligations to (i) finance the construction, renovation, furnishing, improvement and equipping of nonprofit educational facilities (including the demolition of an existing facility), and (ii) pay all or a portion of the costs of issuing the obligations, located at 3400 E. Harrison Street, Seattle, WA 98112. The project is owned and to be owned

and operated by The Bush School, a Washington nonprofit corporation and an organization described under section 501(c)(3). The estimated maximum obligation amount is not expected to exceed \$50,000,000. The public hearing was held July 24, 2025. (5 min.)

**D. Proposed Bond/Tax Credit Policy changes for the 2026 Allocation round**

**Lisa Vatske:** Request approval of the proposed changes to the Bond/Tax Credit Policies for the 2026 allocation round. (5 min.)

**VI. Informational Report on Department of Commerce Activities. (10 min.)**

**VII. Executive Director's Report (10 min.)**

**VIII. Commissioners' Report (10 min.)**

**IX. Chair: Consent Agenda (5 min.)**

**A. Homeownership & Homebuyer Education Programs Monthly Activities Report**

**B. Multifamily Housing and Community Facilities Monthly Activities Report**

**C. Asset Management and Compliance Monthly Activities Report**

**D. Financial Statements as of August 31, 2025**

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

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

**B. HFC Events Calendar**

**XI. Chair: Public Comment**

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

**XIII. Adjourn**

Nicole Bascomb-Green, Chair

Consent Agenda items will only be discussed at the request of a Commissioner.

# **WASHINGTON STATE HOUSING FINANCE COMMISSION**

## **WORK SESSION MINUTES**

**August 28, 2025**

The August 28, 2025 Work Session was called to order at 10:04 a.m. by Chair Nicole Bascomb-Green, 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 Albert Tripp (arrived at 10:40 a.m.), & Bill Rumpf; and, via Zoom, Alishia Topper, Mike Pellicciotti, & Tedd Kelleher.

Ms. Lisa DeBrock, Homeownership Division Director, along with Administration Division Communications staff member Ms. Angela Smith, gave a presentation on the Covenant Homeownership Program's one-year anniversary. Mr. William Polk, a recent homebuyer in Seattle who used the Covenant Homeownership Program testified regarding his experience with the Program. The presentation concluded with a video regarding the Covenant program.

Members of the Civic Commons – Black Home Initiative (BHI), Messrs. Michael Brown, Marty Kooistra, and Kris Hermanns, presented on the Scalable Starter Home Production Plan.

Mr. Lucas Loranger, Senior Finance Director, and Ms. Joanie Monaghan of CSG Advisors, gave a presentation on Financial Performance Metrics – Financial Sustainability Dashboard.

Ms. Wubet Biratu, Asset Management & Compliance (AMC) Division Director & Ms. Lisa Vatske, Division Director, Multifamily Housing & Community Facilities (MHCF) Division, gave an overview on the Asset Management Initiative.

Ms. Lisa Vatske, along with MHCF Division staff members Ms. Jackie Moynahan, Ms. Kate Rodrigues, and Mr. Jason Hennigan, presented on the Policy Reset, Federal Updates, and Policy/Guidance for 2025-2026.

The Work Session was adjourned at 12:10 p.m.

# WASHINGTON STATE HOUSING FINANCE COMMISSION MINUTES

**August 28, 2025**

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:01 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 Albert Tripp, & Bill Rumpf; and via Zoom, Alishia Topper, Brian Surratt, Lowel Krueger, and Mike Pellicciotti.

## **Approval of the Minutes**

The July 24, 2025 Commission meeting minutes were approved as distributed.

## **Special Employee Recognition**

Mr. Steve Walker, Executive Director, stated that the following special group recognition was inadvertently not included last month with the other employee recognition items:

### **Special/Outstanding Group Achievement Award– *Smartsheet Partner Team:***

“The Smartsheet Partner Team deserves special recognition for their exceptional contributions to the development and testing of our Racial Equity Strategic Plan (RESP) Accountability Tracker.

This group, made up of staff from across all divisions, volunteered their time, energy, and expertise to support a complex and high-visibility project, all while managing their regular duties. They stepped into this space that asked them to test a tool still in development, navigate unfamiliar technology, and serve as a vital link between the project team and the broader organization.



They approached this with eagerness, patience, and professionalism. Even when timelines shifted, the Smartsheet Partner Team stayed engaged and thoughtful, offering feedback that helped shape a better product. What stands out most is the spirit with which they served.

Their participation wasn't just about testing functionality. It was about championing equity, collaboration, and excellence. They essentially advocated for their peers, asked hard questions, and brought diverse skill sets and attention to detail.

They made the product better, and in doing so, helped us model the kind of partnership and shared responsibility that demonstrates our guiding principles in action, and strengthens the Commission as a whole. Their dedication, insight, and teamwork has had a lasting impact.

The Smartsheet Partner Team members include: Christopher Vasquez, Angela Smith, Mary Lightle, Mizan Irwin, Patricia Williams, Tara Woodruff, Yvonne Williams, and a special thanks to Anna Porkalob, who led the group.”

Chair Bascomb-Green congratulated the Smartsheet Partner Team members for their outstanding work.

**Public Hearing:  
35<sup>th</sup> & Pacific  
Family Housing,  
OID #23-104A**

The Chair opened a public hearing for 35<sup>th</sup> & Pacific Family Housing, OID #23-104A, at 1:07 p.m.

Ms. Bianca Pyko, Senior Bond/Housing Credit Analyst, Multifamily Housing & Community Facilities (MHCF) Division, said this is a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue obligations to provide a portion of the financing for the acquisition, construction and equipping of an 80-unit multifamily housing facility located at 3561 Pacific Avenue, Tacoma, Washington 98418, to be owned by MHNW 29 - 35<sup>th</sup> & Pacific LLLP, a Washington limited liability limited partnership. Proceeds of the

obligations may also be used to pay all or a portion of the costs of issuing the obligations. The estimated maximum obligation amount is not expected to exceed \$33,000,000.

Ms. Pyko added that 35<sup>th</sup> & Pacific Family Housing is the new construction of an 80-unit multifamily housing facility located in Tacoma. The project consists of a single five floor mid-rise elevator serviced buildings that will serve persons with disabilities as well as individuals and families at 30%, 50% and 60% area median income (AMI).

She added further that the project will include a large community room and outdoor spaces for residents as well as onsite residential services utilizing Mercy Housing Northwest's Family Program Model which leverages relationships with partners to run programs for the entire community based around five key program areas: education/out of school time, housing stability, health and wellness, education and financial stability, and community participation. In addition, the project will provide supportive services and case management to meet the needs of residents.

She concluded the project will also feature non-residential space that will serve as a Community Hub, including a gathering space for the neighborhood, a services space for Mercy Housing Northwest, and a commercial wing designed as a no-cost food market.

Ms. Pyko then introduced Mr. Joe Thompson, President; and Ms. Katie Randall, Project Developer II; both from Mercy Housing Northwest.

Mr. Thompson stated that Mercy Housing Northwest has been in existence in Washington for almost 40 years and was founded as Intercommunity Mercy Housing by five different women's religious groups. He added that Mercy has developed over 45 projects throughout Washington that utilizes either 9% Low-Income Housing Tax Credits (LIHTC) or are 4% bond/LIHTC projects. He added that Mercy Housing is involved in all phases from developing, constructing, and management of properties. Also, Mercy Housing works and

partners with the different communities where each of their properties are currently located, and also for their properties that are in development/under construction.

Ms. Randall added that she manages Mercy's pipeline of projects to be located in Tacoma/Pierce County and this project is a major public priority for both the City of Tacoma and for Pierce County. She added further that the land is currently owned by the Tacoma Community Redevelopment Authority and was transferred to the Redevelopment Authority from both the County and the City. She emphasized that the commitment to this project is demonstrated by the fact there are over \$12 million in committed City and County funds coming to this project.

She stated that one of the major reasons there is such an emphasis on this project is that it incorporates a cleanup site. This cleanup site contains fill materials that were disposed there during the construction of Interstate 5 many years ago. She added there is known contamination on the site, and the project development includes capping and remediation of those materials. She concluded that this would create outdoor gathering spaces and be a community hub for that neighborhood and for the City of Tacoma as well.

Mr. Joshua Douglass, a representative of the Western States Carpenters Union, expressed concern about the wages paid for the carpenters and for other Union members that are building this facility.

Mr. Walker replied to Mr. Douglass that Commission staff will follow-up with Mercy Housing regarding his concerns.

Ms. Marianna Hyke, also from the Western States Carpenters Union, commented on apprenticeship utilization, local hiring, prevailing wages and curbing worker exploitation.

After hearing no other further comments or written testimony from members of the public, the public hearing was closed at 1:22 p.m.

**Public Hearing:  
Horizon House,  
OID #25-56A**

The Chair opened a public hearing for Horizon House, OID #25-56A, at 1:22 p.m.

Mr. Dan Schilling, Senior Finance Analyst, MHCF Division, stated that this is a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue obligations to (i) refinance outstanding tax-exempt and/or taxable obligations, the proceeds of which financed capital improvements to the facilities of an existing continuing care retirement community, (ii) finance the demolition, replacement, construction, equipping, renovation and improvement of facilities of an existing continuing care retirement community, including the construction and equipping of a new approximately 33-story building with approximately 202 apartments and related common area facilities, and the renovation and improvement of existing residences and related facilities of the continuing care retirement community, (iii) fund a debt service reserve fund and pay capitalized interest with respect to the obligations, and (iv) pay all or a portion of the costs of issuing the obligations. The project is located at 900 University Street, Seattle, Washington 98101, owned and operated by Horizon House, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the IRS Code (the “Code”). The estimated maximum bond amount is not expected to exceed \$625,000,000.

Mr. Schilling introduced Ms. Christine Seymour, CFO, and Ms. Erica Thrash-Sall, CEO, both from Horizon House; and Mr. Sarkis Garabedian, Managing Director from Ziegler, the bond underwriting firm for this project.

Ms. Seymour stated that Horizon House is a continuing care retirement community (CCRC) in Downtown Seattle, in the First Hill neighborhood. She added that Horizon House borders Freeway Park and overlooks the Convention Center. The company was established in the early 1960s by members of the United Church of Christ and has been in business for 65 years, serving over 450 senior residents, with 377 independent living apartments and 90 licensed assisted living beds.

Ms. Seymour mentioned that Horizon House has a long history with the Commission; their first bond financing was in 1996, when they purchased a neighboring apartment building that is now the North Tower, with 100 independent living. Horizon House also did a refinancing in 2017, and in 2022, borrowed \$40 million to work on campus improvement projects.

She stated that this bond issue is for improvements to the existing campus and the new construction of the West Tower, which will replace an existing 11-story building. The West Tower will be 33 stories, with 202 independent living apartments, and will be fully integrated within the campus.

Ms. Seymour added that Horizon House would be adding roughly 40% more common space area for all of their residents. Additional amenities would include expanded outdoor amenities, a new performance hall, and a top floor dining venue, as well as meeting rooms and access to the outside.

She concluded by stating this project will allow Horizon House to maintain its broad social-economic diversity and to extend the life of the Central Tower, the oldest building on the campus. Horizon House has an approximate \$33 million Resident Assistance Fund which helps financially support residents.

Ms. Thrash-Sall commented that Horizon House serves what is known as the “forgotten middle senior,” which are seniors earning around 80% to 120% of area median income (AMI). She commented further that this AMI group is projected to represent 44% of all older adult households by 2033. This group earns too much to qualify for Medicaid, yet not enough to afford private pay insurance. In addition, this project is being done to strengthen the diversity and socio-economic community not just at Horizon House, but for the First Hill neighborhood as well.

Mr. Rumpf asked what is being done for the residents displaced from the existing building that would be demolished for the new West Tower. Ms. Seymour replied that most, if not all, of these residents have already been or will be relocated to existing facilities during the West Tower construction.

Mr. Joshua Douglass, a representative of the Western States Carpenters Union, reiterated his earlier statements, that the Union members were concerned about the wages paid for carpenters and Union members who are building this facility.

After hearing no other further comments or written testimony from members of the public, the public hearing was closed at 1:36 p.m.

**Public Hearing:  
Cedar Flats, OID  
#24-52A**

The Chair opened a public hearing for Cedar Flats, OID #24-52A, at 1:36 p.m.

Mr. Schilling stated that this was a public hearing for the proposed issuance of one or more series of tax-exempt and/or taxable revenue obligations used to provide a portion of the financing for the acquisition, construction and equipping of a 276-unit multifamily housing facility located at 8012 170th Street East, Puyallup, Washington 98375, to be owned by VBT Cedar Flats LLC, a Washington limited liability company. The estimated maximum obligation amount is not expected to exceed \$62,000,000.

Mr. Schilling then introduced Mr. Zac Baker, Development Manager and Ms. Qiara Millen, Development Assistant, both from Southport Financial Services.

Ms. Millen stated that Southport has been in business since 1995 and has 30 years' experience working with the Commission and has developed/built approximately 15,000 total units nationwide.

Ms. Millen stated that Cedar Flats will be new construction located in unincorporated Pierce County, south of Puyallup near Fredrickson, and will have 276 units spread across 14 energy-efficient buildings. Units will be set aside for persons making 60% or less of AMI, and 10% of the total units will be set aside for persons with disabilities, and 20% of the total units will be set aside for large households.

She added that the buildings will be constructed in line with Washington State's Evergreen Sustainable Development Standard policies, which include, but are not limited to: Energy Star appliances, high-efficiency HVAC systems, low-flow water fixtures, and solar panels. Upon completion, the project will provide 276 families with safe, high-quality, affordable housing, along with access to a range of thoughtfully designed amenities and supportive services.

Ms. Millen mentioned that Southport will contract with the Metropolitan Development Council for supportive services for residents, and Trillium Housing will serve as the nonprofit housing partner. Also, the community amenities will include: a covered playground for children, a computer lab for schoolwork for children, or for young adults and adults to, submit job applications, a movie room for family gatherings, a gymnasium, electrical vehicle (EV) charging stations, and last, a fully functioning community kitchen and room that will foster meaningful connections with residents.

Mr. Joshua Douglass, a representative of the Western States Carpenters Union, repeated his concern about the wages paid for the carpenters and for other Union members that are building this facility, and the need for project labor and community workforce agreements and legislation.

Mr. Alex Ger, also from the Western States Carpenters Union, testified that the Union does a lot of site construction site visits. He stated that the developers utilize labor brokers, who take advantage of the workforce and said this should be reviewed by regulatory agencies and elected officials.

After hearing no other further comments or written testimony from members of the public, the public hearing was closed at 1:47 p.m.

**Public Hearing:  
Projects for  
Allocation of Low-  
Income Housing  
Tax Credits in the  
2025 funding round**

The Chair opened a public hearing on the recommended allocation of 9% Low-Income Housing Tax Credits (“LIHTC”) for the following three projects at 1:47 p.m.:

TC #	Project Name	City	County	Annual Tax Credit Amount
25-04	Farmview Family Housing	Burlington	Skagit	\$872,727
25-05	Bridge Meadows Tacoma	Tacoma	Pierce	\$2,000,000
25-11	South Yakima Senior Housing	Tacoma	Pierce	\$1,712,360

Mr. Jacob Richardson, Manager, MHCF Division, stated these are the next three projects (of 12 total projects) for consideration for an allocation of 2025 9% LIHTCs. One project, Bellis Fair Senior Housing, in Bellingham, was considered and allocated LIHTCs at last month's Commission Meeting. The remaining eight LIHTC projects will be considered for allocation in the next 2-3 months.

#### **Farmview Family Housing**

Mr. Richardson stated that Fairview Housing is located in Burlington Washington, to be located on Farmview Court, in Burlington, Washington and is sponsored by the Office of Rural & Farmworker Housing (ORFH). The project is in the non-Metro Credit pool and will have 31 total units, with a total credit request of \$872,727.

Mr. Richardson then introduced Mr. Charles Hitchcock, Senior Housing Developer at ORFH.

Mr. Hitchcock stated that this project is a 31-unit development, penthouse-style layout over six buildings located near properties developed and run by the Skagit County Housing Authority and the Office of Regional and Farmworker Housing, with all of the units for farmworkers making 50% or less of local AMI. He emphasized that farmworkers are a critical part of the Burlington-Mt. Vernon area and Skagit County's economy, yet housing for farmworkers still remains scarce.

Mr. Hitchcock mentioned further that this project will use USDA Rural Development Section 514 rental assistance and a Section 538 USDA guaranteed



loan. He added that construction is expected to start this winter, and that the entire project site will be built on fill as the area is a floodplain. He concluded that the entire property will be energy efficient, have a playground for children, and a community room.

### **Bridge Meadows Tacoma**

Mr. Richardson stated that the next project is Bridge Meadows Tacoma, located at 628 East 60<sup>th</sup> Street, in Tacoma, Washington 98404 and is sponsored by Bridge Meadows, based out of Oregon. The project is in the Metro Credit pool and will have 60 total units, with a total credit request of \$2,000,000. This project will also have an approved Total Development Cost (TDC) waiver.

Mr. Richardson then introduced Dr. Derenda Schubert, CEO of Bridge Meadows.

Dr. Schubert first introduced members of the team behind the financing: Mr. Brian Carleton, Principal, Carleton Hart Architecture; and Ms. Mai Huynh-Carnes, Senior Development Manager, Community Development Partners. She then mentioned that Bridge Meadows was founded and has three properties in Oregon, and that this would be the first Bridge Meadows community to be located in Washington.

Dr. Schubert stated that this property would have on-site mental health and educational services, and a community room for residents and the neighborhood. She added that residents at Bridge Meadows are people impacted by the foster care system and/or residents that are age 55+ who still want purpose in their lives and not be socially isolated. Bridge Meadows is located next to Stewart Heights Park, which is a popular and desirable community gathering space in the 60th & McKinley neighborhood of Tacoma.

### **South Yakima Senior Housing**

Mr. Richardson stated that South Yakima Senior Housing is located at 1951 South Yakima Avenue, Tacoma, Washington 98405 and is sponsored by Human

Good Affordable Housing. The project is in the Metro Credit pool and will have 63 total units, with a total credit request of \$1,712,360. He added that this project will also have an approved TDC waiver.

Mr. Richardson then introduced Ms. Roberta Schur, Senior Developer, Beacon Development Group.

Ms. Schur stated that South Yakima Senior Housing is a partnership between Human Good Affordable Housing and the Greater Christ Temple Church, established in Tacoma's Hilltop neighborhood in 1959. The Church owned three acres of vacant land and a few neighboring single-family houses, and wanted to make the best use of the land by providing affordable housing. Human Good Affordable Housing was selected as the development partner through an RFP process.

She stated that Human Good Affordable Housing is located in 5 states, has 100 different communities, serving more than 13,000 residents ages 55 and older. She added that Human Good has nine communities in Washington. Its mission is to help older adults live their best lives possible, and their values define how Human Good creates meaningful experiences for their residents. She noted that Beacon Development Group is the development consultant for Human Good.

Ms. Schur stated that the project will provide 62 one-bedroom units for seniors making 30 to 50% of local AMI, and one two-bedroom manager unit, with 20% of the total units set aside for seniors with disabilities. These units will be ADA Type A units which will allow residents to age in place, and this project will provide more of these units than required by local building codes. In addition, the project's amenities include a large community room with views of Puget Sound, Commencement Bay, and Mt. Tahoma, an exercise room, coffee bar, shared laundry, outdoor patio, and raised planter boxes for residents. There will also be office space for property management and maintenance, and a resident services coordinator.

Ms. Schur also mentioned that in addition to the partnership between the Church

and Human Good, they also will be partnering with the State of Washington Aging and Long-Term Support Administration and Pierce County Aging and Disability Resources Division to house seniors at risk of homelessness, and provide holistic case management services to their residents. Also, a Resident Services Plan will include individualized assessments, service management plans for residents, connecting them to outside agencies for educational programs, health screenings, and organized support groups. In addition, these programs will include: mental health services, fall prevention, Medicare/Medicaid, Veterans Benefits, SNAP, and Meals on Wheels for residents and the community.

She concluded that in addition to the 9% LIHTC equity, their funding partners include funds from the City of Tacoma, Pierce County, the Housing Trust Fund, and Capital Magnet Funds. The project financing will close at the end of October, with construction completion expected in January of 2027.

There were no comments or written testimony from members of the public regarding the three LIHTC projects, and the public hearing was closed at 2:02 p.m.

**Action Item:  
Resolution No. 25-73, 2025  
Allocation(s) of  
Credit for the  
Housing Tax Credit  
Program**

Ms. Lisa Vatske, Director, MHCF Division, stated that this is a resolution authorizing the Executive Director to make reservations and/or allocations of 2025 LIHTCs for the following three projects:

TC #	Project Name	City	County	Annual Tax Credit Amount
25-04	Farmview Family Housing	Burlington	Skagit	\$872,727
25-05	Bridge Meadows Tacoma	Tacoma	Pierce	\$2,000,000
25-11	South Yakima Senior Housing	Tacoma	Pierce	\$1,712,360

Ms. Vatske stated that the public hearing for these three projects was just held prior to the consideration of this resolution.

Mr. Krueger moved to approve the resolution. Mr. Tripp seconded the motion. The resolution was unanimously approved.

**Action Item:  
Resolution No. 25-  
60, YMCA of  
Pierce & Kitsap  
Counties, OID #25-  
46A**

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue bonds to: (a) finance the redevelopment, construction and equipping of an approximately 94,000 square foot nonprofit facility, (b) refund outstanding Commission bonds issued to refund prior Commission obligations, the proceeds of which financed the construction of an approximately 74,000 square foot nonprofit facility located in Gig Harbor, (c) finance the construction and equipping of an approximately 58,000 square foot outdoor sports field located on land owned by the City of Gig Harbor, and (d) pay all or a portion of the costs of issuing the bonds. The project is owned and to be owned and operated by Young Men's Christian Association of Pierce and Kitsap Counties, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the Code. The aggregate maximum bond amount is not expected to exceed \$11,220,000. The public hearing was held June 26, 2025.

Ms. Vatske concluded that a bank commitment letter was issued by Wells Fargo Bank for an amount not to exceed \$11 million.

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

**Action Item:  
Resolution No. 25-  
71, Creekside  
Village on Vashon,  
OID #19-73A**

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue obligations to provide a portion of the financing for the acquisition, construction and equipping of a 41-unit multifamily housing facility located at 16816 95th Lane SW, Vashon, Washington 98070. Proceeds of the obligations may also be used to pay all or a portion of the costs of issuing the obligations. The project is to be owned by Creekside Village on Vashon LLC, a Washington limited liability company. The

estimated maximum obligation amount is not expected to exceed \$17,000,000.  
The public hearing was held July 24, 2025.

Ms. Vatske concluded that this would be a public sale, thus, no commitment letter is issued.

Mr. Tripp moved to approve the resolution. Mr. Krueger seconded.  
The resolution was approved unanimously.

**Action Item:  
Resolution No. 25-  
72, The Encore  
Campus, OID #25-  
55A**

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of tax-exempt and/or taxable revenue obligations to: finance the acquisition of multiple existing senior living facilities, including assisted living and nursing facilities, pay capitalized interest of the obligations and/or working capital with respect to the project, fund a debt service reserve fund for the obligations, and pay all or a portion of the costs of issuing the obligations, located at 2321 Northwest Schold Place, 2333 Northwest Schold Place and 12169 Country Meadows Lane NW, Silverdale, Washington 98383. The project is owned and to be owned and operated by Superior Living Foundation, Inc., a Maryland nonprofit corporation and an organization described under section 501(c)(3) of the Code. The estimated maximum obligation amount is not expected to exceed \$67,000,000. The public hearing was held July 24, 2025.

Ms. Vatske concluded that this would be a public sale, thus, no commitment letter is issued.

Mr. Krueger moved to approve the resolution. Mr. Tripp seconded.  
The resolution was approved unanimously.

**Action Item:  
Approval of annual  
request to allocate  
undesignated PRI  
funds for Fiscal  
Year 2025-2026**

Ms. Lucas Loranger, Senior Finance Director, stated that this is a request for approval by Commissioners authorizing the annual allocation of undesignated Program-Related Investments (PRI) funds for the current fiscal year 2025-2026.

Mr. Loranger stated that at the May Commission Budget and Planning Session, a preliminary estimate of \$40 million was given to be allocated to different PRI programs for the 2025-2026 fiscal year. After closing the books, there is \$43 million to allocate.

These are the proposed allocations: \$5 million for Critical Community Response (Preservation); \$3 million for Manufactured Housing, \$15 million for Home Advantage DPA Reinvestment Fund, and \$20 million for the Credit Enhancement/Subordinate Loan Program.

He noted that the only change from May's suggestions is that staff is recommending putting an additional \$3 million towards the manufactured housing program, which is a very robust program. He noted that the Commission did a mid-year allocation last year to that category.

Mr. Loranger added that in addition to the additional \$3 million noted above, \$5 million will be allocated to the Critical Community Response program, the Commission's preservation program. Also, the Credit Enhancement/Subordinate Loan Program would use the Commission's new credit rating, to take effect in approximately 1-2 months.

Ms. Vatske added that the additional allocation for the Manufactured Housing Program enables the Commission to leverage state dollars allocated to acquire and preserve many more manufactured housing parks.

Mr. Krueger asked Ms. Vatske if there a list of developments that are looking for these funds now, similar to the Commission's Land Acquisition Program (LAP). Ms. Vatske replied that there is a list, via the Northwest Cooperative Development Center.

Mr. Rumpf moved to approve the recommended allocations of the undesignated PRI funds for Fiscal Year 2025-2026. Mr. Krueger seconded the motion. The motion was approved unanimously.

**Action Item:  
Approval to  
increase the  
Commission's  
Single-Family  
House Key  
Opportunity  
Income & Cost  
Limits**

Ms. Lisa DeBrock, Director, Homeownership Division, stated this was a request for approval by Commissioners to increase the Commission's Single-Family House Key Opportunity income and cost limits.

Ms. DeBrock stated that the Commission last raised the acquisition cost limits for the House Key program in January 2022 and raised income limits in August of 2022. As new numbers come out, Homeownership staff continually re-evaluates and brings new limits to Commissioners for consideration and approval when this would make a positive difference for homebuyers.

She commented that escalating home prices, limited affordable housing inventory, inflation, along with higher interest rates causes significant challenges for the Commission's single-family programs.

She noted that the IRS has specific rules in place to calculate income and acquisition limits. For all recommendations that are being brought forward today for House Key, she and staff worked with special tax counsel.

She then referenced the income limits that currently exist, and the proposed income limits, as included in the board meeting packet. In the analysis, the Commission also relied on the most recent data provided by the Washington Center for Real Estate Research's data from the 1st Quarter, 2025 to give real market data for comparison. She noted that these numbers also lag behind the current market.

Although the limits may seem high in a handful of counties, she believes that the families towards the top of the proposed income limits will qualify for homes under the new acquisition cost limits, especially in high-cost areas. In addition, many of the Commission's partners have offered deep subsidy community second and third mortgages to fill that gap and help borrowers afford a home.

These are the proposed acquisition limits in all counties to be raised as follows:

	Non-targeted	Target
Skagit/Thurston, Island, Kitsap, Clark, Skamania, & Whatcom	\$550,000	\$625,000
King, Pierce, Snohomish	\$600,000	\$675,000
King, Pierce, Snohomish	\$725,000	\$775,000
All Other Counties	\$500,000	\$550,000

From her research, the counties that have the most available properties are the high-cost counties of King, Snohomish, and Pierce. Because Pierce is in the same MSA (Metropolitan Statistical Area) as King, they are still a sweet spot right now for the House Key program. The increase in all other counties is desperately needed.

Despite the challenges mentioned, these new limits present an opportunity for the Commission and their lenders to place more homebuyers into the House Key Opportunity program. With the proposed new limits, we are one step closer to bringing the numbers more in line with the market.

Ms. DeBrock then stated that going hand in hand with the acquisition cost limits are the income limits. After receiving feedback from the Commission's lenders and nonprofit partners across the state and in an effort to keep up with the market, she and her staff would now like to also raise the House Key Opportunity income limits.

The IRS has income limit rules based upon the area median gross income for the area and the statewide median gross income determined by HUD. The Commission is allowed to go up to Federal limits and this program has consistently been below these limits.

Homeownership staff are recommending an increase for all counties which are in line with the changes previously requested and approved by the Commission. Counties are combined for ease of administration when the federal numbers are closely aligned. Here are the recommended changes from staff:



	Nontarget 1-2	Nontarget 3+	Target 1-2	Target 3+
King, Snohomish	\$175,000	\$200,000	\$175,000	\$200,000
Pierce	\$130,000	\$155,000	\$130,000	\$155,000
Clark, Skamania	\$118,000	\$135,000	\$130,000	\$150,000
Kitsap	\$118,000	\$135,000	\$130,000	\$150,000
All Other Counties	\$118,000	\$135,000	\$130,000	\$150,000

In the past, it was important for house price and income limits to align. Now that Home Advantage is the main program and is an unlimited resource, the Commission has limited the House Key Opportunity funds mainly to lower income households who are also using downpayment assistance as we have limited bond cap and want to help lower-income families afford a home with the below market interest rates.

Ms. DeBrock reminded Commissioners that the second mortgages have further income restrictions and Commissioners has already given flexibility to raise the Commission's AMI limits for downpayment assistance as necessary to meet the needs of the state.

The reason the income recommendations for the first mortgages may seem high is because the IRS looks at household income. When someone qualifies for a loan, you only count the income of the borrower. However, for IRS compliance, the Commission is required to count the income of anyone age 18 and older who is working, even if they are not on the loan, which may disqualify the potential homebuyer.

Ms. DeBrock believes these new income limits will further help low and moderate-income household qualify to buy a home in this market. We sought feedback from our lenders and nonprofit partners across the state and they were extremely supportive of both the acquisition cost and income limits.

Ms. DeBrock thanked Ms. Corinna Obar, Homeownership Division Manager, for all of her work regarding this.

Ms. Topper said Lisa's memo stated that the Commission can lend up to 140% of area median income, and asked what percentage was targeted in these numbers. Ms. DeBrock replied that it varies by county, but the range was between 120-140%.

Ms. Topper expressed concern that the changes would move the program towards moderate-income buyers and asked whether the purpose is to generate more loans. She believes that affordability means something more in the range of 50 to 80% of AMI. She commented that she still supports the new limits proposed by Ms. DeBrock, since this falls within guidelines established by IRS and the Federal government. Ms. DeBrock replied that for all of the Commission's DPA 2<sup>nd</sup> mortgage programs, the maximum AMI rates are 80%.

Ms. Topper moved to approve the increase the Commission's Single-Family House Key Opportunity program income and cost limits as recommended by staff. Mr. Krueger seconded the motion. The motion was approved unanimously.

**Action Item:  
Approval to  
increase the  
Commission's  
Single-Family  
Home Advantage  
Income Limits**

Ms. DeBrock stated that this was a request for Commissioners to approve an increase in the Commission's Home Advantage Program income limit from \$180,000/year to \$215,000/year.

She stated that the last time the Commission raised the income limits for Home Advantage was in August, 2022. Input was sought and received from the Commission's lenders and nonprofit partners.

Currently, the combined increases in home prices and current interest rates have made buying the typical home expensive. Homebuying is especially difficult for the Commission's borrowers who are simply priced out. Incomes do not match the price of homes statewide and median income households also struggle to buy a home anywhere.

She added that Home Advantage, it much different than the House Key Opportunity program, which is limited. Home Advantage is an unlimited

resource. There is no required maximum acquisition limit. The income limits have been set to meet the needs of low to moderate income households. As a reminder, raising the income limit does not take away from households who earn less, and by increasing the maximum income limit, it continues to lift the lid on the program to help more potential homebuyers purchase in an unaffordable market.

Since program implementation, Commissioners approved offering one income limit state-wide. The one income limit model is used by other of our HFA partners to make our programs administratively easy for both our lenders and for the Commission.

The California HFA allows 150% of AMI per county. Idaho Housing increased its AMI from 150% to approximately 160% to \$170,000. Colorado's one income limit is based on 140% of AMI.

When the Commission started the Home Advantage program, it was modeled on Alabama's, which still has one income limit of \$172,800.

Ms. DeBrock is requesting an increase in the income limits from \$180,000 to \$215,000.

The Commission is using the highest federal limit under the House Key program in target areas, which is currently \$219,950. This number was rounded down to the proposed income limit of \$215,000. Based on the feedback received from the Commission's partners, this new limit will help.

Ms. DeBrock believes the Commission can help more households especially in Western Washington. By setting the income limit statewide to one higher limit, she does not believe it will raise the average income served by much in Eastern Washington. She added that she does believe the Commission will be able to reach potential homebuyers who are able to qualify for a mortgage but lack the ability to save or save enough for a downpayment. She and her staff are seeing households who are cost burdened paying exorbitant amounts for rent. When

combined with costs of childcare, student loan debt, gas prices, and inflation, it is no wonder families are struggling to save.

Mr. Tripp moved to approve the Home Advantage Single-Family income limit of \$215,000/year. Mr. Krueger seconded the motion. The motion was approved unanimously.

**Informational  
Report on  
Department of  
Commerce  
Activities**

The monthly report from the Department of Commerce is included in the board meeting packet.

**Executive  
Director's Report**

Mr. Steve Walker, Executive Director, mentioned the following items from his monthly Executive Director's Report, which is included in the board packet as follows:

**MHCF Division:**

After 9 years with the Commission and 33 years with the State, we celebrated Kate Held's retirement on August 27. Kate has been the glue of the division and had the responsibility of assembling the Board agenda packets for the past 9 years, which is an essential function to the success of our division and our multifamily and community facilities financings.

MHCF had a wonderful opportunity for her to train her replacement and welcomed Jean Balbon to the team, in a slightly different role but continuing to take on the Board packet plus additional responsibilities. Jean ("Kate 2.0") comes to the Commission most recently from the Worksource system, had a stint at the Legislature and is a UW graduate - both undergrad and in a Master's Degree program.

Solar for All update. MHCF had been working with the Department of Commerce as a Sub-recipient for a Multifamily solar program and was working

towards an MOU. Recent news from the Federal administration has put a halt to that work. Staff are continuing to work on ways to leverage the state solar credit, which is still available.

Also, we welcome Cissi Xu to the Commission and the MHCF team as a data consultant. Cissi recently completed her master's degree at the UW and was interning at ARCH.

### **Homeownership:**

Homeownership Assistance Fund (HAF):

The Washington HAF Program worked its way through over 700 applications it received as of the April 7, 2025, application deadline. Because there were more applications than funding, staff directed approximately 150 applicants to seek assistance from the Washington Homeownership Resource Center (WHRC) and the assistance a housing counselor or civil legal aid in lieu of receiving a grant.

As of August 20, 2025, the HAF Program has provided over 6,700 grants totaling over \$140 million. Homeownership will continue to work closely with our program administrator, HOTB Software, to finalize and distribute all the funding the Commission received. Homeownership Division staff look forward to presenting a final update to the Commissioners regarding the HAF Program later this Fall.

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

Compliance Monitoring: AMC Portfolio Analysts finished reviewing 100% of the 2024 Bond Annual Reports and made strong progress on the required 2024 Tax Credit Annual Reports, with over 70% completion as of July.

Inspections: AMC's Inspection Contractor has completed over 70% of the 2025 onsite inspections.

## Community Engagement and Education:

Forms & Language Accessibility Initiative: WSHFC community events in Tacoma and Yakima, as part of our ongoing resident engagement efforts, focused on forms and language accessibility. Both events were a success, drawing over 700 attendees in total. Renee attended to support the engagement work. Talitha administered and collected 73 completed surveys both during the events and immediately afterward.

Customer Service Portal: The rollout of the new Customer Service process has been a success. It is helping AMC get a clearer picture of overall activity through the dashboard. That said, AMC has identified a few areas of improvement, like making autoreply to messages clearer so inquirers know what to expect and streamlining our internal workflow to ensure inquiries are assigned and closed out promptly. AMC is also actively working on these enhancements to make the process more effective.

Resident Resource Webpage: AMC is getting close to wrapping up content development, and right now reviewing the layout and accessibility features to make sure everything is user-friendly and inclusive. AMC is also working closely with the web team to finalize the technical pieces so it can move toward launch.

## **Finance:**

Finance staff, in conjunction with members of IT division, have selected a vendor for the timesheet replacement system. Finance staff will be working with them on incorporating the nuances of the Commission's time and leave policies and procedures over the coming weeks and hope to have the new system deployed by the end of October.

Additionally, Finance, Administration, Multifamily, and IT Division staff are all in the process of evaluating proposals to the recent RFP for a Servicing Software solution. Options are currently being narrowed down to a smaller selection for interview demos, which we expect to take place the first week of September.

The search for Finance's next Senior Controller is currently underway, with the position opening posted on August 19<sup>th</sup>. Finance has engaged the executive search firm, Anvil Rock Consulting, to assist with the search, and hopes to agree to terms with the Commission's next Senior Controller within a couple of months.

**Diversity, Equity, and Inclusion (DEI):**

Community Engagement: The Community Engagement Team will begin specialized training for engagement and public participation the first week of September.

Business Objectives: Throughout September DEI is partnering with a cross-divisional group to develop a new way of reporting on business objective(s) progress.

**Other news from Steve:**

Tera Ahlborn and Steve continue their work with the Governor's Boards and Commissions Office to secure new Commissioners for transitioning board members Ken Larsen, Alishia Topper and Brian Surratt. Graciously, Ken, Alishia and Brian have offered to continue to serve until their replacements are confirmed.

Steve participated in a monthly meeting with Nicolas Carr, the Governor's Housing Policy Lead, and also in a monthly housing strategy meeting with the Governor's, Lieutenant Governor's, and State Treasurer's Offices, and with the Department of Commerce.

**Consent Agenda**

The consent agenda was approved as distributed.

**Public Comment**

The Chair opened the public comment session.

Mr. Joshua Douglass, a representative of the Western States Carpenters Union, reiterated his earlier testimony.

He stated that the Carpenters Union is willing to be a partner with the Commission and support what they do, but want more oversight into the tax exemptions for developers, contractors, and subcontractors that are hired, and to ensure that prevailing wages are being paid.

Mr. Walker replied that he would follow up with Mr. Douglass regarding his and his colleagues' concerns.

**Adjournment**

The meeting was adjourned at 2:52 p.m.

**Signature**

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## NOTICE OF PUBLIC HEARING

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing with respect to a proposed plan of financing for the issuance by the Commission of one or more series of tax-exempt and/or taxable revenue obligations (the "Obligations") to finance a portion of the costs for the acquisition of existing facilities to be owned and operated by Tacoma/Pierce County Habitat for Humanity, a Washington nonprofit public benefit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Obligations may be issued as one or more series issued from time to time and may include series of refunding obligations. The public hearing will be held in person and by telephone starting at 1:00 p.m., Thursday, September 25, 2025. Participants wishing to join telephonically in the United States, please dial either toll free number: 1-(888) 788-0099 or 1-(877) 853-5247. Participants wishing to attend in person may attend, in the 27th Floor Board Room of the Commission's offices located at 1000 Second Ave., Seattle, Washington 98104-3601.

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

**To join virtually, please go to [www.zoom.us](http://www.zoom.us), go to “Join a Meeting” or “Join,” and enter:**

**Webinar/Meeting ID: 884 9617 8572**

**Passcode: 116824**

The Obligations will be issued pursuant to Chapter 43.180 of the Revised Code of Washington for the purpose of financing an exempt facility under Section 145 of the Code.

The proceeds of the Obligations will be used to provide financing for the following project:

Project:	Tacoma/Pierce County Habitat for Humanity
Project Address:	4820-24 S Tacoma Way Tacoma, WA 98409
Total Estimated Project Cost:	\$1,900,000
Estimated Maximum Obligation Amount:	\$1,700,000

Proceeds of the Obligations will be used for the acquisition of existing facilities in Tacoma, and to pay all or a portion of the costs of issuing the Obligations.

This notice and the provision of toll-free telephone access to the hearing are intended to comply with the public notice requirements of Section 147(f) of the Code. Written comments with respect to the Project and the proposed plan of financing with respect to the Obligations may be mailed or faxed to the attention of Bianca Pyko, WSHFC, Multifamily Housing and Community Facilities Division, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-3601 or to (206) 587-5113, for receipt no later than 5:00 p.m. on Wednesday, September 24, 2025. Public testimony will be heard from all interested members of the public attending the hearing in person or via the telephone or internet. The Commission

will consider the public testimony and written comments in determining if the project will receive funding from tax-exempt and/or taxable obligations. Testimony and written comments regarding land use, zoning and environmental regulation should be directed to the local jurisdiction that is authorized to consider these matters when issuing building permits for the project.

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Multifamily Housing and Community Facilities Division at 1-(206) 464-7139 or 1-(800) 767-HOME (in state) at least 48 hours in advance of the hearing.

The results of the hearing will be sent to the Governor for approval.

## Nonprofit Facilities Program

<b>Project Name</b>	Tacoma/Pierce County Habitat for Humanity
<b>Developer</b>	Tacoma/Pierce County Habitat for Humanity
<b>Description</b>	<p>Tacoma/Pierce County Habitat for Humanity (“Tacoma Habitat”) has created and preserved affordable homeownership for income qualified households earning roughly 30-80% of Area Median Income since 1985.</p> <p>The bonds will be used to finance the purchase of the building Tacoma Habitat currently leases that will allow it to continue to serve as their storefront, operations and community hub, consolidating programming, counseling, volunteer and construction support functions. Tacoma Habitat offers amenities and services to the community through the Habitat store.</p>
<b>Location</b>	4820-24 S Tacoma Way Tacoma, WA 98409
<b>Relation to Mission and Goals</b>	To provide effective, low-cost financing for nonprofit facilities.
<b>Project Type</b>	Acquisition of an existing facility.
<b><i>Financial Information</i></b>	
<b>Estimated Tax-Exempt Obligation Amount (Not to exceed)</b>	\$1,700,000
<b>Total Estimated Project Costs</b>	\$1,900,000
<b>Obligation Structure</b>	Private Placement
<b>Lender</b>	Kitsap Bank
<b>Action</b>	Public Hearing for OID # 25-75A
<b>Anticipated Closing Date</b>	November 2025



The Washington State  
**HOUSING FINANCE COMMISSION**

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**NOTICE OF PUBLIC HEARING**

The Washington State Housing Finance Commission (the “Commission”) will hold an open public hearing for the purpose of considering the allocation by the Commission of federal low-income housing tax credits (the “Credits”) to sponsor multifamily residential projects. The projects to be considered for an allocation of Credit are:

TC #	Project Name	City	County	Annual Tax Credit Amount
25-15	Franz Anderson	Olympia	Thurston	\$1,928,539
25-03	Lewis, Spruce, and Sixth	Yakima	Yakima	\$1,378,777
25-10	Catlin & Main	Kelso	Cowlitz	\$1,105,600

The public hearing will be held in person and by telephone starting at 1:00 p.m., Thursday, September 25, 2025. Participants wishing to attend in person may attend in the 27th Floor Board Room of the Commission's offices located at 1000 Second Avenue, Seattle, Washington 98104-3601.

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:**

**Webinar/Meeting ID: 884 9617 8572**

**Passcode: 116824**

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

Anyone requiring an accommodation consistent with the Americans with Disabilities Act should contact the Multifamily Housing and Community Facilities Division at 206.464.7139 or (800) 767-HOME (in state) at least 48 hours in advance of the hearing.

The Credits will be allocated pursuant to the authority of the Commission under Chapter 43. 180 RCW as amended, Executive Order 94-05, dated April 2, 1994, and the Internal Revenue Code of 1986, as amended. As a condition of receiving an allocation of tax credits and under a competitive process, the developers commit to serving very low and extremely low income and special needs populations for up to 40 years.

Written comments with respect to the proposed projects and allocation of Credits may be emailed to [lisa.vatske@wshfc.org](mailto:lisa.vatske@wshfc.org), mailed or faxed to the Washington State Housing Finance Commission (Attention: Lisa Vatske, MHCF Division Director, 1000 Second Avenue, Suite 2700, Seattle, Washington, 98104-3601; fax number (206) 587-5113) for receipt no later than 5:00 p.m. on September 24, 2025. The public testimony will be heard from all interested members of the public attending the hearing. The Commission will consider the public testimony and written comments in determining if the projects will receive Credits; however, the Commission will not consider testimony and written comments regarding land use, zoning, and environmental regulation, which should be directed to the local jurisdictions that are authorized to consider these matters when issuing building permits for the project.

## 9% Competitive Housing Tax Credit Program

<b>Project Name</b>	Franz Anderson PSH		
<b>Sponsor</b>	Low Income Housing Institute (LIHI)		
<b>Description</b>	<p>The City of Olympia donated the land to LIHI for a two-phase project. The first phase of the project will be permanent supportive housing (PSH) including community space, operations, and case management on the ground floor. SeaMar Behavioral Health is the chosen services provider.</p> <p>All units will be accessible as over 75% of tenants in PSH buildings have some form of physical disability and seek buildings that allow tenants to age in place. All the units and bathrooms and kitchens will have 42" doors and will allow for full wheelchair turn arounds. All the baths will have grab bars installed, with increased number of visual fire alarm and doorbells. Handrails in the hallways and corner guards will protect from accidental wheelchair strikes. All common area doors will be electrically or operationally assisted to allow individuals with mobility issues to easily access all the common spaces in the building.</p>		
<b>Location</b>	527 Franz Anderson Road SE Olympia, WA 98507		
<b>Credit Pool</b>	Non-Metro		
<b>Project Type</b>	New Construction without Federal Subsidies		
<b>Low-Income Housing Units</b>	Studio	35	
	One Bedroom	36	
	<b>Total</b>	<b>71</b>	
<b>Income Set-Asides</b>	50% of units at 30% AMI 50% of units at 50% AMI		
<b>Scoring</b>	Additional Low-Income Housing Set-Aside		60
	Additional Low-Income Use Period (22 Years)		44
	Housing Commitments for Priority Populations		25
	Leveraging		10

Public Funding	2
Project-Based Rental Assistance (PBRA)	3
Developer Fees	10
Location Efficient Project	2
Located near a Job Center	1
Nonprofit Sponsor	5
Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
<b>Total Points</b>	<b>169</b>

**Credit Request** **\$1,928,539**

**Development Budget**

Acquisition Costs	\$10,001
Construction	\$22,605,934
Soft Costs	\$3,120,552
Financing Costs	\$1,056,364
Capitalized Reserves	\$358,400
Other Development Costs	\$1,608,372
<b>Total Development Costs</b>	<b>\$28,759,623</b>

**Permanent Sources**

City of Olympia Regional Housing Council	\$6,700,000
State Housing Trust Fund (HTF)	\$445,186
State Apple Health and Home (AHAH)	\$3,529,002
Thurston County	\$1,500,000
Tax Credit Equity at \$0.8600 per credit x 10 years	\$16,585,435
<b>Total Sources</b>	<b>\$28,759,623</b>

**Total Development Cost Limit**

Project's Total Development Cost Limit	\$25,293,542
TDC less Land, Offsite Infrastructure, and Reserves	\$28,401,222
Waiver	Required

**Project Operations**

Unit Size	Market Rents	Proposed Rent Range
Studio	\$ 1,400	\$ 591 - 985
One Bedroom	\$ 1,675	\$ 634 - 1,057

## 9% Competitive Housing Tax Credit Program

<b>Project Name</b>	Lewis, Spruce & Sixth
<b>Sponsor</b>	The Housing Authority of the City of Yakima
<b>Description</b>	<p>Lewis, Spruce &amp; Sixth is a 50-unit scattered-site infill development in Yakima sponsored by the Yakima Housing Authority (YHA). The project will transform three vacant parcels into new housing that integrates with existing YHA properties and surrounding neighborhoods. The Lewis site will add 29 apartments across two walk-up buildings next to a city park; the Spruce site will add 18 apartments in three small buildings adjacent to an existing YHA community; and the Sixth site will add three apartments on a former blighted lot donated by the City of Yakima. In total, the development will provide 12 studios, 20 one-bedrooms, and 18 two-bedrooms designed to blend into the surrounding community.</p> <p>Lewis, Spruce, &amp; Sixth will serve a mix of populations, with 25% of units reserved for households experiencing homelessness and the remaining apartments available to general low-income families and seniors, with units affordable to households at 30%, 40%, and 60% of Area Median Income. Thirteen supportive housing units will be paired with project-based vouchers, and YHA will provide ongoing support through its Resident Services Coordinator. Yakima Neighborhood Health Services will coordinate referrals through the local coordinated entry system and provide case management for homeless residents.</p> <p>The three scattered sites are located in historically underserved Yakima neighborhoods where poverty rates exceed 40% and Latino households make up roughly 75% of the population. By repurposing long-vacant and donated parcels, the project will reduce blight and respond directly to housing needs identified through YHA's waitlist. YHA's bilingual staff and culturally competent service approach will ensure equitable access for residents, including households with limited English proficiency.</p>



<b>Location</b>	316 N. Lewis Ave., Yakima, WA 98902; 914 E. Spruce St., Yakima, WA 98901; 415 N. Sixth Ave., Yakima, WA 98902	
<b>Credit Pool</b>	Non-Metro	
<b>Project Type</b>	New Construction without Federal Subsidies	
<b>Low-Income Housing Units</b>	Studio	12
	One Bedroom	20
	Two Bedroom	18
	<b>Total</b>	<b>50</b>
<b>Income Set-Asides</b>	50% of units at 30% AMI 10% of units at 40% AMI 40% of units at 60% AMI	
<b>Scoring</b>	Additional Low-Income Housing Set-Aside	60
	Additional Low-Income Use Period (22 Years)	44
	Housing Commitments for Priority Populations	25
	Leveraging	10
	Public Funding	2
	Project-Based Rental Assistance (PBRA)	3
	Developer Fees	10
	Location Efficient Project	2
	Located near a Job Center	1
	Nonprofit Sponsor	5
	Donation in Support of Local Housing Needs	5
	Energy Consumption Model	2
	Cost Containment Incentive	8
	<b>Total Points</b>	<b>177</b>
<b>Credit Request</b>	<b>\$1,378,777</b>	
<b>Development Budget</b>		
	Acquisition Costs	\$232,600
	Construction	\$11,957,859
	Soft Costs	\$2,366,738
	Financing Costs	\$785,702
	Capitalized Reserves	\$206,400
	Other Development Costs	\$428,769
<b>Total Development Costs</b>	<b>\$15,978,067</b>	

**Permanent Sources**

State Housing Trust Fund	\$3,600,000
Connecting Housing to Infrastructure Program (CHIP)	\$658,462
Tax Credit Equity at \$0.8500 per credit x 10 years	\$11,719,605
<b>Total Sources</b>	<b>\$15,978,067</b>

**Total Development Cost Limit**

Project's Total Development Cost Limit	\$18,995,224
TDC less Land, Offsite Infrastructure, and Reserves	\$15,295,065
Waiver	Not required

**Project Operations**

Unit Size	Market Rents	Proposed Rent Range
Studio	\$850	\$405 - \$563
One Bedroom	\$1,110	\$426 - \$932
Two Bedroom	\$1,390	\$502 - \$1,110

## 9% Competitive Housing Tax Credit Program

<b>Project Name</b>	Catlin and Main
<b>Sponsor</b>	Lower Columbia Community Action Council, Inc
<b>Description</b>	<p>Catlin and Main is a 40-unit mixed-use development in Kelso sponsored by the Lower Columbia Community Action Council (LCCAC). Located in one of the city's lowest-income neighborhoods, the project will include a mix of studios and one-bedrooms across two three-story buildings: one with 28 apartments above a new 8,400-square-foot public library, and the other with 12 apartments above a 1,600-square-foot community center and on-site office for property management and case management staff.</p> <p>The City of Kelso is donating the land for the project and will also take ownership of the library through a condominium structure. The community center will remain part of the project but be operated by the City as a flexible public facility. Importantly, it will be the first public facility of its kind in Kelso, serving as a neighborhood anchor that provides free, accessible resources and gathering space for residents and the broader community.</p> <p>All apartments will be reserved for low- and extremely low-income households and designated as permanent supportive housing. Twenty-five percent of units will serve households at or below 30% Area Median Income (AMI), 50% will be restricted to households at or below 40% AMI, and 25% will be restricted to households at or below 60% AMI. LCCAC will provide on-site case management, with additional supportive services offered in partnership with community health and social service providers.</p> <p>The project advances the City of Kelso's vision for a pedestrian-oriented urban village in partnership with LCCAC. Relocating the library from the Three Rivers Mall and adding a new community center will bring civic and cultural resources into the heart of the neighborhood, benefiting both Catlin and Main residents and the broader community.</p>

<b>Location</b>	203 SW 3rd Avenue Kelso, WA 98626	
<b>Credit Pool</b>	Non-Metro	
<b>Project Type</b>	New Construction without Federal Subsidies	
<b>Low-Income Housing Units</b>	Studio	20
	One Bedroom	20
	<b>Total</b>	<b>40</b>
<b>Income Set-Asides</b>	25% of units at 30% AMI 50% of units at 40% AMI 25% of units at 60% AMI	
<b>Scoring</b>	Additional Low-Income Housing Set-Aside	60
	Additional Low-Income Use Period (22 Years)	44
	Housing Commitments for Priority Populations	25
	Leveraging	10
	Public Funding	2
	Project-Based Rental Assistance (PBRA)	2
	Developer Fees	10
	Location Efficient Project	2
	Located near a Job Center	1
	Nonprofit Sponsor	5
	Donation in Support of Local Housing Needs	5
	Energy Consumption Model	2
	Cost Containment Incentive	2
	<b>Total Points</b>	<b>170</b>
<b>Credit Request</b>	<b>\$1,105,600</b>	
<b>Development Budget</b>		
Acquisition Costs		\$1,034,845
Construction		\$13,766,192
Soft Costs		\$2,235,264
Financing Costs		\$581,062
Capitalized Reserves		\$215,000
Other Development Costs		\$282,001
Basis Eligible Community Facility		\$660,907
<b>Total Development Costs</b>		<b>\$18,775,271</b>

**Permanent Sources**

State Housing Trust Fund (HTF)	\$5,000,000
Kelso HOME	\$138,430
Cowlitz County 1406	\$695,000
City of Kelso	\$1,600,000
PeaceHealth	\$250,000
Connecting Housing to Infrastructure Program (CHIP) 2023	\$369,419
Connecting Housing to Infrastructure Program (CHIP) 2024	\$373,932
Dept of Commerce Pre-Development Enterprise	\$252,840
Deferred Developer Fee	\$49,254
Tax Credit Equity at \$0.8500 per credit x 10 years	\$648,796
	\$9,397,600

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<b>Total Sources</b>	<b>\$18,775,271</b>
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**Total Development Cost Limit**

Project's Total Development Cost Limit	\$16,165,459
TDC less Land, Offsite Infrastructure, and Reserves	\$17,565,425
Waiver	Required

**Project Operations**

Unit Size	Market Rents	Proposed Rent Range
Studio	\$ 1,220	\$ 423 - \$ 896
One Bedroom	\$ 1,385	\$ 447 - \$ 953



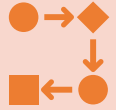
WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

# Proposed Bond/Tax Credit Policy Changes for the 2026 Allocation Round

September 25, 2025

Jason Hennigan, Bond Program Manager  
Jackie Moynahan, Senior Policy Advisor

# Agenda



Proposed Bond Policy Changes



Guidance for Applicants



Questions

# Proposed Policy Changes/Updates



Changes fall into two buckets:

## **Federal Changes**

- Lowering of the 50% Test to 25% (issuances after 12/31/2025); transition projects can issue 5% in 2026 to meet lower test

## **Clarifications**

- Investor, Energy and Major Systems Requirements, and CBO Process



# Proposed Policy Updates: Federal Changes



Updates Sections 2.3, 3.17 and 3.30.2 to reflect the “25% Test” threshold to qualify for 4% Tax Credits

Maintains cushion expects bond requests of no more than 30% of aggregate basis; allows flexibility up to 40% based on Commission’s evaluation of the project’s permanent debt sizing, under 2 criteria:

1) Project can support financially permanent debt that supports the larger allocation

2) The project is unable to obtain recycle bonds

Provides flexibility on how the Commission may use recycled bonds intentionally to be responsive to the federal changes

# How Bond Sizing Works: The Changing Mechanics



- Currently Bond Cap awards are hard-capped at 55% of aggregate basis (50% + a 10% buffer).
- Under the new 25% test, Bond Cap awards will be calculated using a two-step process:
  - 30% of aggregate basis plus land (25% + a 20% buffer)
  - Permanent debt amount (up to 40% aggregate basis)
- Some projects will need to take on taxable debt on a short-term basis, for a portion of their construction financing, that would have been tax-exempt under the 50% Test.

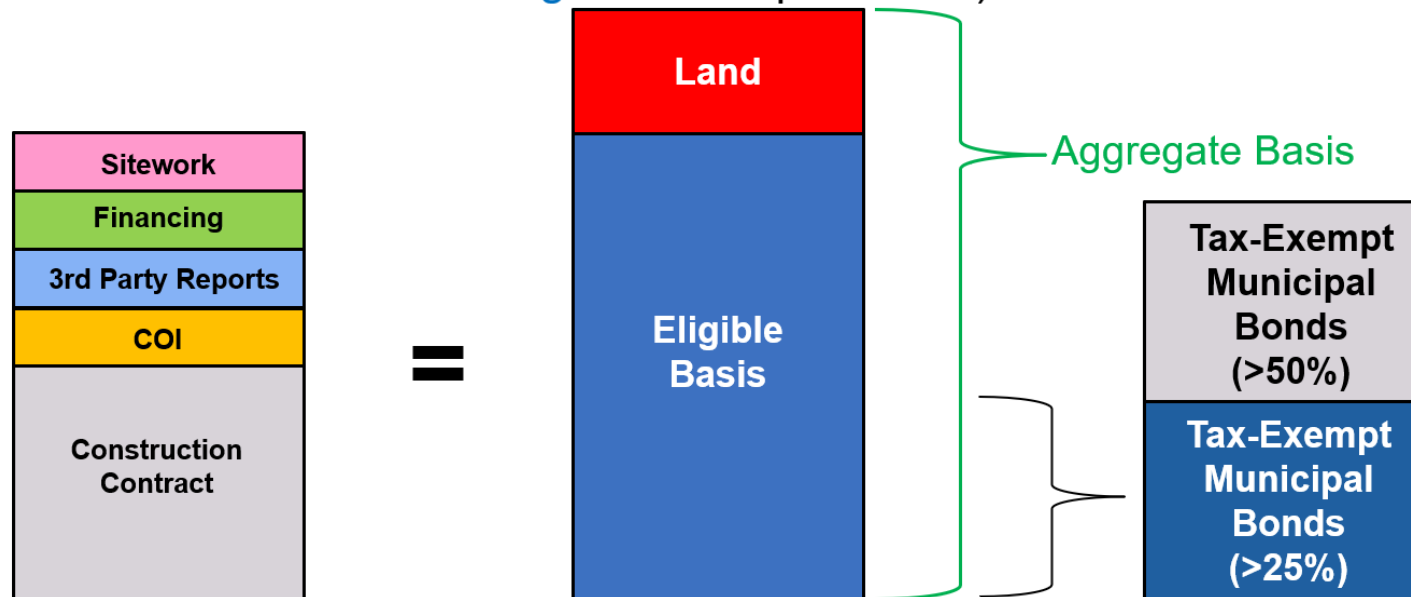
# 25% Test vs 50% Test



## 25% / 50% Test

To qualify for 4% tax credits, the project must utilize Private Activity Bonds greater than **25%** (if the deal is closing on or after January 1, 2026) or **50%** (if the deal is closing prior to January 1, 2026) of **Aggregate Basis** (which equals

**Eligible Basis** plus **Land**)



Ex: If a project has \$20mm in **Aggregate Basis**, the borrower should request greater than \$5mm in tax-exempt municipal bonds if closing on or after January 1, 2026, or \$10mm if closing prior to January 1, 2026

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# Recycled Tax-Exempt Bonds



- Generated from bond prepayments, mostly from loans converting from construction phase to permanent phase.
- Do not bring 4% LIHTC.
- Time Constrained - new financing must occur within 6 months of recycling.
- Availability of recycled bonds is variable and difficult to predict.

Recycled Bonds have been prioritized for production, with the new 25% Test we anticipate more demand for Recycle Bonds for projects that can support permanent debt above the 30% level.

We need to balance demand, availability and timing constraints to maximize the resource.

# Other Policy Document Updates



- **Section 3.16.2 Tax Credit Investor:** Adds “Syndicators” to the subsections and creates a Balance of State subsection to clarify requirements.
- **Section 4.5 Projects that are By and For the Community:** aligns process with prior years updates to clarify an interview is required and not a supportive narrative.
- **Section 4.6 Donation in Support of Local Nonprofit Programs:** clarifies definition for requirement of organization’s receiving the donation.
- **Energy Sections:**
  - **4.8.2.1 NC Solar Option, 4.9.1 Rehab Solar Option** – clarifies requirement for projects with multiple buildings.
  - **4.9.3 Rehab Electric Vehicle Charging Station Option** – clarifies intent and requirement for residential parking spaces.
- **4.11 Rehabilitation of Major Systems:** clarifies options by replacing “other” with “Envelope” and highlights requirements needed.



# Bond Tax Credit Program: Guidance



25% Test: context and support for applicants

Underwriting: mirrors 9% Program Guidance

Community Based Organizations: provides examples and clarifying process expectations

Energy: clarifies requirements and expectations

Preservation: highlights sections of the policies that support this activity



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COMMISSION



**Thank you!**

**Questions?**

**WASHINGTON STATE HOUSING FINANCE COMMISSION  
RESOLUTION NO. 25-76**

**A RESOLUTION of the Washington State Housing Finance Commission  
authorizing the Executive Director to make reservations and/or  
allocations of 2025 federal low-income housing tax credits.**

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), authorizes tax credits for the construction, acquisition or rehabilitation of residential rental projects meeting the requirements of the Code, including the set-aside of rental units for low-income tenants; and

WHEREAS, the Code authorizes the housing credit agency of a state to allocate the limited amount of federal low-income housing tax credits (the "Credit") available for projects within the state among such projects; and

WHEREAS, by Executive Order No. 94-05, the Governor of the State of Washington has designated the Washington State Housing Finance Commission (the "Commission") as the housing credit agency of Washington for the purposes of allocating Credit and has authorized the Commission to allocate such Credit in accordance with the terms and conditions of such Executive Order; and

WHEREAS, in order to provide decent, safe and affordable housing, the Commission is authorized pursuant to RCW 43.180.050(d) to participate fully in federal programs and to take such actions as are necessary and consistent with RCW 43.180.010 et seq. to secure to itself and the people of the State of Washington the benefits of those programs; and

WHEREAS, the Commission has approved a Qualified Allocation Plan (the "Allocation Plan") for the allocation of Credit, the Allocation Plan has been approved by the Governor in accordance with WAC 262-01-120; the Commission has approved rules (WAC 262-01-130) for the administration of the tax credit program (the "Rules"); and the Commission has issued policy statements advising the public about the Commission's current opinions, approaches, and likely courses of action in implementing the tax credit program (the "Policies"); and

WHEREAS, the Commission has received applications from developers of residential projects for consideration in the Commission's 2025 allocation program (the "Program"); and

WHEREAS, staff has reviewed the application(s) for the project(s) listed below in accordance with the Allocation Plan, the Rules and the Policies and has presented a recommendation to the Commission for the allocation of Credit to selected projects; and

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

Section 1. The Commission authorizes the Executive Director to reserve and/or allocate 2025 Credit in the anticipated amount, to the project or projects listed below, subject to the conditions set forth below. The Commission authorizes the Executive Director to take such actions as are necessary to make such reservations and/or allocations in accordance with the Code, the Allocation Plan, the Rules, and the Policies, including the criteria contained in Chapter Five of the



Policies (Project Ranking Policies”) and project feasibility and viability and other requirements as described in Chapters Two through Seven of the Policies.

Project(s):

TC #	Project Name	City	County	Annual Tax Credit Amount
25-15	Franz Anderson	Olympia	Thurston	\$1,928,539
25-03	Lewis, Spruce, and Sixth	Yakima	Yakima	\$1,378,777
25-10	Catlin & Main	Kelso	Cowlitz	\$1,105,600

Section 2. All actions previously taken by the Commission or its staff or agents in furtherance of the Program are hereby ratified and confirmed.

ADOPTED by the Washington State Housing Finance Commission at a special meeting duly noticed and called this 25th day of September 2025.

WASHINGTON STATE  
HOUSING FINANCE COMMISSION

By

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

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



WASHINGTON STATE  
HOUSING FINANCE  
COMMISSION

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Project Name: Franz Anderson PSH

Reviewed by: Tanya Scratchley

Date: 9/19/2025

Recommendation: Approve as Requested

Rationale:

The Franz Anderson PSH exceeds the 2025 Balance of State TDC limits by **12.29%**, or **\$3,107,680**.

The more significant cost drivers for this project (as described below) were outside of the developer's control given this specific project's intent. As such, I recommend approval of this cost waiver.

**1. Design.** The project is located within limits of Interstate-5 such that the windows and other exterior design elements will need higher STC (Sound Transmission Class) ratings to meet expected HUD requirements. The Sponsor, Low Income Housing Institute (LIHI), also included additional space for supportive services and resident amenities (dog run, parking lot, community room, outdoor shelter, etc.) in the design to better serve future tenants, but these are solely cost adds to the project and do not generate rental income. The project architects were asked to pause on their design to preserve fee while capital funding was secured, once LIHI was able to re-engage Encore Architects, there were some necessary changes that needed to be made as a result of the design review process.

Additionally, LIHI ultimately chose to contract with Deacon Construction for the project, but they were obligated to pay Walsh Construction for all of their previous pre-construction, design-build work up until that point. All subs were paid in turn for any drawings and designs they submitted.

**2. Site Related.** The site is currently large and underdeveloped. The size has some benefits for construction staging but does mean that it will require significant improvements for both access into the site, stormwater preservation, and utility improvements. There are also old concrete slabs from previous homes and Underground Storage Tanks (USTs) on the site that will need to be removed and abated.

**3. Commercial Wage Rates.** The project is more than 4 stories, which will result in commercial wage rates. The assumption is that the wage rates represent 4% of the total cost.

**4. Materials.** This project is intended to serve individuals who are homeless or are in danger of becoming homeless, as well as individuals with disabilities. All units will be ADA-compliant. Walls will feature reinforced areas intended to protect from accidental wheelchair strikes. Additionally, this population tends to move-in with very few belongings and no furniture or kitchenware, so LIHI has included furniture, basic living items, and additional furnishings to accommodate disabled households in the budget.

Signature:

Jacob Richardson  
Manager, MHCF, for Lisa Vatske

Date:

9/22/2025

## Total Development Cost Limit Waiver Request

Date of Waiver Request:	9/18/2025	Program Type:	9% Credit
Project Name:	Franz Anderson PSH		
Project City, County:	Olympia, WA		
	Thurston County		
Sponsor Organization:	<a href="#">Low Income Housing Institute</a>		
Project Contact:	Kalyssa Eversman		
Development Phase:	Pre-Application		

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

Approval Date:	Pre-approval only	Approved TDC:	
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**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.

The Low Income Housing Institute (LIHI) plans to develop 71 units (35 studio and 36 one-bedroom units) of permanent supportive housing to individuals making 30% AMI (plus 1 one-bedroom unit for a live-in building manager), which were submitted for both 9% Low Income Housing Tax Credits and State of Washington Housing Trust Fund (HTF) funding in Fall 2024. The City of Olympia is awarding the land to LIHI and is providing \$6.7 million in capital funds from the Regional Housing Council, and we understand that this project is a high priority for the City and its needs for housing.

The project is located at the end of Franz Anderson Road SE in Olympia and LIHI is partnering with SeaMar to provide both case management and behavioral health support for residents. The project is considered an "Urban Type Project" for purposes of the TDC limit because it a) is located within city of Olympia city limits; b) will be located near a central commercial zone (located 1/2 mile from an Albertson's Grocer and other commercial and retail stores as well as 1 mile from a Target, Fred Meyer, and Kohls' anchored shopping center); c) it will include an

**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.

A Building Permit Intake set was completed in early May 2024, and LIHI obtained a second construction cost estimate from Deacon Construction to compare expenses with a prior Walsh Construction Co. estimate. Overall, the Deacon estimate came in with significant cost savings (approximately Deacon's cost estimate provided to LIHI was based on a complete DD pricing set of designs and LIHI included a 5% contingency factor (approximately \$945,110) in the development budget. Deacon construction has worked with LIHI on a number of smaller rehab projects and completed Lotus Court, a 64-unit senior project in Olympia for LIHI in September 2024. We nearly have approved permits for Franz, with one comment to address and a Boundary Line Adjustment to complete. Deacon will have their final construction bids complete by the end of 2025, with construction anticipated to begin in Q1 2026.

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

Total Residential Project Cost	\$ 28,759,623
- Land	\$ 1
- Offsite Infrastructure	\$ -
- Capitalized Reserves	\$ 358,400
<b>Total Development Cost</b>	<b>\$28,401,222</b>

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

Which limits is this project subject to?	Balance of State				
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Number of Units**	35	36	0	0	0
Average Square Feet of Units	478	630			
Appropriate Cost/Unit Limits	\$334,534	\$377,357	\$412,982	\$500,703	\$543,403
Max Cost by Unit Type	\$11,708,680	\$13,584,851	\$0	\$0	\$0
<b>Project's Total Development Cost Limit:</b>	<b>\$25,293,542</b>				

\$ Amount Above TDC Limit  
% Above TDC Limit

\$3,107,680
12.29%

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.	Design	\$598,710	Higher STC Sound ratings required for windows + the project went through some façade changes prior to design review
2.	Site-related	\$1,200,203	Large site requiring significant infrastructure investments, and some abatement of existing concrete and USTs
3.	Commercial Wage Rates	\$756,088	Higher wage rates required
4.	Materials	\$471,326	Additional unit furnishings for PSH tenants
5.	Select from List		
6.	Select from List		
7.	Select from List		
8.	Select from List		
9.	Select from List		
	Total	\$3,026,327	
	Amount Project exceeds Limit	\$3,107,680	

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.

**1. Design.** The project is located within limits of Interstate-5 such that the windows and other exterior design elements will need higher STC ratings to meet expected HUD requirements. LIHI also included plenty of space for supportive services and resident amenities (dog run, parking lot, community room, outdoor shelter, etc.) in the design to better serve our future tenants, but these are solely cost adds to the project and do not generate rental income. The project architects were asked to pause on their design to preserve fee while capital funding was secured, once we were able to re-engage Encore Architects, there were some necessary changes that needed to be made as a result of the design review process.

Additionally, LIHI ultimately chose to contract with Deacon Construction for the project, but we were obligated to pay Walsh Construction for all of their previous pre-construction, design-build work up until that point. All subs were paid in turn for any drawings and designs they submitted.

**2. Site Related.** The site is currently large and underdeveloped. The size has some benefits for construction staging but does mean that it will require significant improvements for both access into the site, stormwater preservation, and utility improvements. There are also old concrete slabs from previous homes and USTs on the site that will need to be removed and abated.

**3. Commercial Wage Rates.** The project is more than 4 stories, which will result in commercial wage rates. The assumption is that the wage rates represent 4% of the total cost.

**4. Materials.** This project is intended to serve individuals who are homeless or are in danger of becoming homeless, as well as individuals with disabilities. This population tend to move-in with very few belongings and no furniture or kitchenware, so LIHI has included furniture, basic living items, and additional furnishings to accomodate disabled households in our budget.

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)
71	Mid-Rise (4-8 stories with elevator)
	High Rise (9+ stories with elevator)

Parking

35	Number of Structured Parking† Stalls (Residential Only)
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X	New Construction
	Rehabilitation
	State Prevailing Wages - Residential
X	State Prevailing Wages - Commercial
	Davis Bacon Wages - Residential
	Davis Bacon Wages - Commercial
	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.

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



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COMMISSION

WSHFC Staff Use Only

Project Name: Catlin and Main

Reviewed by: Kate Rodrigues

Date: 9/22/2025

Recommendation: Approve as Requested

Rationale:

**Catlin and Main** exceeds the 2025 Metro TDC limits by **14.64%**, or **\$2,366,549**.

The more significant cost drivers for this project (as described below) were outside of the developer's control given this specific project's intent and site requirements. As such, I recommend approval of this cost waiver.

**1. Structural.** The project site is located in an area with liquefaction-prone soils and limited capacity for stormwater infiltration. As a result, significant ground improvements were required prior to construction. These included a granular pier foundation system as well as over-excavation, structural soil amendment, and installation of compacted structural fill. These measures were necessary to stabilize the site and address geotechnical and stormwater concerns, representing substantial costs that could not be avoided.

**2. Service Space / Community Center.** A portion of total costs is attributable to the ground-floor community and service space incorporated into the project. Community center costs noted above include a portion of the site and exterior architecture, ground floor portions of the fire sprinkler, rough plumbing, rough wiring, and rough communications/security costs, and costs for interior finishes, finish plumbing, finish electrical, and finish HVAC, as well as pro-rated allotments of sales tax and contingency.

**3. Design.** The project's mixed-use program has required additional design costs beyond what is typical for a residential building. To address the complexities, the architect engaged specialty consultants focused on fire safety systems and acoustics. Fire protection systems are more complex in mixed-use buildings, while acoustical work is aimed at reducing potential disturbances for residents, particularly noise transfer from the community center.

Signature:

Jacob Richardson, Manager, MHCF  
for Lisa Vatske

Date:

9/23/2025

## Total Development Cost Limit Waiver Request

<b>Date of Waiver Request:</b>	9/18/2025	<b>Program Type:</b>	9% Credit
<b>Project Name:</b>	Catlin and Main		
<b>Project City, County:</b>	Kelso, Cowlitz County		
<b>Sponsor Organization:</b>	<a href="#">Lower Columbia Community Action Council, Inc.</a>		
<b>Project Contact:</b>	Adam Lee, Community Frameworks		
<b>Development Phase:</b>	Closing - Final Bids		

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

<b>Approval Date:</b>	9/5/2024	<b>Approved TDC:</b>	\$17,304,836
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**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.

Catlin and Main is a new construction 40-unit infill project in West Kelso, a qualified census tract recently re-zoned to create a pedestrian-oriented, human-scale corridor. The project will comprise two mixed-use buildings, each with two stories of residential atop ground floor community space. The project is designed to be an anchor for the pedestrian zone, bringing high-quality and affordable residential and community-oriented space to the area. The larger building will house 28 units plus 9,600 square feet of new space for the city's library, while the smaller building will hold 12 new units plus 3,200 square feet for a new community center. The community center will be financed as a LIHTC-eligible community facility, while the library will be completed by the City under a tenant-improvements contract once residential construction is complete.

Project residents will be 25% homeless Apple Health and Homes households, plus a mix of senior and disabled residents including residents using HUD 811 and/or ALTA vouchers administered by DSHS. Lower Columbia CAP will be the project sponsor and service provider and the Longview Housing Authority will act as the project manager. AMI restrictions will be 25% below 30% AMI, 50% below 40% AMI, and 25% below 60% AMI.

The project site has been identified and purchased by the City of Kelso, which has made a substantial investment in the project. Other funders include a pre-development grant from the Department of Commerce, CHIP funding from the Department of Commerce, Apple Health and Homes predevelopment funding from Enterprise Community Partners, 1406 funding from Cowlitz County, a state legislative appropriation, and a donation from PeaceHealth St. John, the local hospital. PeaceHealth is an important partner in the project, and the sponsor is committed to maintaining an ongoing relationship between the project and the hospital. The site itself is immediately across the Cowlitz River from Kelso City Hall and within 1/4 mile walking of transit and other city and county facilities. The nearest grocery store is 1/2 mile away, and the County Fairgrounds, which act as a large open park when the fair is not in town, are 0.4 miles away.

Major cost drivers include:

--The site itself, which sits in a liquefaction zone and will require substantial soil shoring, stabilization, and stormwater mitigation.

--The community center will be a community facility in eligible basis. It will be a critical part of the project and the neighborhood, adding significantly to residents' experience and serving project residents as well as low-income people living throughout the city.

--The library is also a critical component of the project. Though it will not be constructed as a community facility, construction costs for the shell must still be bridged by the project.

#### 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.

Costs are based on the contractor's estimate as of May, 2025. There is no esclator at this time, and the project is engaged in value engineering to reduce the overall development costs. Contingency is currently at 7%. Terms for loan costs and tax credit equity are actuals. The budget excludes costs for finishing the library, which will be completed by the City of Kelso using CDBG funds under a separate tenant-improvements contract once certificate of occupancy has been received for the main construction contract.

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

Total Residential Project Cost	\$ 19,741,853
- Land	\$ 994,845
- Offsite Infrastructure	\$ -
- Capitalized Reserves	\$ 215,000
<b>Total Development Cost</b>	<b>\$18,532,008</b>

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

Which limits is this project subject to?

Metro

Studio      1 Bedroom      2 Bedroom      3 Bedroom      4+ Bedroom



Number of Units**	20	20	0	0	0
Average Square Feet of Units					
Appropriate Cost/Unit Limits	\$373,087	\$435,186	\$460,929	\$544,989	\$587,691
Max Cost by Unit Type	\$7,461,732	\$8,703,727	\$0	\$0	\$0
Project's Total Development Cost Limit:					\$16,165,459
\$ Amount Above TDC Limit					\$2,366,549
% Above TDC Limit					14.64%

## 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.	Structural	\$461,785	Granular pier foundation system
2.	Structural	\$439,942	Overexcavation, structural soil amendment, and stormwater
3.	Service Space/Community	\$1,378,695	Portion attributable to community center construction
4.	Design	\$265,000	Design work above typical architecture scope
5.	Select from List		
6.	Select from List		
7.	Select from List		
8.	Select from List		
9.	Select from List		
Total		\$2,545,422	
Amount Project exceeds Limit		\$2,366,549	

## 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.

The first major cost driver is for soil mitigation and building foundations, pavement stabilization, and stormwater mitigation. Liquefaction-prone soils are present throughout Kelso, especially in areas of the city west of the Cowlitz River, and require significant amendment to ensure safety for residents in an earthquake. The high water table also reduces the soil's ability to infiltrate stormwater, requiring mechanical treatment and discharge to the municipal system. Mitigation measures taken at this project include:

- Overexcavate and remove existing damp soil and import fresh dry soil for building foundations
- In parking areas, mixing cement in soil to a depth of 5-10 feet to stabilize soil under pavement
- Under building foundations, driving crushed rock piles to 30-60 feet
- Mechanical stormwater treatment, including underground filtration and discharge into municipal system

The second major cost driver is for the community center provided by the project. The project is located in a qualified census tract and is in an area of town recently re-zoned as a pedestrian corridor, and the City of Kelso

quarried census tract and is in an area of town recently re-zoned as a pedestrian corridor, and the City of Kelso and Lower Columbia CAP see the project as an anchor in a revitalized and unique local corridor. To that end, the City has committed \$1.6 million of its own funds to the project, including a commitment to donate nearly \$1M-worth of land on a long-term lease, while CAP has secured support from numerous community organizations including the Kelso Library, the local domestic violence shelter, PeaceHealth St. John Hospital, Cowlitz-Wahkiakum Council of Governments, the Economic Development Council, the local Goodwill, Cowlitz Family Health Center, and others. The community center is a key component of the local support, and will provide significant benefit to project residents as well as city residents.

Community center costs noted above include a portion of the site and exterior architecture, ground floor portions of the fire sprinkler, rough plumbing, rough wiring, and rough communications/security costs, and costs for interior finishes, finish plumbing, finish electrical, and finish HVAC, as well as pro rated allotments of sales tax and contingency.

A third cost driver comes in the form of additional design costs brought on by the mixed-use nature of the project and the potential sensitivity of some residents. In particular, the architect has brought onboard additional consultants to address fire safety systems, which are more complicated in mixed-use buildings, and acoustical systems to minimize noise for residents, especially from the community center. The architecture team believes these consultants have already added significant value to the design, with the hope that noise-related complaints, in particular, can be minimized in operations.

Cost mitigation measures in place include:

- hiring ZBA Architecture, an experienced affordable housing architect with a long-term focus on durability and cost-efficiency, and asking ZBA to reduce their design fee as much as possible
- using simple, repeatable unit designs
- designing compact, stacked units
- minimizing interior circulation space
- using modular components, such as pre-panelized framing
- using commercial sources for tenant improvements in the library to avoid triggering commercial prevailing wages on the entire project
- value engineering the construction contract to fit within the project budget

## 9. Complete the following:

### Number of Units by Building Type:

<input type="text"/>	Single Family Detached
<input type="text"/>	Townhouse/Duplex
<input type="text"/>	Walk-Up/Garden Style Apartments
40	Low-Rise (2-3 stories with elevator)
<input type="text"/>	Mid-Rise (4-8 stories with elevator)
<input type="text"/>	High Rise (9+ stories with elevator)

### Parking

<input type="text"/>	Number of Structured Parking† Stalls (Residential Only)
----------------------	--

<input checked="" type="checkbox"/>	New Construction
<input type="checkbox"/>	Rehabilitation

<input type="checkbox"/>	State Prevailing Wages - Residential
<input type="checkbox"/>	State Prevailing Wages - Commercial
<input type="checkbox"/>	Davis Bacon Wages - Residential
<input type="checkbox"/>	Davis Bacon Wages - Commercial
<input checked="" type="checkbox"/>	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.

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

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

RESOLUTION NO. 25-77

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of nonrecourse nonprofit revenue bonds in an aggregate principal amount not to exceed \$50,000,000 to finance the demolition, construction, renovation and equipping of nonprofit educational facilities owned by The Bush School, a Washington nonprofit corporation; approving the sale of the bonds to Wells Fargo Municipal Capital Strategies, LLC pursuant to its purchase offer; approving the form of a financing agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON SEPTEMBER 25, 2025

PREPARED BY:

PACIFICA LAW GROUP LLP  
401 Union Street, Suite 1600  
Seattle, Washington 98101-2668

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## RESOLUTION NO. 25-77

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of nonrecourse nonprofit revenue bonds in an aggregate principal amount not to exceed \$50,000,000 to finance the demolition, construction, renovation and equipping of nonprofit educational facilities owned by The Bush School, a Washington nonprofit corporation; approving the sale of the bonds to Wells Fargo Municipal Capital Strategies, LLC pursuant to its purchase offer; approving the form of a financing agreement and a tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or his 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 and refinance projects owned and operated by 501(c)(3) organizations; and

WHEREAS, the Commission adopted a Housing Finance Plan (the “Plan”) following a public notice and hearings as required by the Act; and

WHEREAS, Wells Fargo Municipal Capital Strategies, LLC (the “Lender”) has offered to originate two mortgage loans in the aggregate principal amount of not to exceed \$50,000,000

(together, the “Loan”) to The Bush School, a Washington nonprofit corporation, to finance the demolition, construction, rehabilitation and equipping of the Center Campus and Middle School projects, all located on its campus in Seattle, Washington, and to pay costs of issuing the Bonds (as defined herein) (the “Project”), and to sell the Loan to the Commission; and

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 Nonprofit Revenue Bond (The Bush School Project), Series 2025A and Nonprofit Revenue Bond (The Bush School Project), Series 2025B in the aggregate principal amount of not to exceed \$50,000,000 (together, the “Bonds”); and (2) its acquisition of the Loan with proceeds of the Bonds; and

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 25-54A, the Commission held a public hearing on July 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 Lender; 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 Financing Agreement among the Commission, U.S. Bank Trust Company, National Association, as the fiscal agent, the Borrower and the Lender

(the “Financing Agreement”) and the Non-Arbitrage Certificate executed by the Commission of even date with the Bonds (the “Tax Certificate”).

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 facilities under the Act which are owned by organizations described under Section 501(c)(3) of the Code through the issuance of privately placed nonrecourse revenue bonds (the “Program”). The Commission hereby finds and determines that the Program is in furtherance of the Act and the Plan.

Section 3.     Authorization of the Bonds. The Commission hereby authorizes the issuance and sale of the Bonds in an aggregate principal amount not to exceed \$50,000,000 pursuant to and in accordance with the provisions of the Act and the Code.

Section 4.     Approval of Documents. It is hereby found and determined that the Financing Agreement and the 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 Financing 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 his 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 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 the Lender, in accordance with the Purchase Offer attached hereto as Exhibit A.

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 his 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 25<sup>th</sup> day of September, 2025.

WASHINGTON STATE HOUSING  
FINANCE COMMISSION

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

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

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

## EXHIBIT A

Purchase Offer from Wells Fargo Municipal Capital Strategies, LLC

September 23, 2025

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

Subject: Washington State Housing Finance Commission Nonprofit Revenue Bonds (The Bush School Project), Series 2025A & Series 2025B

Honorable Commissioners:

Wells Fargo Municipal Capital Strategies, LLC (the “Bank”) is pleased to offer to purchase the Washington State Housing Finance Commission’s (the “Commission”) Nonprofit Revenue Bond (The Bush School Project), Series 2025A, in a principal amount of not to exceed \$39,000,000 (the “2025A Bond”) and its Nonprofit Revenue Bond (The Bush School Project), Series 2025B, in a principal amount not to exceed \$6,000,000 (the “2025B Bond” and with the 2025A Bond, collectively, the “Bonds”), to enable The Bush School (the “Borrower”) to (a) finance the development, construction and equipping of the Center Campus and middle school facilities in Seattle, Washington; (b) finance the renovation of the Middle School North and South Buildings in Seattle, Washington; and (d) pay all or a portion of the costs of issuing the Bonds.

The Bonds will be dated the date of closing, currently anticipated to be September 30, 2025 or such later date as agreed to by the Bank, the Borrower and the Commission (the “Closing Date”) with a maturity date expected to be no later than September 30, 2055. Interest will be paid monthly in arrears with 3 years of interest only payments, followed by monthly principal and interest payments based on a 24-year amortization. The Bonds will have a scheduled mandatory purchase date of ten years from the Closing Date. Prepayments of principal will be allowed, subject to restrictions and prepayment fees as described in that certain Loan and Continuing Covenant Agreement (the “Agreement”), dated as of September 1, 2025, between the Borrower and the Bank. Interest shall accrue at (i) a fixed rate of not to exceed 4.50% per annum with respect to the 2025A Bond and (ii) the SOFR Average Index Rate (as defined in the Agreement) with respect to the 2025B Bond, each subject to adjustment to reflect market conditions prior to the Closing Date and to further adjustment as described in the Agreement.

Our offer is subject to the terms and conditions set forth in the Agreement.



Notwithstanding the foregoing, the obligation of the Bank to purchase and accept delivery of the Bonds on the Closing Date is also subject to the occurrence of any of the following: (1) a general banking moratorium declared by federal, State of New York, or State of Washington officials authorized to do so, or (2) any other extraordinary event, material national or international calamity or crisis, or any material adverse change in the financial, political, or economic conditions affecting the United States or the Borrower.

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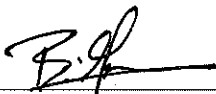


Wells Fargo Municipal Capital Strategies, LLC  
999 3<sup>rd</sup> Avenue, 41<sup>st</sup> Floor  
Seattle, Washington 98104



Respectfully submitted,

WELLS FARGO MUNICIPAL CAPITAL  
STRATEGIES, LLC

By:   
Brian Goins, Vice President

Together we'll go far





## Bond/Tax Credit Program Policy – Proposed Changes – (2026)

**Changes are noted as redlines and reflect policy updates due to the passage of H.R.1 federal tax legislation, needed clarifications and clean up.**

Existing Policy	Proposed Changes	Rationale
<b>Policy Updates</b>		
<b>2.3 Maximizing the use of Alternatives to Bond Cap</b>  When demand for Bond Cap exceeds supply, the Commission may choose, at its discretion, to not allocate Bond Cap to a project, but instead require the use of alternative bond issues. None of these alternatives are eligible for 4% tax credits. By using alternative bonds for the portion of the bond issue that exceeds the minimum threshold of the “50% Test” (see Section 3.15) or for projects that do not need to generate 4% tax credits, the Commission ensures that its current year and carry forward volume cap is prioritized to generate 4% tax credits. The Commission intends to target allocations of new-issue Bond Cap to projects at an amount not to exceed 55% (5% above the 50% Test).  Commission staff endeavors to discuss the use of these alternatives to Bond Cap with the project sponsor as soon as possible in the process, to facilitate an efficient	Edit language to the following:  When demand for Bond Cap exceeds supply, the Commission may choose, at its discretion, to not allocate Bond Cap to a project, but instead require the use of alternative bond issues. None of these alternatives are eligible for 4% tax credits. By using alternative bonds for the portion of the bond issue that exceeds the minimum threshold of the “ <b>25% Test</b> ” (see Section 3.15) or for projects that do not need to generate 4% tax credits, the Commission ensures that its current year and carry forward volume cap is prioritized to generate 4% tax credits. The Commission intends to target allocations of new-issue Bond Cap to projects at an amount not to exceed <b>30%</b> (5% above the <b>25% Test</b> ).  <b>While 30% is expected the Commission may allow a higher percentage IF the Commission’s evaluation of permanent debt sizing supports a higher tax-exempt bond amount up to a cap of 40% if the following criteria are met:</b>	Updating policies to reflect changes from the 2025 Tax Bill – H.R.1 and provides flexibility to use recycled bond cap strategically as projects adjust to the new threshold.

<p>development of the financial and legal structure of the bond issue. The alternatives to Bond Cap include:</p> <ul style="list-style-type: none"> <li>• Taxable bonds: The Commission has the authority to issue taxable bonds for housing. It may require income or rent restrictions on the properties financed to achieve affordability goals.</li> <li>• Nonprofit bonds: The Commission has the authority to issue tax-exempt nonprofit housing bonds to advance the purposes of qualified 501(c)(3) organizations. Bond issues must conform to federal law and the Commission nonprofit housing program policies.</li> <li>• Recycled Bond Cap: The Housing and Economic Recovery Act of 2008 allows for the recycling of bond volume cap. Recycled bond volume cap (“Recycled Cap”) is derived from the pay down or pay off of multifamily bond issues if certain conditions are met. Recycled cap must be used for a qualified residential rental project within six months of the repayment of the original bonds, the final maturity of the newly issued Recycled Cap bonds must be within 34 years of the initial issuance date of the original bonds and TEFRA and approval requirements must be met. The use of such Recycled Cap is dependent on availability.</li> </ul> <p><u>Priorities for Recycled Cap, in order:</u></p> <ol style="list-style-type: none"> <li>1. Finance the development of additional projects: <ol style="list-style-type: none"> <li>a. If enough Recycled Cap has accumulated to make an entire project feasible, staff reserves the right to first offer it to any projects that plan to structure their project similar to that of an 80/20 bond deal, i.e., not using tax credits or using minimal new volume cap and tax credits.</li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>o the development’s permanent financing supports the larger allocation award, and</li> <li>o the development is unable to obtain recycled bonds</li> </ul> <p>Commission staff endeavors to discuss the use of these alternatives to Bond Cap with the project sponsor as soon as possible in the process, to facilitate an efficient development of the financial and legal structure of the bond issue. The alternatives to Bond Cap include:</p> <ul style="list-style-type: none"> <li>• Taxable bonds: The Commission has the authority to issue taxable bonds for housing. It may require income or rent restrictions on the properties financed to achieve affordability goals.</li> <li>• Nonprofit bonds: The Commission has the authority to issue tax-exempt nonprofit housing bonds to advance the purposes of qualified 501(c)(3) organizations. Bond issues must conform to federal law and the Commission nonprofit housing program policies.</li> <li>• Recycled Bond Cap: The Housing and Economic Recovery Act of 2008 allows for the recycling of bond volume cap. Recycled bond volume cap (“Recycled Cap”) is derived from the pay down or pay off of multifamily bond issues if certain conditions are met. Recycled cap must be used for a qualified residential rental project within six months of the repayment of the original bonds, the final maturity of the newly issued Recycled Cap bonds must be within 34 years of the initial issuance date of the original bonds and TEFRA and approval requirements must be met. The use of such Recycled Cap is dependent on availability.</li> </ul> <p><del>Priorities for Recycled Cap, in order</del> Recycled Cap may be used in the following ways at the Commission’s discretion:</p> <ol style="list-style-type: none"> <li>1. Finance the development of additional projects: <ol style="list-style-type: none"> <li>a. If enough Recycled Cap has accumulated to make an entire project feasible, staff reserves the right to first offer it to any projects that plan</li> </ol> </li> </ol>	
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<p>b. If no developer has a project planning to use this structure, then staff may require projects that have applied for the bond/tax credit program to use Recycled Cap instead of new Bond Cap, at its discretion. All projects receiving Recycled Cap under this priority would need to meet the following criteria: be able to close by a specified date; use a nominal proportional amount of new Bond Cap; and, be able to use most or all the expiring recycled cap</p> <p>2. Finance what otherwise would be financed under taxable bonds.</p>	<p>to structure their project similar to that of an 80/20 bond deal, i.e., not using tax credits or using minimal new volume cap and tax credits.</p> <p>b. If no developer has a project planning to use this structure, then staff may require projects that have applied for the bond/tax credit program to use Recycled Cap instead of new Bond Cap, at its discretion. All projects receiving Recycled Cap under this priority would need to meet the following criteria: be able to close by a specified date; use a nominal proportional amount of new Bond Cap; and, be able to use most or all the expiring recycled cap</p> <p>2. Finance what otherwise would be financed under taxable bonds.</p>	
<p><b>3.17 “50 Percent Test”</b></p> <p>Bond/Tax Credit projects may be one of two types. If 50% or more of the Aggregate Basis of the building and the land is financed with tax-exempt bonds, then the entire building is eligible for Credits. If less than 50% of the Aggregate Basis is financed with tax-exempt bonds, then only that portion of the building that is financed with the tax-exempt bonds is eligible for Credit.</p> <p>If the project fails to meet the 50% test at Placed-In-Service, only the portion of the aggregate basis financed by the tax-exempt bonds qualify for the 4% credit.</p> <p>If a project consists of multiple non-contiguous sites, the 50% test must be met at the site level.</p>	<p>Edit language to the following:</p> <p><b>3.17 “25 Percent Test”</b></p> <p>Bond/Tax Credit projects may be one of two types. If <b>25%</b> or more of the Aggregate Basis of the building and the land is financed with tax-exempt bonds, then the entire building is eligible for Credits. If less than <b>25%</b> of the Aggregate Basis is financed with tax-exempt bonds, then only that portion of the building that is financed with the tax-exempt bonds is eligible for Credit.</p> <p>If the project fails to meet the <b>25%</b> test at Placed-In-Service, only the portion of the aggregate basis financed by the tax-exempt bonds qualify for the 4% credit.</p> <p>If a project consists of multiple non-contiguous sites, the <b>25%</b> test must be met at the site level.</p>	<p>Updating policies to reflect changes from the 2025 Tax Bill – H.R.1.</p>
<p><b>3.30.2 Timing</b></p> <p>After an initial allocation, project sponsors are allowed to request an allocation of additional Bond Cap in two instances:</p>	<p>Edit section (2) to the following language:</p> <p>2) The need for additional Bond Cap is discovered between closing and when the project is placed in service. Sponsors are responsible for bridging any financial gaps in this interval. The Commission only considers these requests when construction is complete, and the</p>	<p>Updating policies to reflect changes from the 2025 Tax Bill – H.R.1.</p>



<p>(1) The need for additional Bond Cap is discovered prior to the bond closing through the development of the financing. Under these circumstances, if the request is granted, the Commission would endeavor to approve the request and provide the additional cap in time for project closing.</p> <p>(2) The need for additional Bond Cap is discovered between closing and when the project is placed in service. Sponsors are responsible for bridging any financial gaps in this interval. The Commission only considers these requests when construction is complete, and the project is ready to be placed in service. Because the additional allocation comes when all costs are known, the request for cap needs to be made as close as possible to meeting the 50% test.</p>	<p>project is ready to be placed in service. Because the additional allocation comes when all costs are known, the request for cap needs to be made as close as possible to meeting the 25% test.</p>	
<p align="center"><b>Policy Clarifications</b></p>		
<p><b>3.16.2 Tax Credit Investor</b></p> <p>Tax Credit Investor</p> <p>The tax credit investor/syndicator must also be engaged at the time of application.</p> <p><i>3.16.2.1 Projects located in King County</i></p> <p>Applicants must submit a copy of the Tax Credit Investor's Letter of Intent (LOI) as an attachment to the Application. Investors in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the investor that includes the following information:</p> <ul style="list-style-type: none"> <li>• Estimated pricing of the tax credits</li> </ul>	<p>Edit language and add a subsection:</p> <p><i>3.16.2.1 Projects located in King County</i></p> <p>Applicants must submit a copy of the Tax Credit Investor's/Syndicator's Letter of Intent (LOI) as an attachment to the Application. Investors in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the investor/syndicator that includes the following information:</p> <ul style="list-style-type: none"> <li>• Estimated pricing of the tax credits</li> <li>• Identification of other sources of financing and estimated amounts</li> </ul>	<p>Corrects language to include Syndicator's and clarifies the expectations of Balance of State to align with the existing standard explicitly stated for King County.</p>

<ul style="list-style-type: none"> <li>• Identification of other sources of financing and estimated amounts</li> <li>• The number of units, low-income set-asides, and any special populations served</li> <li>• History of working with the developer and/or WSHFC</li> </ul>	<ul style="list-style-type: none"> <li>• The number of units, low-income set-asides, and any special populations served</li> <li>• History of working with the developer and/or WSHFC</li> </ul> <p><i>3.16.2.2 Projects located in Balance of State</i></p> <p>Tax Credit Investor/Syndicators in the financing of the project must be identified in the project before an application for Bond/Tax Credit financing will be accepted. The applicant must submit a letter of interest from the investor that includes the following information:</p> <ul style="list-style-type: none"> <li>• Estimated pricing of the tax credits</li> <li>• Identification of other sources of financing and estimated amounts</li> <li>• The number of units, low-income set-asides, and any special populations served</li> <li>• History of working with the developer and/or WSHFC</li> </ul>	
<p><b>4.5 Projects that are By and For the Community</b></p> <p>(last section list)</p> <p>A supportive narrative is required to show the value and representation of the CBO and must include:</p> <ul style="list-style-type: none"> <li>• A description of the CBO’s mission or purpose and connection to the identified Community(ies) Harmed.</li> <li>• Identification and description of the specific Community(ies) Harmed.</li> <li>• Identification and description of what leadership and/or advisory roles persons with lived experiences the identified Community(ies) Harmed have in the CBO, including two or more of the following:</li> </ul>	<p>Edit language and reformat bullet point of last section:</p> <p>An interview with Commission staff <del>supportive narrative</del> is required to show the value and representation of the CBO and must include:</p> <ul style="list-style-type: none"> <li>• A description of the CBO’s mission or purpose and connection to the identified Community(ies) Harmed.</li> <li>• Identification and description of the specific Community(ies) Harmed.</li> <li>• Identification and description of what leadership and/or advisory roles persons with lived experiences the identified Community(ies) Harmed have in the CBO, including two or more of the following: <ul style="list-style-type: none"> <li>o A paid leadership position, list position (if applicable).</li> </ul> </li> </ul>	<p>Clarify process and fix formatting.</p>

<ul style="list-style-type: none"> <li>o A paid leadership position, list position (if applicable).</li> <li>o A member of the board (if applicable).</li> <li>o A significant paid staff position (if applicable).</li> <li>o An advisory role, such as serving on an advisory committee.</li> <li>• Other development role, such as a long-serving volunteer with significant responsibilities A descriptive list of the CBO's previous activities related to the identified Community(ies) Harmed and community development. If there have been no previous activities, please describe who formed the CBO and why and how the CBO will continue during the project.</li> </ul> <p><u>Lived experience</u> is defined as: Personal knowledge about the world gained from identifying as a member of the affected group, either currently or at some point in life.</p>	<ul style="list-style-type: none"> <li>o A member of the board (if applicable).</li> <li>o A significant paid staff position (if applicable).</li> <li>o An advisory role, such as serving on an advisory committee.</li> <li>o Other development role, such as a long-serving volunteer with significant responsibilities.</li> <li><del>• Other development role, such as a long-serving volunteer with significant responsibilities</del></li> </ul> <p>A descriptive list of the CBO's previous activities related to the identified Community(ies) Harmed and community development. If there have been no previous activities, please describe who formed the CBO and why and how the CBO will continue during the project.</p> <p><u>Lived experience</u> is defined as: Personal knowledge about the world gained from identifying as a member of the affected group, either currently or at some point in life</p>	
<p><b>4.6 Donation in Support of Local Nonprofit Programs</b></p> <p>The Commission awards two points to Projects based on the Applicant's commitment to contribute funds to a local Nonprofit Organization in an amount equal to 0.10% (10 basis points) of the total bond issue or \$20,000, whichever is greater.</p> <p>The Nonprofit Organization being supported must include in its service area the county in which the Project is located and must provide housing, housing-related services, or nearby community/social services that are available to the residents of the Project. For developments which have sites in more than one county, donations must be made to organizations in each county</p>	<p>Edit 2nd paragraph to the following:</p> <p>The Nonprofit Organization being supported must include in its service area the county in which the Project is located and must provide housing, housing-related services, or nearby community/social services that are available to the residents of the Project. For developments which have sites in more than one county, donations must be made to organizations in each county the projects are located in. <i>At least 50% of the donation must be made to an organization based in the community where the project is located. CBO as defined in Section 4.5 Projects that are By and For the Community.</i> The program receiving the donation cannot require participants to have a specific religious</p>	<p>Clarify the definition being used for the organization receiving the donation.</p>

the projects are located in. At least 50% of the donation must be made to a CBO as defined in Section 4.5 Projects that are By and For the Community. The program receiving the donation cannot require participants to have a specific religious affiliation. Donations may be split among no more than four recipients. Up to 25% of the total donation may be made to an advocacy organization.	affiliation. Donations may be split among no more than four recipients. Up to 25% of the total donation may be made to an advocacy organization.	
<b>4.8.2.1 – NC Solar Option</b>  The Commission awards three points for projects that install a solar system with an annual energy production per square foot of conditioned floor area of the building, with an annual energy production greater than or equal to 0.28 kWh/SF/Year.	Edit language to the following:  The Commission awards three points for projects that install a solar system with an annual energy production per square foot of conditioned floor area of the <b>building project</b> , with an annual energy production greater than or equal to 0.28 kWh/SF/Year.	Clarifies the fact that some projects include multiple buildings.
<b>4.9.1 – Rehab Solar Option</b>  The Commission awards three points for projects that install a solar system with an estimated annual energy production per square foot of the building's gross conditioned floor area greater than or equal to 0.5 (0.5 kWh/SF/year).	Edit language to the following:  The Commission awards three points for projects that install a solar system with an estimated annual energy production per square foot of the <b>building's project's</b> gross conditioned floor area greater than or equal to 0.5 (0.5 kWh/SF/year).	Clarifies the fact that some projects include multiple buildings.
<b>4.9.3 Rehab Electric Vehicle Charging Station Option</b>  The Commission will award one point to projects that install electric vehicle charging stations in no less than 5% of parking spaces, with a minimum requirement of 1 in non-accessible parking and 1 in accessible stalls. The 5% requirement applies to both accessible and non-accessible parking stalls, calculated independent of the other	Edit language to the following:  The Commission will award one point to projects that install electric vehicle charging stations in no less than 5% of <b>residential</b> parking spaces, which a minimum requirement of 1 in non-accessible parking and 1 in accessible stalls. The 5% requirement applies to both accessible and non-accessible parking stalls, calculated independent of each other.	Clarifies intent.

<p><b>4.11 Rehabilitation of Major Systems</b></p> <p>For Preservation projects only – the Commission awards ten points projects for each major system installed or replaced, for up to 30 points. Examples of major systems include:</p> <ul style="list-style-type: none"> <li>• Plumbing</li> <li>• Electrical</li> <li>• Heating, ventilation, and air conditioning</li> <li>• Elevators</li> <li>• Seismic upgrades</li> </ul> <p>If applying for these points, applicants must submit a professional, independent, third-party Capital Needs Assessment (CNA). The CNA describes a project’s physical capital needs over the next 20 years based on the observed current physical conditions of the project. CNA must identify deferred maintenance; physical needs; the age, useful life and remaining useful life of key components; building material deficiencies and material building code violations that affect the property use; structural or mechanical integrity, and future physical and financial needs. The CNA must be the basis from which the scope of work for the project has been developed. MHCF staff may use the CNA along with HUD housing guidelines to determine if the scope of rehabilitation work meets the standards replacing a major system.</p> <p>The Commission recognizes that existing affordable housing projects may need immediate system repair and replacement for the health and safety of the residents.</p>	<p>Edit language to the following:</p> <p><b>4.11 Rehabilitation of Major Systems</b></p> <p>For Preservation projects only – the Commission awards ten points to projects for each major system installed or replaced, for up to 30 points. <del>Examples of major systems include:</del> Eligible major systems are:</p> <ul style="list-style-type: none"> <li>• Plumbing</li> <li>• Electrical</li> <li>• Heating, ventilation, and air conditioning</li> <li>• Elevators</li> <li>• Seismic upgrades</li> <li>• Envelope</li> </ul> <p>If applying for these points, applicants must submit a professional, independent, third-party Capital Needs Assessment (CNA). The CNA must be the basis from which the scope of work for the project has been developed. The CNA describes a project’s physical capital needs over the next 20 years based on the observed current physical conditions of the project. CNA must identify deferred maintenance; physical needs; the age, useful life and remaining useful life of key components; building material deficiencies and material building code violations that affect the property use; structural or mechanical integrity, and future physical and financial needs. MHCF staff may use the CNA along with HUD housing guidelines to determine if the scope of rehabilitation work meets the standards replacing a major system. <b>In addition, all rehab projects must comply with Section 3.19 Rehabilitation Requirements to implement the ductless or ducted heat pump options.</b></p>	<p>Clarifies options for applicants, and highlights the requirements needed.</p>
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The Sponsor may begin work on rehabilitation of the building up to 12 months before application to qualify for points. The Commission recommends the request of an Official Intent Declaration (see Section 9.1.2) if the Sponsor plans to begin rehabilitation in advance of application	The Commission recognizes that existing affordable housing projects may need immediate system repair and replacement for the health and safety of the residents. The Sponsor may begin work on rehabilitation of the building up to 12 months before application to qualify for points. The Commission recommends the request of an Official Intent Declaration (see Section 9.1.2) if the Sponsor plans to begin rehabilitation in advance of application.	
<b>Language, Formatting or Reference Clean Up</b>		
Cover page update	<p>Update language to the following:</p> <p><b>Remove 2025 from side panel.</b></p> <p><b>Approved 9/25/2025.</b></p> <p><b>Add under Board Approval date:</b></p> <p><b>"Policies are in effect until changed and approved by the Board.</b></p>	Removing cycle year reference and tying effective date to Board Approval.



*Opening doors to a better life*

## **MEMO**

**DATE:** September 24, 2025  
**TO:** Board Commissioners  
**FROM:** Steve Walker  
**RE:** Executive Director's Report

This memo summarizes the activities of each division, along with highlights of my own activities from August 29 – September 24, 2025. Should you have any questions, please contact Tera to arrange a call with me or a division director.

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### **Multifamily & Community Facilities**

- Excited to announce Ben Brown our former intern has joined the Commission as a development analyst, continuing to support our energy, preservation, and multifamily financing efforts! We will be hosting another HDC intern this year who will be helping to continue to support our energy and sustainability efforts.
- On September 12, the SET Loan Committee approved a loan of \$1,000,000 to partially fund the Giving Grid Portfolio. This loan will provide for the development of 1.8-Megawatts of solar capacity, with energy savings from the projects being passed on to several rural school districts. The full portfolio will generate a combined \$10 million in energy savings over the solar system's 30-year lifetimes. School districts that will benefit from these projects include Davenport, Tekoa, Pullman, Lind-Ritzville, Freeman, Palouse, Reardan, and Sprague.
- The Commission recently approved (and are close to closing) its first series of construction loans to two non-profit borrowers through its Community Land Trust Program. The homes will be sold under a land lease model ensuring affordability in perpetuity.
  - **Kulshan Community Land Trust: LaFreniere Court**  
The project features 18-unit townhome development in Bellingham. The energy-efficient homes will be conveniently located to public transportation, Bellingham Public Schools, City Sprouts Farm, and downtown Bellingham.
  - **Olympic Housing Trust: Dundee Hill**  
The project features five green built, northwest-modern townhomes. There will be 2 two-bedroom units, and 3 three-bedroom units situated next to the neighborhood's community garden.

- Sojung attended the [NH&RA's Affordable Housing Analytics and Data Forum](#) - high level takeaways include:
  - Middle-income housing (60-120%) is gaining traction, though most programs are still new and focused on new construction.
  - HUD's 2025 vs. 2026 FMR data estimates show moderating growth, with some areas seeing declines.
  - Market analysis practices are evolving, with more attention to community/labor market ties, barriers to growth, and nuanced features (security, services, amenities) as rent compression increases.
  - Mixed views on AI adoption, but vendors are highlighting potential applications for underwriting and market analysis.
- Keri Williams and Halle Thompson attended multiple community events focused on seniors this month—listening to issues with housing that seniors have and providing information about the Commission and how we might be able to help senior-focused organizations meet their missions.

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## Homeownership

### Covenant Homeownership

- As of September 22, 2025, we have 770 confirmed closed loans and an additional 100 loans in the pipeline with CHA reservations in 24 counties.

### Homeownership Assistance Fund

- The Washington HAF Program worked its way through over 700 applications it received as of the April 7, 2025, application deadline and only a few applicants continued to be processed. We are finalizing the final few and then will turn our efforts to actual program closure. We are also working with the State Auditors to complete the Fiscal Year 2025 audit of the program and expect that to conclude shortly.
- As of September 16, 2025, we have provided 6,758 grants totaling over \$142 million.

### Other Updates

- In August, we had \$206 million in new reservations assisting 539 households.
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## Asset Management & Compliance

### Compliance Monitoring

- We have completed 100% of the 2024 Bond Annual Reports reviews, as reported last month, and have now made strong progress on reviewing the required 2024 Tax Credit Annual Reports, reaching over 90% completion as of September.
- **Inspections:** Our Inspection Contractor has completed over 80% of the 2025 onsite inspections.
- **ETO Projects:** Chrystal White continues to work on project plans and approvals. New information shared this past month shows that Spokane Homes conveyed all but 7 units. We are working with Pacifica to get the homes released from the regulatory agreement. She is continuing to monitor progress and plans to conduct a site tour in October for locations in Yakima and the surrounding area.

### Business Directives

- **Staffing:** We are excited to announce that we have hired our new Asset Management Analyst! This is one of the new positions created to support the Asset Management Initiative. We are excited about how this role will help strengthen asset management practices and enhance overall portfolio performance. We are pleased to share that one of our own Portfolio Analysts, Allie Delano, has accepted the position. Congratulations, Allie! We are also excited to announce that Brett Pickett has accepted the offer to fill the Portfolio Analyst position left vacant by Allie's job change. Brett is coming to us from Vermont Housing Finance Agency and will be joining us in late October. Plus, we have hired William Phillips Nichols as our new Asset Management Intern, who will be supporting Allie and the team with ongoing projects and initiatives.

### Community Engagement and Education

- **AMC Trainings:** We had a successful in-person Tax Credit Fundamentals training in Tacoma on September 18, led by Lanakay Lipp and Carmen Chhor, with 46 attendees.

The training was very thorough and comprehensive, providing clear explanations and examples in the training notebook for future reference.

The instructors were knowledgeable and provided detailed explanations. Lanakay was able to answer/explain complex questions and give examples for clarity.

- **Forms & Language Accessibility Initiative:** Our contractor, Talitha Consults, continues to engage residents and managers via surveys and other feedback sessions. This work on forms and language accessibility is intended to help residents better understand and complete important documents, improving participation and equity. Outreach will continue through October, weather permitting, to reach more residents on the east side of the state.
- **Collaboration with Northwest Fair Housing Alliance:** We are working with the Northwest Fair Housing Alliance to support our efforts to improve accessibility, ensure compliance with fair housing standards, and provide high-quality resources for our stakeholders. Their work includes reviewing our forms, evaluating training materials, providing training to our team, and helping develop on-demand content for the website.

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## **Finance**

- Division directors and finance staff met with representatives from Moody's earlier in the month to discuss the Commission, our programs, and challenges we foresee in the future, as the next step in acquiring an issuer rating. Additional financial and programmatic data was provided to Moody's following the meeting, which they are currently analyzing. We expect to receive our rating next month.
- Fieldwork on our annual financial audit started at the beginning of the month. Finance staff have been diligently working to prepare and respond to auditor requests, with fieldwork nearly complete. We expect to have our final audit report published by the end of October.

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## **DEI**

### **Community Engagement**

- The Community Engagement (CE) Team successfully completed the IAP2 (International Association for Public Participation) Fundamentals of Public Participation course, marking a milestone in their professional development journey.
- The CE Team is preparing to advance to the next course in the series to deepen their engagement expertise.
- Discussions on equitable community compensation policy are underway. The CE

team has begun to collaborate closely with the Office of Equity liaison to co-develop a sustainable and inclusive compensation framework.

### Business Objectives

- Starting in October, quarterly objective reporting will transition to an automated Smartsheet system.
- *Phase One* will establish a centralized organizational hub for business objectives and divisional reporting.
- *Phase Two* will refine the system based on user feedback and desired reporting outcomes.

### Impact Team

- Planning for the Impact Team is ongoing. In the process of obtaining feedback from internal stakeholders.
- The team is currently envisioned as both an advisory workgroup and a coordinating umbrella for subcommittees focused on employee and external engagement.

### Strategic Plan

- The Accountability Tracker Team is finalizing the strategic plan tracking tool.
- A training timeline, user guide, and glossary are in development to support rollout and reporting.

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### Executive Director's Update

- Lt. Governor Heck, Senator Bateman (Chair of the Housing Committee), and the Office of the Governor recently hosted a housing supply roundtable. The event brought together representatives from across the housing ecosystem—including WSHFC, the Department of Commerce, developers, labor lobbyists, local government officials, realtors, and members of the broader building industry.

Participants were invited to share actionable ideas to help address housing supply challenges in preparation for the upcoming short legislative session.

- I met with the leadership team for the African Community Housing & Development organization to tour their programs and discuss their strategic vision for the agency and the communities they serve.

- A delegation from Salt Lake City visited last week, including the SLC Mayor, the County Mayor, and council members from both jurisdictions. I participated in a roundtable discussion focused on our region's approaches to housing, affordability, and strategies for addressing homelessness.

I participated in the following meetings and events:

- AHAB meeting
- Black Home Initiative Network Policy Group meeting
- King County Regional Homelessness Authority meeting
- WCRA Board of Directors meeting
- Community Roots Housing Annual fundraiser

Washington State Housing Finance Commission  
Homeownership Programs  
Fiscal Year Loan Production  
July 1, 2025 - August 31, 2025

*\*Fiscal Year Goal - 5,000 households purchase an affordable home using the Home Adv/HK programs.*

Percentage of Goal reached YTD -

21.1%

### HOME ADVANTAGE

	Loans	\$ Volume	% Households of Color
Conventional FNMA	65	\$ 24,163,745	53.8%
Conventional FHLMC	97	\$ 38,704,385	35.1%
Government	646	\$ 263,415,050	34.2%
Energy Spark	0	\$ -	0.0%
Covenant Homeownership	169	\$ 64,594,801	100.0%
Total	977	\$ 390,877,981	46.9%

### HOUSE KEY OPPORTUNITY

	Loans	\$ Volume	% Households of Color
Conventional FNMA	48	\$ 12,277,000	56.3%
Conventional FHLMC	4	\$ 802,608	0.0%
Government	26	\$ 7,519,363	34.6%
Total	78	\$ 20,598,971	46.2%

### DOWNPAYMENT ASSISTANCE

	Loans	\$ Volume	% Households of Color
Home Adv 0%	783	\$ 12,422,558	35.9%
Home Adv Needs Based 1%	2	\$ 20,000	0.0%
Opportunity	74	\$ 1,070,128	44.6%
HomeChoice	2	\$ 29,600	50.0%
Bellingham	0	\$ -	0.0%
East King County	0	\$ -	0.0%
Pierce County	0	\$ -	0.0%
Seattle	0	\$ -	0.0%
Tacoma	0	\$ -	0.0%
University of WA	0	\$ -	0.0%
Veterans	0	\$ -	0.0%
Clark County DPA	2	\$ 120,000	0.0%
Social Justice DPA (Non-Commission)	3	\$ 30,000	100.0%
Covenant (Non-Commission)	178	\$ 19,943,013	100.0%
Total	1044	\$ 33,635,299	47.5%

Washington State Housing Finance Commission/Homeownership Division  
Counseling & Grants:  
Default Counseling, Pre-Purchase and Other Homeowner Assistance  
**Report for September 2025**

Grant Name/ Description/Service Area	Granting Entity	Subgrantees/ Partners	Grant Amount/ Date	Amount Disbursed to Date	Balance Remaining	Grant Expiration
<b>HUD SuperNOFA 2024</b> Default and Pre-Purchase Counseling. Service Area: <b>Statewide</b>	Department of Housing and Urban Development	AFS; CVH; KCLT; OIC; OPAL; Parkview; RRCA; SNAP	\$320,685	\$124,965	\$195,720	9/30/2025
<b>HAF Counseling Pay-Per- Service Grant FY 2025</b> Default Housing Counseling. Service Area: <b>Statewide</b>	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS;	\$5,411,060 2023 - 2025	\$5,411,060	\$0.00	12/31/2025
<b>Foreclosure Fairness Act</b> Default Housing Counseling and Mediation. Service Area: <b>Statewide</b>	Department of Commerce	WHRC; AFS; NJP; Parkview; RRCA; SNAP; ULMS;	\$2,100,000 FY2025	\$1,670,901	\$429,099	12/31/2025 & None
<b>HAF Application Assistance</b> Post-HAF Application Assistance Service Area: <b>Statewide</b>	U.S. Department of the Treasury	AFS; OIC; NJP; Parkview; RRCA; SNAP; ULMS;	\$2,439,405 2023 - 2025	\$2,439,405	\$0.00	12/31/2025
<b>*PENDING* King County VSHSL</b> Counseling Navigator Service Area: King County	King County	WHRC; OIC; ECDLR; OIC; PARKVIEW; ULMS	\$189,581	0.00	\$189,581	12/31/2027

AFS – American Financial Solutions  
CVH – Columbia Valley Affordable Homeownership  
ECDLR – El Centro de la Raza  
KCLT – Kulshan Community Land Trust  
NJP – Northwest Justice Project  
OPAL – Opal Community Land Trust

OIC – Opportunities Industrialization Center  
Parkview – Parkview Services  
RRCA – Rural Resources Community Action  
SNAP – Spokane Neighborhood Action Partners  
WHRC – Washington Homeownership Resource Center

**HOMEOWNERSHIP PROGRAMS****HOMEBUYER EDUCATION PRODUCTION and HOME LOAN TRAINING**

July 1, 2025 - August 31, 2025

**HOMEBUYER CLASS**

Fiscal year goal - 800 classes, 8,000 participants by June 30, 2026

Percentage of goal reached YTD: 21%

	<b>Classes</b>	<b>Participants</b>
<b>Virtual:</b>	50	294
<b>In-Person:</b>	36	164
<b>Online Classes:</b>	1,193	1,193
<b>Total:</b>	<b>1,279</b>	<b>1,651</b>

Classes not yet reporting participation: 163

Data lags 3 months due to data collection process

**In-Person and Virtual All-Time Totals 1992 to Present**

<b>Classes:</b>	52,652
<b>Participants</b>	258,612

**PROGRAM TRAINING ATTENDEES**

Fiscal year goal - 10 Instructor classes by June 30, 2026

Percentage of goal reached YTD: 20%

<b>Month</b>	<b>Classes</b>	<b>Attendees</b>
July	1	44
August	1	32
September		
October		
November		
December		
January		
February		
March		
April		
May		
June		
<b>Total:</b>	<b>2</b>	<b>76</b>

WASHINGTON STATE HOUSING FINANCE COMMISSION  
9% Housing Tax Credit Program  
2025 Allocation List  
Final Allocation amounts may change if new Federal resources are made available.

King County Pool (November 2024 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations				
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
25-16	Application	Skyway Mixed Use	Low Income Housing Institute	Seattle	King	183	\$28,859	\$1,229,520	53	50%		50%		0	0	0	0	40
25-18	Application	Lexington & Concord	YWCA	Seattle	King	182	\$27,640	\$2,294,120	83	50%		50%		0	0	0	0	63
King County Credit Allocated:									167					0	0	0	0	103
King County Credit Available:																		
King County Balance:																		

King County Pool Unranked (Noncompetitive or Awaiting Other Funding Commitments)

25-08	Application	DESC Belmont	Downtown Emergency Service Center (DESC)	Seattle	King		\$18,084	\$2,170,051	120	50%		50%		0	0	0	0	90
25-02	Application	Sea Mar Community Health Centers/Lucy Lopez Apartments	Sea Mar	Kent	King		\$27,902	\$864,962	31	50%		50%		0	7	0	0	7
King County Unranked Balance:									151					0	7	0	0	97

Metro Pool (November 2024 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations				
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
25-07	Application	Housing Hope - EUCC (AKA Rainbow Terrace)	Housing Hope Properties	Everett	Snohomish	164	\$27,637	\$1,824,058	66	50%		50%		0	0	66	0	14
25-05	Approved 8/28/25	Bridge Meadows Tacoma	Bridge Meadows	Tacoma	Pierce	161	\$33,333	\$2,000,000	60	50%		50%		0	12	60	0	0
25-11	Approved 8/28/25	South Yakima Senior Housing	HumanGood Affordable Housing	Tacoma	Pierce	160	\$27,619	\$1,712,360	62	50%		50%		0	0	62	13	0
25-06	Approved 7/24/25	Bellis Fair Senior Housing	Opportunity Council	Bellevue	Whatcom	160	\$37,000	\$2,368,000	64	25%	50%		25%	0	0	64	0	13
Total Metro Credit Allocated:									252					0	0	252	13	27
Metro Credit Available:																		
Metro Balance:																		

Metro Pool Unranked (Noncompetitive or Awaiting Other Funding Commitments)

25-14	Application	Claudia's Place	Housing Initiative, LLC	Vancouver	Clark		\$27,445	\$1,097,786	40	50%		50%		0	0	0	0	10
25-17	Application	Lincoln District Family Housing	Low Income Housing Institute (LIHI)	Tacoma	Pierce		\$28,164	\$2,027,840	72	50%	25%		25%	0	0	0	0	18
Metro Unranked Balance:									112					0	0	0	0	28

Non-Metro New Production (November 2024 application round)

TC#	Project Status	Project Name	Project Sponsor	City	County	Points	Credit/Unit	Credit Request	Total Low-Income Units	% of Low-Income Housing Units				Units for Priority Populations				
										30% AMI	40% AMI	50% AMI	60% AMI	Farm workers	Large Households	Elderly	Persons with Disabilities	Homeless
25-03	Scheduled for 9/25/2025	Lewis, Spruce, & Sixth	The Housing Authority of the City of Yakima	Yakima	Yakima	177	\$27,576	\$1,378,777	50	50%	10%		40%	0	0	0	0	13
25-09	Application	Pathways Place	Hopessource	Elensburg	Kittitas	173	\$27,640	\$2,155,920	78	50%				0	0	0	0	20
25-10	Scheduled for 9/25/2025	Catin and Main	Lower Columbia Community Action Council, Inc.	Kelso	Cowlitz	171	\$27,640	\$1,105,600	40	25%	50%	50%	25%	0	0	0	0	10
25-15	Scheduled for 9/25/2025	Franz Anderson PSH	Low Income Housing Institute	Olympia	Thurston	169	\$27,163	\$1,928,539	71	50%		50%		0	0	0	0	18
25-04	Approved 8/28/25	Farmview Family Housing	Housing Authority of Skagit County	Burlington	Skagit	167	\$29,091	\$872,727	30		25%	75%		23	0	0	0	0
Non-Metro New Production and Preservation Credit Allocated:									269					23	0	0	0	61
Non-Metro Credit Available:																		
Non-Metro Balance:																		

Non-Metro Preservation and Recapitalization Pool

Non-Metro Rehab Credit Allocated:																		

Non-Metro Unranked (Noncompetitive or Awaiting Other Funding Commitments)

25-13	Application	Alderwood Apartments	Trillium Housing Services	Yakima	Yakima		\$23,865	\$2,004,625	84	10%	50%	40%		62	0	0	0	0
25-12	Application	Walla Walla Rehab Project	Catholic Housing Services of Eastern Washington	Walla Walla	Walla Walla		\$23,212	\$1,183,822	51		40%	30%	30%	0	0	51	0	0
Non-Metro Unranked Balance:									135					62	0	51	0	0

Statewide Allocation Round Totals:			Total Project Applications: 17	Total Credit Requested:	\$28,518,707	1,026	85	43	303	13	316
			Total Projects Above Line: 11	Total Credit Available for 2025:	\$15,995,611						
			Application Success Percentage: 65%	PWD Commitment of 2026 LIHTC:	\$3,174,010						
				Total LIHTC Allocation for 2025:	\$19,169,621	668	23	12	252	13	191

Final Allocation amounts may change if new Federal resources are made available.  
\*No scores displayed for projects that are not fully funded or are below the line for competitive scoring. These projects are ranked alphabetically by project name.





# Washington State Housing Finance Commission

## 2025 Bond/Tax Credit Balance of State Allocation List

Opening doors to a better life

Development Name	Developer	Community-Based Organization	City	Tax-Exempt Bond Request	Policy Values	Units	Points Awarded
<b>New Production</b>							
Apollo Edmonds	Blackfish Capital LLC	Resource Equity Association	Edmonds	\$50,719,777	Snohomish County	255	50
Copper View Apartments	Inland Group	United Way of Franklin County	West Richland	\$42,134,233	Balance of State	256	43
Fieldstone Apartments	DevCo, LLC	Next Chapter	Olympia	\$55,000,000	Balance of State	272	39
Teanaway Court	HopeSource	HopeSource	Cle Elum	\$14,450,000	Publicly Funded - Balance of State	41	34
35th and Pacific Family Housing	Mercy Housing Northwest	Open Doors for Multicultural Families & Making a Difference Foundation	Tacoma	\$24,750,000	Publicly Funded - Balance of State	80	33
Cedar Flats*	MacDonald Ladd Development	Metropolitan Development Council	Puyallup	\$57,719,763	Publicly Funded - Balance of State	276	33
			<b>Subtotal</b>	<b>\$244,773,773</b>		<b>1,180</b>	
<b>Preservation</b>							
Silver Creek by Vintage	Vintage Housing	Veterans Village	Pasco	\$40,090,000	Preservation	242	69
St Jude Havens*	Catholic Hsg Services of Eastern WA	Take Up The Cause	Spokane	\$20,912,243	Preservation, Publicly Funded	156	49
Western Washington Rural Preservation Portfolio**	Shelter Resources, Inc.	Multiservice Center	Multiple	\$50,000,000	Preservation, Publicly Funded	374	39
Smith Tower Preservation**	Housing Development Center	N/A	Vancouver	\$47,733,030	Preservation, Publicly Funded	170	38
			<b>Subtotal</b>	<b>\$158,735,273</b>		<b>568</b>	
			<b>TOTAL</b>	<b>\$403,509,046</b>		<b>2,392</b>	
<b>Unranked Projects</b>							
Meadowdale North	MacDonald Ladd Development	Wellspring	Bremerton	\$12,703,538	Balance of State	62	
Meadowdale Trails	MacDonald Ladd Development	Wellspring	Bremerton	\$39,950,440	Publicly Funded - Balance of State	208	
NODO by Vintage	Vintage Housing	Veterans Village	Spokane	\$41,965,700	Balance of State	270	
Pacific Vue Apartments	DevCo, LLC	Rise Up Academy	Everett	\$60,000,000	Snohomish County	227	

\* - carry forward allocations

\*\* - projects with an extended development timeline

# King County Bond/Tax Credit Pre-Allocation Process

## Local Funders Make Commitments First

For King County developments seeking Bond Cap allocations beginning in 2024, the Commission introduced a new process to improve coordination and provide a more predictable process for applicants with developments in the public funders' pipelines.

In King County, Bond/Tax Credit developments are required to have all necessary local funding commitments in place prior to applying to the Commission. The Commission and the public funders agreed to share an allocation framework to prioritize public investment to ensure developments can move towards readiness with limited resources.

The Commission invites applicants on the tiered "Invitation to Apply" list to apply once their project is fully funded and has reached a sufficient level of readiness to proceed quickly to closing.

## 2025 Invitation to Apply List – Updated February 13, 2025

Only developments that are fully funded will be invited to apply by the Commission as they approach their closing date.

Tier designations on this list will be reevaluated later this year, and if a development in the Pipeline becomes fully funded and is able to close it could be moved up if bond cap is available.

Development	Applicant <sup>1</sup>	Public Funders <sup>2</sup>	Projected Bond Cap	Units
<b>Tier 1 – closing by mid-year; funding commitments secured; path to securing final building permits</b>				
Beacon Hill Affordable TOD Development	El Centro de la Raza	HTF, KC, OH	\$23,443,372	72
Burien Family Housing	Mercy Housing Northwest	HTF, KC, SKHHP	\$15,800,000	90
New Hope Family Housing	New Hope CDI	HTF, OH	\$27,468,670	91
<b>Tier 2 – closing by year-end; funding commitments secured; path to securing final building permits</b>				
Bellwether Greenwood	Bellwether Housing	OH	\$15,000,000	53
Creekside	Shelter America Group	KC, HTF	\$15,267,000	40
Kent Multicultural Village	Mercy Housing Northwest	HTF, KC, SKHHP, ST	\$76,760,000	199
Prisma	Bellwether Housing	ARCH, HTF, KC, ST	\$85,000,000	332
Vivo South	SRM Development	OH	\$32,500,000	121
<b>Tier 3- closing next year; funding commitments secured; path to securing final building permits</b>				
Greenwood Nest	TWG Development	OH	\$19,573,539	92

<sup>1</sup> Each of the projects on the list has a proposed Community-Based Organization (CBO) as a partner or are being developed by a Community-Based Organization.

<sup>2</sup> The Commission coordinates closely with public funders in King County which includes the King County Department of Community and Human Services (KC), Sound Transit (ST), City of Seattle's Office of Housing (OH), the Department of Commerce's Housing Trust Fund (HTF), A Regional Coalition for Housing (ARCH), and South King Housing and Homelessness Partners (SKHHP).

## Pipeline List – Updated February 13, 2025

These developments are at various points in their development and have received funding from some of the public funders but they are not yet fully funded and ready to close. Their progress depends on securing additional funding and receiving local approvals. Depending on the timing of local approvals and finding ways to become fully funded, it is possible that some of these developments could move into a Tier during the year.

Development	Applicant	Public Funders	Projected Bond Cap	Units
African Diaspora Cultural Anchor Village	African Community Hsg. Dev.	KC	\$52,000,000	129
Filipino Community Village Phase 2	Filipino Community of Seattle	KC	\$19,250,000	56
Larus Senior Apartments	TWG Development	ARCH, KC	\$38,005,342	175
Little Saigon Landmark	SCIDpda	KC, OH	\$24,200,000	70
Mt. Baker Redevelopment	Mercy Housing Northwest	OH	\$68,500,000	238
Pandion at Star Lake	TWG Development	SKHHP	\$63,594,182	251

## 2024 King County Allocation List

In the first year of the King County pre-allocation process there were four financings closed, with developments located throughout Seattle and in Bellevue.

Development	Applicant	Public Funders	Total Bond Amount	Units
Bryant Manor Redevelopment Phase II	First A.M.E. Housing Association	HTF, KC, OH	\$48,734,255	149
Spring District/120 <sup>th</sup> Station	Bridge Housing Corp	ARCH, HTF, KC, ST	\$68,800,000	234
Victory Northgate	GMD Development	OH	\$53,500,000	184
Broadway Center for Youth	Community Roots Housing	HTF, KC, OH	\$31,250,000	84

# ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

## REPORTING MONTH: August 2025

The Asset Management & Compliance Division is charged with ensuring the long-term viability of Commission financed or assisted projects. This is accomplished through project compliance monitoring efforts and training of program users.

**PROGRAM PURPOSE:** To ensure that the public benefits of all Commission housing programs are fulfilled.

**BUSINESS OBJECTIVE:** Review 100% of required compliance annual reports within 12 months from report receipt dates and issue compliance status letters.

Within the 12-month period, staff will:

- Review required *Owner's Annual Certification* and other reporting materials for all properties
- Review resident certifications for 20% of all units in federal compliance period properties which are inspected during the calendar year (Low Income Housing Tax Credit properties)
- Review resident certifications to determine if bond-only properties met their bond minimum set-asides (Tax-Exempt Bond properties)
- Notify the Internal Revenue Service of any noncompliance discovered in tax credit projects

### Tax Credit Reports \*

Calendar Year 2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	0	4	17	27	45	10	29	32					164	175	94%

Calendar Year 2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	1	16	16	19	16	16	16	19	20	20	20	22	201	250	80%

Tax credit reports are due January 31<sup>st</sup> of every year for the previous calendar year.

### Bond Reports \*\*

Calendar Year 2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	7	37	23	3	1	0	0	0					71	70	101%

Calendar Year 2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
REPORTS REVIEWED	6	19	14	20	7	4	0	0	0	0	0	0	70	70	100%

Bond reports are due January 7<sup>th</sup> of every year for the previous calendar year.

**Notes:** \* Tax credit reporting bridges two fiscal program years. Currently, we're prioritizing the audits of federal compliance period projects being inspected in 2025.

\*\* Goal total for bonds indicates both bond property annual reports and initial reports for Acquisition-Rehab bonds and New Construction bonds quarterly reporting as needed. New properties with both bonds and tax credits are reviewed as bonds until placed in service, then converted to tax credits for annual reviews.

# ASSET MANAGEMENT & COMPLIANCE ACTIVITY REPORT

## REPORTING MONTH: August 2025

**BUSINESS OBJECTIVE:** *Complete on-site review of 33<sup>1/3</sup>% of all projects by December 31, 2025.*

Within the 12-month calendar year, the Commission will:

- conduct on-site inspections of 33<sup>1/3</sup>% of projects monitored according to HUD inspection standards.
- inspect 20% of all low-income units for health and safety issues.
- notify the Internal Revenue Service of any project noncompliance discovered through the inspections.

### Project Inspections

Calendar Year 2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
ON-SITES COMPLETED	1	1	64	52	47	39	46	43					293	350	84%

Calendar Year 2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	GOAL	% COMPLETED
ON-SITES COMPLETED	1	2	30	45	58	48	65	67	40	10	0	0	366	366	100%

**NOTE:** Cumulative totals for all goals may be greater or lesser than goal totals as new projects are coming on-line throughout the year; placed in service dates for projects can move forward or be delayed, affecting the number of reports and/or inspections that need to be completed each year. Inspections are sometimes canceled due to delayed placed in service dates or for other reasons.

**COMPLIANCE TRAININGS:** The next Tax Credit Compliance Workshops are scheduled for:  
**October 14-16, 2025**

The next Bond Compliance Workshop is scheduled for:  
**November 5-6, 2025**



WASHINGTON STATE  
**HOUSING FINANCE  
COMMISSION**

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

September 24, 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 August 31, 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

August 31, 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**  
**August 31, 2025**  
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance		
			Amount		%
ASSETS					
Cash and Cash Equivalents:					
Demand Deposits	\$ 3,530,688	\$ 9,335,812	\$ (5,805,124)	(1)	-62%
Money Market Accounts	31,525,715	63,767,333	(32,241,618)	(1)	-51%
Investment Securities	33,569,738	43,747,946	(10,178,208)	(1)	-23%
Interest Receivable	1,037,469	1,066,660	(29,191)		-3%
Fees Receivables	18,178,338	17,704,342	473,996		3%
Prepaid Expenses & Other Receivable	4,294,229	3,549,286	744,943	(2)	21%
Furniture and Fixtures (net of depreciation)	504,430	448,714	55,716	(3)	12%
Intangible Lease Asset (net of amortization)*	2,915,919	-	2,915,919		NA
Net Pension Asset*	1,340,892	1,894,532	(553,640)		-29%
Total Assets	96,897,418	141,514,625	(44,617,207)		-32%
Deferred Outflow of Resources (Pension & OPEB Contributions) *	4,563,506	4,490,914	72,592		2%
Total Assets and Deferred Outflows	\$ 101,460,924	\$ 146,005,539	\$ (44,544,615)		-31%
LIABILITIES					
Accounts Payable and Other Liabilities	\$ 3,245,948	\$ 7,789,448	\$ (4,543,500)	(4)	-58%
Unearned Fee Income	49,556,008	91,968,513	(42,412,505)	(5)	-46%
Accrued Payroll Payable	2,237,913	1,982,431	255,482	(6)	13%
Lease Liability*	2,988,533	-	2,988,533	-	NA
Net Pension Liability *	3,299,341	3,454,593	(155,252)		-4%
Total Liabilities	61,327,743	105,194,985	(43,867,242)		-42%
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	3,483,111	4,935,541	(1,452,430)		-29%
NET POSITION					
Invested in Capital Assets	504,430	448,714	55,716	(3)	12%
Committed - Housing Washington *	198,152	122,628	75,524		62%
Unrestricted	35,947,488	35,303,671	643,817		2%
Total Net Position	36,650,070	35,875,013	775,057		2%
Total Liabilities, Deferred Inflows and Net Position	\$ 101,460,924	\$ 146,005,539	\$ (44,544,615)		-31%

- (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 receivable balances is primarily due to greater receivables related to principal and interest advanced on GNMA securities serviced by IHFA.
- (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) The overall decrease in accounts payable and other liabilities is primarily due to lower payables related to interest earned on HAF program funds.
- (5) 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.
- (6) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, and effects of the 3% COLA increase at the beginning of the fiscal year, as well as the step increases throughout the 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: August 31, 2025**  
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 3,975,165	\$ 8,431,821	\$ 6,524,320	\$ 1,907,501 (1)	29%
Interest Earned & Realized Gain	1,095,054	2,240,324	2,966,936	(726,612) (2)	-24%
Other	15,863	47,207	50,467	(3,260)	-6%
<i>Total Unadjusted Revenues</i>	<u>5,086,082</u>	<u>10,719,352</u>	<u>9,541,724</u>	<u>1,177,628</u>	<u>12%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,268,498	2,441,517	2,106,982	334,535 (3)	16%
Travel & Conferences	3,798	18,509	21,914	(3,405) (4)	-16%
Professional Fees	337,115	625,932	476,432	149,500 (5)	31%
Office Expense	315,289	579,897	453,436	126,461 (6)	28%
<i>Total Expenses</i>	<u>1,924,700</u>	<u>3,665,855</u>	<u>3,058,765</u>	<u>607,090</u>	<u>20%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	559,838	276,474	1,273,021	(996,547)	-78%
Grant Revenue	2,163,570	5,934,555	10,642,418	(4,707,863)	-44%
<i>Expenses:</i>					
Grant Pass-Through	<u>2,163,570</u>	<u>5,934,555</u>	<u>10,642,418</u>	<u>(4,707,863)</u>	<u>-44%</u>
<i>Total Adjustments</i>	<u>559,838</u>	<u>276,474</u>	<u>1,273,021</u>	<u>(996,547)</u>	<u>-78%</u>
Excess of Revenues over Expenses	<u>3,721,220</u>	<u>7,329,971</u>	<u>7,755,980</u>	<u>(426,009)</u>	<u>-5%</u>
<i>Net Position</i>					
Total net position, beginning of period	32,928,850	29,320,099	28,119,033	1,201,066	4%
Current Increase (Decrease) - to Net position	<u>3,721,220</u>	<u>7,329,971</u>	<u>7,755,980</u>	<u>(426,009)</u>	<u>-5%</u>
Total net position, end of year	<u>\$ 36,650,070</u>	<u>\$ 36,650,070</u>	<u>\$ 35,875,013</u>	<u>\$ 775,057</u>	<u>2%</u>

(1) The increase in fee income is primarily due to increased revenue from the Multifamily Housing and Community Facilities division related to bond issuances and collection of tax credit fees.

(2) The decrease in interest income is primarily due to the decrease in rates. For example, the LGIP rate has decreased from 5.40% in the prior period to a rate of 4.38% in the current period.

(3) The increase in salary and benefits expenses reflects a 3% cost of living wage increase for all staff on July 1, 2025, as well as regular annual increases during the year.

(4) The decrease in travel and conference fee expenses is primarily due to lower conference/training registration fees and in-state travel fees, plus a slight offset by an increase in out-of-state travel expenses.

(5) Professional fees increase is primarily due to an increase in legal and consultant expenses.

(6) The increase in office expenses is primarily due purchases of computer related equipment and higher rent, compared to the prior year.

\* 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.

\*\* These balances are adjusted only at year-end.

**Washington State Housing Finance Commission**  
**Detailed Statement of Activities**  
**Fund: General Operating Fund**  
**Division: All**  
**For The Year To Date Ending: August 31, 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	12.1%	\$ 572,676	\$ 4,722,917	\$ 5,295,593	\$ 5,306,213	\$ (10,620)	-0.2%
Issuance, Application, and Servicing Fees	74.1%	1,334,825	1,801,403	3,136,228	1,568,980	1,567,248	99.9%
Interest Earned & Realized Gain	-24.5%	(726,612)	2,966,936	2,240,324	1,986,756	253,568	12.8%
Other Income	-6.5%	(3,260)	50,467	47,207	60,658	(13,451)	-22.2%
<i>Total Unadjusted Revenues</i>	<u>12.3%</u>	<u>1,177,629</u>	<u>9,541,724</u>	<u>10,719,351</u>	<u>8,922,607</u>	<u>1,796,745</u>	<u>20.1%</u>
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	18.0%	296,025	1,643,365	1,939,390	2,169,138	(229,748)	-10.6%
Employee Benefits - Staff	8.3%	38,510	463,617	502,127	545,726	(43,599)	-8.0%
Conference, Education & Training	-54.2%	(3,091)	5,700	2,609	39,299	(36,690)	-93.4%
Travel out of state - Staff	84.5%	5,328	6,303	11,631	40,543	(28,912)	-71.3%
Travel in state - Staff	-56.9%	(5,642)	9,912	4,270	25,362	(21,092)	-83.2%
Accounting Fees	-50.5%	(1,515)	3,000	1,485	24,394	(22,909)	-93.9%
Legal Fees	52.9%	54,296	102,685	156,981	118,502	38,479	32.5%
Financial Advisor Fees	96.1%	55,723	58,000	113,723	70,066	43,657	62.3%
Investment Management Fees	25.9%	7,406	28,547	35,953	36,334	(381)	-1.0%
Office Rent/Conf. Room Rentals	33.5%	26,443	78,887	105,330	102,529	2,801	2.7%
Furniture & Equipment Rental	176.8%	1,871	1,058	2,929	4,312	(1,383)	-32.1%
Advertising	29.5%	2,480	8,399	10,879	35,523	(24,644)	-69.4%
Publications/ Subscriptions/ Dues	23.7%	3,457	14,572	18,029	23,181	(5,152)	-22.2%
Deliveries	-70.4%	(233)	331	98	367	(269)	-73.3%
Insurance	16.3%	1,851	11,358	13,209	13,666	(457)	-3.3%
Meeting Expense	2209.8%	64,638	2,925	67,563	26,208	41,355	157.8%
Equipment & Building Maintenance	-18.5%	(318)	1,718	1,400	9,716	(8,316)	-85.6%
Software Maint. Support & Other Info Svcs	-6.9%	(19,123)	276,255	257,132	401,362	(144,230)	-35.9%
Non-capitalized Equipment/Supplies	770.1%	38,037	4,939	42,976	13,360	29,616	221.7%
Postage	-33.7%	(32)	95	63	178	(115)	-64.6%
Printing	-96.8%	(2,992)	3,091	99	1,227	(1,128)	-91.9%
State Services	-11.6%	(181)	1,555	1,374	1,162	212	18.2%
Supplies	4.1%	264	6,442	6,706	7,212	(506)	-7.0%
Telephone	51.0%	6,764	13,251	20,015	13,688	6,327	46.2%
Contract Services	11.8%	33,591	284,199	317,790	234,286	83,504	35.6%
Depreciation	12.4%	3,535	28,560	32,095	25,160	6,935	27.6%
<i>Total Expenses</i>	<u>19.8%</u>	<u>607,092</u>	<u>3,058,767</u>	<u>3,665,856</u>	<u>3,982,501</u>	<u>(316,645)</u>	<u>-8.0%</u>
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-78.3%	(996,547)	1,273,021	276,474	-	276,474	NA
Grant Revenue	-44.2%	(4,707,863)	10,642,418	5,934,555	1,268,838	4,665,717	367.7%
<i>Expenses:</i>							
Grant Pass-Through	-44.2%	(4,707,863)	10,642,418	5,934,555	1,268,838	4,665,717	367.7%
	<u>-78.3%</u>	<u>(996,547)</u>	<u>1,273,021</u>	<u>276,474</u>	<u>-</u>	<u>276,474</u>	<u>NA</u>
<i>Excess of Revenues over Expenses- adjusted</i>	<u>-5.5%</u>	<u>(426,010)</u>	<u>7,755,978</u>	<u>7,329,969</u>	<u>4,940,106</u>	<u>2,389,864</u>	<u>48.4%</u>
Less transfer to Commission Fund	NA	-	-	-	-	-	NA
<i>Excess of Revenues over Expenses (Net of Transfers)</i>	<u>-5.5%</u>	<u>\$ (426,009)</u>	<u>\$ 7,755,978</u>	<u>\$ 7,329,969</u>	<u>\$ 4,940,106</u>	<u>\$ 2,389,864</u>	<u>48.4%</u>



WASHINGTON STATE  
**HOUSING FINANCE  
COMMISSION**

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

August 27, 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 July 31, 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

July 31, 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**  
**July 31, 2025**  
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
<b>ASSETS</b>				
Cash and Cash Equivalents:				
Demand Deposits	\$ 3,004,836	\$ 8,109,635	\$ (5,104,799)	(1) -63%
Money Market Accounts	50,900,939	77,851,657	(26,950,718)	(1) -35%
Investment Securities	24,203,064	31,454,709	(7,251,645)	(1) -23%
Interest Receivable	1,025,164	1,029,125	(3,961)	0%
Fees Receivables	18,657,704	18,145,819	511,885	3%
Prepaid Expenses & Other Receivable	4,269,996	3,571,208	698,788	(2) 20%
Furniture and Fixtures (net of depreciation)	520,557	413,372	107,185	(3) 26%
Intangible Lease Asset (net of amortization)*	2,915,919	-	2,915,919	NA
Net Pension Asset*	1,251,901	1,894,532	(642,631)	-34%
<i>Total Assets</i>	<u>106,750,080</u>	<u>142,470,057</u>	<u>(35,719,977)</u>	<u>-25%</u>
Deferred Outflow of Resources (Pension & OPEB Contributions) *	<u>4,595,591</u>	<u>4,490,914</u>	<u>104,677</u>	<u>2%</u>
<i>Total Assets and Deferred Outflows</i>	<u>\$ 111,345,671</u>	<u>\$ 146,960,971</u>	<u>\$ (35,615,300)</u>	<u>-24%</u>
<b>LIABILITIES</b>				
Accounts Payable and Other Liabilities	\$ 3,456,576	\$ 5,732,259	\$ (2,275,683)	(4) -40%
Unearned Fee Income	64,848,738	99,144,558	(34,295,820)	(5) -35%
Accrued Payroll Payable	2,196,895	1,995,220	201,675	(6) 10%
Lease Liability*	2,988,533	-	2,988,533	- NA
Net Pension Liability *	3,242,188	3,454,593	(212,405)	-6%
<i>Total Liabilities</i>	<u>76,732,930</u>	<u>110,326,630</u>	<u>(33,593,700)</u>	<u>-30%</u>
Deferred Inflow of Resources (Change in Investment Return/Assumptions - Pension & OPEB) *	<u>3,616,392</u>	<u>4,935,541</u>	<u>(1,319,149)</u>	<u>-27%</u>
<b>NET POSITION</b>				
Invested in Capital Assets	520,557	413,372	107,185	(3) 26%
Committed - Housing Washington *	198,152	122,628	75,524	62%
Unrestricted	30,277,640	31,162,800	(885,160)	-3%
Total Net Position	<u>30,996,349</u>	<u>31,698,800</u>	<u>(702,451)</u>	<u>-2%</u>
<i>Total Liabilities, Deferred Inflows and Net Position</i>	<u>\$ 111,345,671</u>	<u>\$ 146,960,971</u>	<u>\$ (35,615,300)</u>	<u>-24%</u>

(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.

(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) The overall decrease in accounts payable and other liabilities is primarily due to lower payables related to interest earned on HAF program funds.

(5) 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.

(6) The increase in accrued payroll payable is primarily due to higher vacation and sick leave balances, and effects of the 3% COLA increase at the beginning of the fiscal year, as well as the step increases throughout the 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: July 31, 2025**

(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ 3,406,673	\$ 3,406,673	\$ 2,699,812	\$ 706,861 (1)	26%
Interest Earned & Realized Gain	1,145,270	1,145,270	1,466,134	(320,864) (2)	-22%
Other	31,343	31,343	17,992	13,351 (3)	74%
<i>Total Unadjusted Revenues</i>	<u>4,583,286</u>	<u>4,583,286</u>	<u>4,183,939</u>	<u>399,347</u>	<u>10%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	1,173,019	1,173,019	1,051,920	121,099 (4)	12%
Travel & Conferences	14,712	14,712	11,779	2,933 (5)	25%
Professional Fees	288,818	288,818	175,717	113,101 (6)	64%
Office Expense	264,608	264,608	202,994	61,614 (7)	30%
<i>Total Expenses</i>	<u>1,741,157</u>	<u>1,741,157</u>	<u>1,442,411</u>	<u>298,746</u>	<u>21%</u>
<i>Adjustments</i>					
<i>Revenues:</i>					
Unrealized Gain/(Loss) on Investments	(283,364)	(283,364)	838,239	(1,121,603)	-134%
Grant Revenue	3,770,985	3,770,985	5,335,995	(1,565,010)	-29%
<i>Expenses:</i>					
Grant Pass-Through	<u>3,770,985</u>	<u>3,770,985</u>	<u>5,335,995</u>	<u>(1,565,010)</u>	<u>-29%</u>
<i>Total Adjustments</i>	<u>(283,364)</u>	<u>(283,364)</u>	<u>838,239</u>	<u>(1,121,603)</u>	<u>-134%</u>
Excess of Revenues over Expenses	<u>2,558,765</u>	<u>2,558,765</u>	<u>3,579,767</u>	<u>(1,021,002)</u>	<u>-29%</u>
Net Position					
Total net position, beginning of period	28,437,584	28,437,584	28,119,033	318,551	1%
Current Increase (Decrease) - to Net position	<u>2,558,765</u>	<u>2,558,765</u>	<u>3,579,767</u>	<u>(1,021,002)</u>	<u>-29%</u>
Total net position, end of year	<u>\$ 30,996,349</u>	<u>\$ 30,996,349</u>	<u>\$ 31,698,800</u>	<u>\$ (702,451)</u>	<u>-2%</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 decrease in interest income is primarily due to the decrease in rates. For example, the LGIP rate has decreased from 5.41% in the prior period to a rate of 4.39% in the current period.
- (3) The increase in other revenues is primarily due to greater revenue from property transfer fees in the Asset Management & Compliance (AMC) division.
- (4) The increase in salary and benefits expenses reflects a 3% cost of living wage increase for all staff on July 1, 2025.
- (5) The increase in travel and conference fee expenses is primarily due to out-of-state travel expenses incurred for lodging and transportation for out of state conferences.
- (6) Professional fees increase is primarily due to an increase in expenses related to seller/servicer fees.
- (7) The increase in office expenses is primarily due purchase of computer related equipment and higher rent, compared to the prior year.
- \* 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.
- \*\* These balances are adjusted only at year-end.

**Washington State Housing Finance Commission**  
**Detailed Statement of Activities**  
**Fund: General Operating Fund**  
**Division: All**  
**For The Year To Date Ending: July 31, 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	25.1%	\$ 584,288	\$ 2,325,246	\$ 2,909,534	\$ 2,653,107	\$ 256,427	9.7%
Issuance, Application, and Servicing Fees	32.7%	122,573	374,565	497,138	784,490	(287,352)	-36.6%
Interest Earned & Realized Gain	-21.9%	(320,864)	1,466,134	1,145,270	993,378	151,892	15.3%
Other Income	74.2%	13,351	17,992	31,343	30,329	1,014	3.3%
<i>Total Unadjusted Revenues</i>	<u>9.5%</u>	<u>399,348</u>	<u>4,183,938</u>	<u>4,583,284</u>	<u>4,461,304</u>	<u>121,981</u>	<u>2.7%</u>
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	13.0%	106,836	821,502	928,338	1,084,569	(156,231)	-14.4%
Employee Benefits - Staff	6.2%	14,263	230,418	244,681	272,863	(28,182)	-10.3%
Conference, Education & Training	-81.6%	(1,902)	2,331	429	19,650	(19,221)	-97.8%
Travel out of state - Staff	551.0%	9,069	1,646	10,715	20,272	(9,557)	-47.1%
Travel in state - Staff	-54.3%	(4,234)	7,802	3,568	12,681	(9,113)	-71.9%
Accounting Fees	-50.5%	(1,515)	3,000	1,485	12,197	(10,712)	-87.8%
Legal Fees	96.4%	22,918	23,762	46,680	59,251	(12,571)	-21.2%
Financial Advisor Fees	100.9%	24,206	24,000	48,206	35,033	13,173	37.6%
Investment Management Fees	26.0%	3,703	14,264	17,967	18,167	(200)	-1.1%
Office Rent/Conf. Room Rentals	39.5%	15,765	39,895	55,660	51,265	4,395	8.6%
Furniture & Equipment Rental	59.6%	340	570	910	2,156	(1,246)	-57.8%
Advertising	484.6%	9,018	1,861	10,879	17,761	(6,882)	-38.7%
Publications/ Subscriptions/ Dues	33.8%	2,243	6,636	8,879	11,590	(2,711)	-23.4%
Deliveries	NA	33	-	33	183	(150)	-82.0%
Insurance	16.9%	957	5,663	6,620	6,833	(213)	-3.1%
Meeting Expense	-104.0%	2,637	(2,535)	102	13,104	(13,002)	-99.2%
Equipment & Building Maintenance	NA	700	-	700	4,858	(4,158)	-85.6%
Software Maint. Support & Other Info Svcs	-4.3%	(5,463)	126,810	121,347	200,681	(79,334)	-39.5%
Non-capitalized Equipment/Supplies	NA	28,367	-	28,367	6,680	21,687	324.7%
Postage	8.3%	2	24	26	89	(63)	-70.8%
Printing	-96.4%	(1,743)	1,809	66	614	(548)	-89.3%
State Services	216.9%	939	433	1,372	581	791	136.1%
Supplies	924.2%	3,854	417	4,271	3,606	665	18.4%
Telephone	30.3%	2,164	7,150	9,314	6,844	2,470	36.1%
Contract Services	57.6%	63,788	110,692	174,480	117,143	57,337	48.9%
Depreciation	12.6%	1,800	14,261	16,061	12,580	3,481	27.7%
<i>Total Expenses</i>	<u>20.7%</u>	<u>298,745</u>	<u>1,442,414</u>	<u>1,741,156</u>	<u>1,991,251</u>	<u>(250,095)</u>	<u>-12.6%</u>
<i>Adjustments</i>							
<i>Revenues:</i>							
Unrealized Investments Gain/(Loss)	-133.8%	(1,121,603)	838,239	(283,364)	-	(283,364)	NA
Grant Revenue	-29.3%	(1,565,010)	5,335,995	3,770,985	634,421	3,136,564	494.4%
<i>Expenses:</i>							
Grant Pass-Through	-29.3%	(1,565,010)	5,335,995	3,770,985	634,421	3,136,564	494.4%
Housing Washington Conference (adjusted at year-end)		-	-	-	-	-	
	-133.8%	(1,121,603)	838,239	(283,364)	-	(283,364)	NA
<i>Excess of Revenues over Expenses- adjusted</i>	<u>-28.5%</u>	<u>(1,021,000)</u>	<u>3,579,763</u>	<u>2,558,764</u>	<u>2,470,053</u>	<u>88,712</u>	<u>3.6%</u>
Less transfer to Commission Fund	NA	-	-	-	-	-	NA
<i>Excess of Revenues over Expenses (Net of Transfers)</i>	<u>-28.5%</u>	<u>\$ (1,020,999)</u>	<u>\$ 3,579,763</u>	<u>\$ 2,558,764</u>	<u>\$ 2,470,053</u>	<u>\$ 88,712</u>	<u>3.6%</u>



Dear Bobby,

You're invited to celebrate a major milestone! On **October 1**, we'll break ground on **Scriber Place**, a first-of-its-kind partnership in Washington State between **Housing Hope** and the **Edmonds School District** to create affordable housing on surplus school property.

### **Why it Matters**

More than **700 families** in the Edmonds School District are experiencing homelessness. Scriber Place, located on **2.20 acres** leased to Housing Hope, will provide homes for **52 families**, blending the district's available land with Housing Hope's ability to develop, build, and fund a vibrant living community for students and families in need.

We hope to see you there!

**Housing Hope Staff**



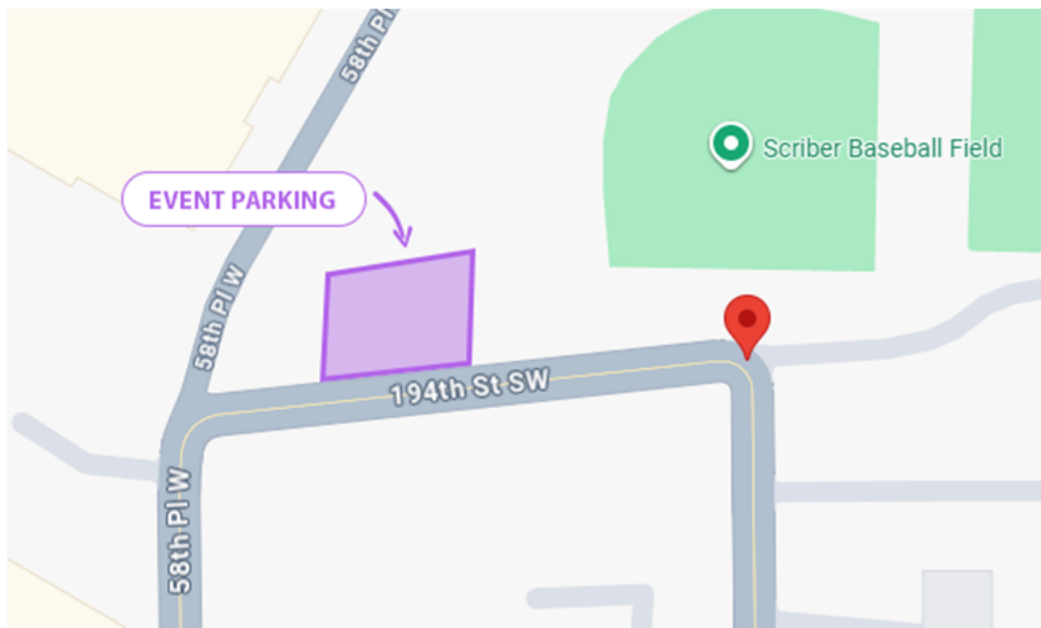
# October 1, 2025

12 pm | 5801 194th Street SW

Lynnwood, WA 98036



[Learn More](#)



**Opinion**

## Forget YIMBY. The housing shortage could disappear on its own.

Demographic shifts and construction surges are likely to resolve the housing crisis without federal intervention.

Yesterday at 6:15 a.m. EDT

By Robert Showah

*Robert Showah writes That Patchwork, a Substack newsletter on political decentralization.*

The national housing shortage appears to be on its way out even as the issue heats up in Washington policy and media circles. Over the next five years, estimates show that demographic shifts and a surge in construction will supply enough units to bring down prices and resolve the housing crisis.

How could this be?

The primary reason is that the United States is not just one housing market. Policy experts and journalists who dominate the housing narrative tend to conflate extreme shortages in New York, Los Angeles and San Francisco with conditions in the nation overall. This winds up overstating a real, but localized, problem. California alone accounts for roughly 1.4 million of Freddie Mac's estimated 3.7 million unit housing shortfall.

There's a grave risk in making national policy based on local problems. In recent years, the "Yes in My Backyard" movement, also known as YIMBY, has argued for changes in zoning laws to create more housing, bring down prices and encourage use of public transport.

Yet housing affordability is shaped by more than zoning. Interest rates, construction costs, labor shortages, property taxes and large investors all play a role. So do population trends and regional demand. In Austin, for instance, rents fell nearly 10 percent from 2023 to 2024 after a pandemic-era construction boom, but not only because of new supply. Developers overshot, thinking the city's expansion would continue unabated. Instead, the city's population growth abruptly dropped to its lowest level in over 60 years. Now, Austin has an excess supply of housing — unthinkable four years ago.

So how will the national shortage end?

Right now, too many people are chasing too few homes occupied by the once-largest generation in American history. The “silver tsunami” — the gradual exit of baby boomers from the housing market via downsizing, relocation or death — could significantly narrow the national supply gap. According to [a 2024 report](#) from the Mortgage Bankers Association, more than 4 million owner-occupied homes will be vacated by 2030 because of aging. Freddie Mac estimates an even larger wave of 14 million units coming on the market over the next decade.

New construction will add to that. About 1.6 million homes were built last year in the U.S. — a 15.8 percent increase over the previous year. Even if that pace slows to 1.3 million homes annually, around 6.5 million new units could be completed by the end of 2030. Add in the 4 million or more homes freed up by demographic change and the housing market might see more than 10 million additional units come online.

At the same time, the demand side of the equation is less robust than often assumed. Immigration brings in about 1 million permanent residents each year, which (using a rate of roughly 2½ people per household, the 2023 average) translates to 400,000 new households annually, or around 2.4 million by 2030. When combined with declining birth rates and slower family formation, demand appears to be growing steadily but not soaring. In other words, housing supply might not only catch up to demand — it is poised to overshoot.

Still, risks remain. High interest rates, labor disruptions or climate-related shocks could slow construction or reduce usable housing stock. Certain markets might still experience shortages even amid national surpluses. But variation between metro areas is a feature of a vast and dynamic country.

If the national shortage vanishes, what will come of YIMBYism? Its adherents will probably pivot to arguing that there remains a shortage of its *preferred* type of housing: smaller, denser, more communal spaces built around walking, cycling and public transit.

Those ideas carry trade-offs. An insistence on denser neighborhoods could mean land-use regulations and taxes for property owners, a form of restrictive zoning unto itself. A fairly modest shift toward public transit could relieve roadways, true, but walking and cycling are not practical for many city dwellers, particularly in hotter climates. Restricting access for cars to induce public transit use might look good on paper but in practice demands major commitments of time and energy from commuters.

YIMBYism is premised on a good-faith desire to reduce the cost of housing. If its proponents deliver, so the logic goes, voters who save on rent will reward the politicians responsible. Yet research shows that turning policy over to government technocrats doesn't ensure trust in institutions. If citizens feel that decisions on local housing are being made by the less-trusted federal government, they will not reward the politicians who brought that about.

Amid declining birth rates, labor shifts driven by artificial intelligence and an aging population, urban life is about to enter uncharted territory. The U.S. is fortunate to have a federated system that enables adaptation, policy experimentation and varying lifestyles. Pluralism is essential to shaping how Americans can influence the places they live.

---

### What readers are saying

The conversation explores the potential impact of the "silver tsunami" on the housing market over the next decade, with participants expressing a range of perspectives. Many commenters highlight the challenges posed by the aging Baby Boomer generation, noting that while their... [Show more](#)

This summary is AI-generated. AI can make mistakes and this summary is not a replacement for reading the comments.

## Sound Transit, Mercy Housing celebrate opening of 130 affordable homes at Angle Lake Station

Sep 11, 2025 | Community, Featured, Featured Post, News, Non-profit, SeaTac, SeaTac News, Transportation | 0



**Sound Transit and Mercy Housing Northwest on Wednesday, Sept. 10, 2025 marked the grand opening of [Connection Angle Lake](#), a new transit-oriented affordable housing development next to the Angle Lake Station.**

The project includes 130 units of affordable housing, totaling 211 bedrooms in studio, one-, two- and three-bedroom apartments. The homes serve households earning under 50 to 60 percent of area median income, including 26 units for people with intellectual and developmental disabilities and eight units reserved for King County Housing Authority voucher recipients.

“Sound Transit is proud to have been able to contribute to this transit-oriented development by offering the site at a discount to support and bolster the supply of affordable housing,” said Sound Transit CEO Dow Constantine. “As people move into their new homes at Connection Angle Lake, they can enjoy connections along the 1 Line — from Angle Lake to Lynnwood — and look forward to more connections as we prepare to open Link light rail to Federal Way in December and to the Eastside with the Crosslake Connection in 2026.”

The development also includes ground-floor commercial space where The Arc of King County will provide services to people with intellectual and developmental disabilities and their families.

“Mercy Housing Northwest prides itself on building strong partnerships with each new affordable housing community we develop,” said Mercy Housing Northwest President Joe Thompson. “As Connection Angle Lake begins to welcome families and residents home, we are honored to work alongside partners such as Sound Transit, Amazon Housing Fund and The Arc of King County.”

Sound Transit originally acquired the site in 2013 for staging during construction of the station and garage. In 2022, the agency transferred the land to Mercy Housing at a discount to support the affordable housing project.

The development was funded by a mix of public and private partners, including the Washington State Housing Finance Commission, King County and the Amazon Housing Fund. Amazon contributed a \$17 million low-interest loan and a \$2 million grant as part of its \$2 billion commitment to create and preserve affordable housing across its hometown regions.

Sound Transit’s transit-oriented development program has now supported more than 20 projects that will provide 3,481 affordable homes across the region.

The new development is located at [2650 S. 200th Street, SeaTac WA 98198](#).



# Events Calendar

<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 Rm.	<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>	2:00 PM - 6:30 PM
<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>	7:30 AM - 6:30 PM
<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 Rm.	<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 Rm.	<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 Rm.	<b>Division</b>	Administration
<b>City</b>	Seattle, 98104	<b>Contact</b>	Tera Ahlborn
		<b>Phone # of Contact</b>	206-287-4470