WASHINGTON STATE HOUSING FINANCE COMMISSION

AMENDED
BOARD MEETING PACKET

MAY 18th AND 19th, 2026

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.
- 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 **Budget and Planning Session (day 1 of 2)** at the **World Trade Center Seattle**, located at **2200 Alaskan Way, Seattle, WA 98121**, on **Monday, May 18, 2026 at 9:00 a.m.**, to consider the items in the agenda below.

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

To join virtually, please go to Zoom Mtg. Link, go to "Join a Meeting" or "Join" and enter:

Login information for Monday, May 18, 2026:

Webinar/Meeting ID: 817 1273 5650
Passcode: 729662

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.

Public comment will take place at the end of the Business Meeting on Day 1 only.

I. **Chair: Call to Order**

II. **Steve Walker: Roll Call**

III. **Chair: Approval of the Minutes from the April 23, 2026, Special Meeting.** (5 min.)

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

~~**A. Resolution No. 26-59, Teanaway Court, (OID 25-28A)**~~
~~**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 multifamily housing facility in Cle Elum, Washington, to be owned by Teanaway Court Associates LLLP, a Washington limited liability limited partnership. Proceeds of the Obligations will be used to provide a portion of the financing for the acquisition, construction and equipping of a 41-unit multifamily housing facility in Cle Elum, WA, and to pay all or a portion of the costs of issuing the Obligations. The total estimated obligation amount is not expected to exceed $10,000,000. The public hearing was held February 26, 2026. (5 min.)~~

B. **Resolution No. 26-58, Harbor Pines, (OID 25-25A)**
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 multifamily housing facility in Olympia, Washington, to be owned by Harbor Pines Apartments, LLC, a Washington limited liability company. Proceeds of the Obligations will be used to provide a portion of the financing for the acquisition, construction and equipping of a 272-unit multifamily housing facility in Olympia, Washington, and to pay all or a portion of the costs of issuing the Obligations. The total estimated obligation amount is not expected to exceed $47,850,000. The public hearing was held March 26, 2026. (5 min.)

C. ~~**Resolution No. 26-65, Riverview Retirement Community, (OID # 25-98A)**~~
~~**Lisa Vatske:** A resolution approving the issuance of one or more series of tax exempt and taxable revenue obligations to finance and/or refinance nonprofit facilities owned and to be owned and operated by Riverview Lutheran Retirement Community of Spokane dba Riverview Retirement Community, a Washington nonprofit corporation and an organization described under section 501(c)(3). Proceeds of the Obligations may be used to (i) finance the demolition of existing facilities and the construction, improvement and equipping of 113 independent living units and common areas in two separate facilities; (ii) refund bonds of the Commission issued to finance and refinance the construction, acquisition, renovation and equipping of the Borrower's facilities; (iii) refinance a taxable loan used to construct, improve and equip 20-unit memory care facility; (iv) fund a debt service reserve fund; (v) pay capitalized interest and/or working capital expenditures relating to the Obligations; and (vi) pay all or a portion of the costs of issuing the Obligations. The total estimated obligation amount is not expected to exceed $120,000,000. The public hearing was held January 22, 2026. (5 min.)~~

D. **Resolution No. 26-66, Heron's Key, (OID 26-40A)**
Lisa Vatske: A resolution approving the issuance of one or more series of tax exempt and taxable revenue obligations to finance and refinance the addition to an existing nonprofit housing facility owned and to be owned and operated by Emerald Communities, a Washington Other, the sole member of which is Emerald Communities, a Washington nonprofit corporation and an organization described under section 501(c)(3). Proceeds of the Obligations may be used for the addition to an existing nonprofit housing facility, and to pay all or a portion of the costs of issuing the Obligations. The total estimated obligation amount is not expected to exceed $120,000,000. The public hearing was held April 23, 2026. (5 min.)

E. **Proposed Preservation Policies and Program Pilot**
Lisa Vatske: Take action on proposed policies and program pilot. (10 min.)

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

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

B. **HFC Events Calendar**

VI. **Chair: Public Comment**

VII. **Adjourn Special Business Meeting**

The Budget/Planning Session will start five (5) minutes after the adjournment of the Special Commission Business Meeting, or at 9:30 a.m. (whichever comes later) at the World Trade Center Seattle.

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

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

<u>BUDGET PLANNING SESSION AGENDA - SUBJECT TO CHANGE**</u>**

<u>Monday, May 18, 2026</u>

BUSINESS MEETING:

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

****ADJOURN BUSINESS MEETING****

BUDGET AND PLANNING SESSION – DAY 1

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

9:35 **<u>Single Family: Market Updates and Division Reports - Successes; Meeting Challenges in FY 2027</u>**

Market Updates
- Mina Choo, Managing Director, RBC Capital Markets (20 mins)
- Mike Awadis, Managing Director, Hilltop Securities Inc (20 mins)

Homeownership Division (30 mins)
- Lisa DeBrock, Homeownership Division Director

10:45 **<u>Multi Family: Market Update and Division Report - Successes; Meeting Challenges in FY 2027</u>**

Market Updates (30 mins)
- Thomas Stagg, Partner, Novogradac & Company LLP

Multifamily Housing and Community Facilities (MHCF) Division (45 mins)
- Lisa Vatske, MHCF Division Director

***** Noon – 1:00 p.m. LUNCH BREAK *****

1:00 **Overview of Proposed FY 2027 Budget and Business Objectives** (50 mins)
- Steve Walker
- Lucas Loranger, Senior Finance Director

1:50 **Program related Investments – Status Report and Proposed Investments for FY 2027** (30 mins)
- Lucas Loranger & Steve Walker

***** Break 2:20 – 2:35 p.m. *****

Division Reports – Successes; Meeting Challenges in FY 2027

2:35 **Asset Management & Compliance (AMC) Division** (20 mins)

- Wubet Biratu, AMC Division Director

3:40 **Communication Strategy and Procedures** (20 min)

- Margret Graham, Communications Director

4:00 Wrap up and debrief from day 1

****ADJOURN DAY 1****

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

YOU ARE HEREBY NOTIFIED that the Washington State Housing Finance Commission will hold a **Budget and Planning Session (day 2 of 2)** at the **World Trade Center Seattle**, located at **2200 Alaskan Way, Seattle, WA 98121**, on **Tuesday, May 19, 2026 at 9:00 a.m.**, to consider the items in the agenda below.

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

To join virtually, please go to Zoom Mtg. Link, go to "Join" or "Join a Meeting," and enter:

Login information for Tuesday, May 19, 2026:

Meeting ID: 876 4618 2022

Passcode: 116363

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

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

BUDGET AND PLANNING SESSION – DAY 2:

9:00 **Executive Session** – Executive Director's Performance Evaluation (60 mins)

10:00 **Continuation of Division Reports – Successes; Meeting Challenges in FY 2027**

Finance Division (10 mins)
Lucas Loranger

Organizational Strategy and Engagement (20 mins)
Nashika Stanbro, Director

Communications Activities Update (20 mins)
Margret Graham, Director

Information Technology (IT) Division (10 mins)
Bob Woodard, Director

Administration/Executive Division (10 mins)
Bob Peterson, Deputy Director

11:10 **Chair: Discussion of FY2027 Budget, External Challenges and Direction to Staff.**

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

WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES

April 23, 2026

The Commission meeting was called to order by Chair Nicole Bascomb-Green at 1:00 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 and Commissioners Aaron McGrath, Bill Rumpf, and State Treasurer Mike Pellicciotti; and via Zoom: Albert Tripp, Ann Melone, Diana Perez, Lowel Krueger, Dr. Michone Preston, Pedro Espinoza, and Tedd Kelleher.

Approval of the Minutes

The March 26, 2026 Commission meeting minutes were approved as distributed.

Employee Recognition

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

He reminded Commissioners that Employee Recognition is a 100% peer-driven program and thanked the following members of the Employee Recognition Committee: Mike Gary, Michael Soper, Elina Cherney, Kat Komin, Alex Yim, and Tanya Scratchley.

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

Two Years:

Cassie Moore

Nashika Stanbro

Five Years:

Sarah Watson

Ten Years:

Sarah Bruington

Twenty-Five Years:

Carol Johnson

Mr. Walker then also announced that two Commission staff members will be retiring at the end of April – Angel Galgana and Carol Johnson.

Angel will be retiring after 21 years of service in the Finance Division as its Lead Bond Portfolio Analyst. Carol will be retiring after 25 years of service as an Analyst in the Commission's former Tax Credits Division, and then subsequently, the Assistant Director for both of the Commission's affiliate agencies: the Washington Higher Education Facilities Authority and the Washington State Tobacco Settlement Authority, until that agency's dissolution in mid-2024.

Mr. Walker wished both Angel & Carol nothing but the best for their retirements ahead.

Employees of the 1st Quarter, 2026 – *Rona Monillas & Carmen Chhor*:

Mr. Walker mentioned for the first time ever, there are not one, but **two** employees being recognized as Employee of the Quarter!

Mr. Walker then presented the first of two Employee of the 1st Quarter, 2026 awards:

“This employee has just celebrated her one-year anniversary with our team (Asset Management & Compliance “AMC” Division) and we couldn't be happier. Our division's tasks and deliverables run smoothly because of this exceptional person who consistently keeps us organized, focused, and moving forward. Thanks to their dedication and attention to detail, we now have an annual operational calendar, clearly tracked business objectives, and well-managed workplans in Smartsheet. Our many divisional reports are prepared accurately and delivered on time, something that has become the norm because of her leadership behind the scenes.

They have transformed the way we collaborate. Team meeting notes, once a challenge, are now documented quickly and comprehensively in SharePoint, and follow-up actions are tracked and completed reliably. Their ability to communicate effectively with all staff and "herd the cats" ensures we are hitting milestones and reporting out consistently and effectively.

Whenever support is needed with presentations, they are there, bringing impressive PowerPoint and Canva skills to life. They have an incredible talent for taking our ideas and turning them into polished, professional, and visually engaging presentations. They are also skilled at keeping our website updated and are working hard on new resident-facing web pages that she's building from scratch. Her impact is felt every day, and we look forward to working with her well into the future. Congratulations, Rona Monillas!”

Mr. Walker then presented the second of two Employee of the 1st Quarter, 2026 awards:

“This employee joined AMC as Portfolio Analyst in October 2024. They jumped right in and excelled at reviewing annual reports. It was with some trepidation however that they prepared to train their first in-person Tax Credit Fundamentals workshop. They told the team that the thought of presenting to a room full of people was very uncomfortable.

They confronted the challenge by making sure to be prepared and wrote out a script and brought their laptop to the training, so the script was available in addition to the PowerPoint presentation. They delivered a seamless presentation! The in-person workshop was quickly followed by a virtual workshop with updated materials. They were assigned the tech role for this presentation, another first for them and they excelled.

Congratulations Carmen Chhor, you're a dedicated rock star!"

Mr. Walker & Chair Bascomb-Green both wished congratulations to both Rona Monillas and Carmen Chhor as the Employees of the First Quarter for 2026. Also, Chair Bascomb-Green congratulated those staff for their years of service, and also wished the best for both Angel Galgana and Carol Johnson for their upcoming retirements.

Public Hearing: Heron's Key, OID #25-25A

The Chair opened a public hearing for Heron's Key, OID #26-40A, at 1:08 p.m.

Mr. Dan Schilling, Senior Finance Associate, Multifamily Housing & Community Facilities (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 finance and refinance an existing nonprofit housing facility owned and to be owned and operated by Heron's Key, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the IRS Tax Code. Proceeds of the Obligations may be used for (i) the expansion, construction and equipping of an existing nonprofit housing facility, (ii) the reissuance of an existing tax-exempt obligation of the Commission, proceeds of which refinanced the acquisition, construction and equipping of the Borrower's initial facilities, (iii) the payment of capitalized interest and working capital expenditures, and (iv) the payment of all or a portion of the costs of issuing the Obligations. The estimated maximum obligation amount is not expected to exceed $200,000,000. This project is located at 4340 Borgen Boulevard, Gig Harbor, Washington 98332.

Mr. Schilling then introduced Mr. Ron Schaefer, CEO; and Ms. Denisa Feddersen, CFO, from Emerald Communities. Mr. Schilling also introduced Messrs. Sarkis Garabedian & Daren Bell from Ziegler, the underwriting firm.

Mr. Schaefer stated that Emerald Communities is a nonprofit organization dedicated to supporting aging with confidence. They operate continuing care retirement communities which provide housing, healthcare, and supportive services for older adults across the full continuum of aging and services.

These communities are regional infrastructure –when they are working well, they reduce pressure on hospital and skilled nursing systems. They provide families with a stable, coordinated environment where aging can occur with dignity, continuity, and connection. He added that their model is a Type A or a Life Care contract. Ideally, residents join the community while they are still active and independent, and in return, receive priority access to higher levels of care as their needs change over time. It creates predictability for residents and families allowing them to plan for care in a structured, long-term way.

Mr. Schaefer stated that Heron's Key, located in Gig Harbor, will have 54 new independent living residences, including 48 apartment homes and 6 cottages that would be added to their existing facilities. He added that the expansion also includes a new swimming pool, an expanded fitness center, an additional dining venue, and outdoor spaces that are designed for gathering and everyday use. He mentioned that this is a continuation of a community that is already well established and in demand.

He stated that this phase builds on prior work that was supported also through a 2015 bond financing, which allowed them to expand to include more people in the region. Mr. Schaefer commented that as a nonprofit, their responsibility extends beyond their campuses as well. In 2025, Emerald Communities provided, in aggregate, approximately $340,000 in community benefit grants, bringing their total community grants since 2019 to $1.4 million. These investments support organizations and the services that strengthen the broader aging network and the communities in which they serve.

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

Public Hearing: Silver Creek by Vintage, OID #25-26A

The Chair opened a public hearing for Silver Creek by Vintage, OID #25-26A, at 1:13 p.m.

Ms. Bianca Pyko, Senior Bond/Housing Credit 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 finance a portion of the costs for the acquisition and rehabilitation of a multifamily housing facility in Pasco, Washington, to be owned by Silvercreek by Vintage, LP, a Washington limited partnership. Proceeds of the Obligations will be used to provide a portion of the financing for the acquisition and rehabilitation of a 242-unit multifamily housing facility located at 9315 Chapel Hill Boulevard, Pasco, Washington, 99301, and to pay all or a portion of the costs of issuing the Obligations. The estimated maximum obligation amount is not expected to exceed $36,675,000.

Ms. Pyko added that Silver Creek by Vintage is the acquisition and rehabilitation of a multifamily development located in Pasco, Washington. The development consists of 10 buildings and will provide units at 50% and 60% of local Area Median Income (AMI). The development will set aside 20% of units for large households and 10% for individuals with disabilities. The development is being co-developed by Veteran’s Village, which is a Washington nonprofit organization. The co-developers have already begun resident and community engagement and will provide an array of social services to residents. Tenant engagement activities along with the capital needs assessment helped determine the scope of work for the project.

Ms. Pyko then introduced Mr. Brian Tarrance, Executive Director, Veteran's Village and Mr. Ryan Patterson, President, Vintage Housing.

Mr. Tarrance stated that his project is being developed by Vintage in partnership with Veteran's Village, a Washington nonprofit. Together, they are focused on preserving housing and meaningful residential engagement and supportive services. Their Community Engagement Director has spent a good amount of time in the area building relationships and identifying local needs.

He added that his company's assessment and the reports from his community engagement director, have directly framed the scope of work for this rehabilitation project. In addition, Veteran's Village is also taking proactive steps to support tenant stability by hiring a veteran liaison who will serve as a resource for all tenants, not just veterans, providing guidance on rental assistance, utility assistance, and other supportive services, as well as helping residents navigate any challenges that they might face. He commented further that the veteran liaison will maintain an on-site office 5 days a week, ensuring consistent access and support for residents.

Mr. Tarrance stated that the goal is not just to improve the physical property, but to create a stable, supportive environment where residents can strive. Also, the project represents an important opportunity to preserve and enhance affordable housing while delivering meaningful, on-the-ground support to residents.

Ms. Perez commended the developer and Veteran's Village for the acquisition and rehabilitation of this facility in Pasco, where the need for affordable housing is very high.

There were no comments or written testimony from members of the public, and the public hearing was closed at 1:18 p.m.

Public Hearing: Proposed Preservation Pilot Policies for the Bond/4% LIHTC Program

The Chair opened a public hearing regarding the proposed Preservation Pilot Policies for the Bond/4% LIHTC Program, at 1:18 p.m.

Ms. Lisa Vatske, Division Director, MHCF Division; along with MHCF staff members Mr. Jason Hennigan, Division Manager for Bonds; Mr. Ben Brown, Sustainable Energy Analyst; and Ms. Jackie Moynihan, Senior Policy Advisor, presented on the proposed Preservation Pilot Policies for the Bond/4% LIHTC Program.

Ms. Vatske stated that this was regarding the addition of additional and revised policies regarding Preservation for the Bond/4% LIHTC (Low-Income Housing Tax Credits) program. This is a chance for feedback and questions from Commissioners and also for further feedback/comments from any members of the public.

She then gave some context on the preservation background highlighting the existing methodology and narrow definition of preservation. She gave additional context regarding the two paths created: 1) New Construction and 2) existing Multifamily Housing which is either the re-syndication of projects currently in the Commission’s portfolio or the acquisition/rehabilitation of projects not in the Commission's portfolio.

Ms. Vatske then showed historical charts of tax credits allocations over the past ten years from 2016-2025, breaking down the ratio of new construction vs. acquisition/rehabilitation projects.

Mr. Hennigan then gave reasons for revising the Preservation policies now. He mentioned that the Commission currently has an aging portfolio that needs reinvestment. Also, there is an increasing number of projects with regulatory agreements expiring within ten years. Finally, there is growing demand for preservation resources. He added that the timing is opportunistic because of the recent reduction of the bond test from 50% to 25% and increased credit amount allocations as a result.

Mr. Brown then presented information about the demand for preservation projects. He mentioned that in a Fall 2025 request for information (RFI), the Commission received 39 different and unique responses from for- and non-profit, and public housing developers and providers. The top challenges noted were: 1) addressing capital needs, and 2) improving energy efficiency and stability. Also, he noted that many developers and providers expect to have more preservation projects in the pipelines in the next 2-4 years, and a larger number of preservation projects that are 5-10+ years out.

Mr. Brown mentioned that half of respondents preferred to continue to use the bond/tax credit programs for preservation projects, and the other half were unsure, thus, giving a reason to establish a clearer path for preservation projects. He also showed a chart of the number of expiring 9% LIHTC projects in the next 10 years, from 2025 through 2035.

Mr. Hennigan then described the proposal to create separate tracks for new construction and preservation projects to apply for funding and to launch a Bond/4% Preservation program pilot starting in Spring, 2026.
Mr. Hennigan added that program limits and requirements (sections 2-3, and 5-10 of the 2026 Bond Policies), and several allocation criteria point categories, such as cost efficiencies, energy efficiency, property type, and others, are not changing and that readiness will still be a core component.

Ms. Moynihan stated that what is evolving is centering impact on residents, integrating sustainability, using a risk/opportunity lens to prioritize projects, and prioritization in lieu of point minimum as a threshold. She added that the prioritization threshold will be utilizing a risk/opportunity matrix.

She explained that these categories utilize low, medium, and high priorities for each of the following four categories in the matrix: Expiring regulatory agreements with affordability restrictions, Expiring critical subsidies, Critical for community/population served, and Physical needs. Ms. Moynihan explained each of the first three categories and their priorities in more detail, with Mr. Brown explaining the final category, Physical needs and their priorities in more detail.

Ms. Vatske then summarized the allocation criteria-points. Sections 4.2 – Additional Low-Income Housing Commitment, Section 4.3 – Housing Commitments for Priority Populations, and Section 4.11 – Rehabilitation of major systems, all move to the prioritization matrix. Section 4.5.3 – renamed Tenant Engagement - will be moved to the program requirement and points will be adjusted, and Section 4.9.3 Electric vehicle(s) will be removed, as electric vehicle chargers at rehabilitated properties were not utilized. Further details on each policy change are in the board memo in the board meeting packet.

Ms. Vatske concluded by going over the timeline and next steps. After the public hearing today, then on May 18, 2026, Commissioners would be asked to consider and formally approve these policy changes and to authorize the Preservation pilot. Following approval, staff will then publish approved policies and application materials around June 1, 2026, with application deadlines 30 days after materials and policies are published. She emphasized that this timeline is subject to change.

Mr. Rumpf asked if the 10-year chart included projects in their extended use period. Ms. Vatske replied that it included projects in their extended use period.

Treasurer Pellicciotti then asked the following two questions – first, would this create an incentive for nonprofit housing operators to defer maintenance with the expectation of the state picking up the cost at some point in the future, turning this into an ongoing state or Commission operating cost; and second, recognizing that new construction activity is currently slow, what would happen in the event that activity picks up, and would this result in reduced funding for new construction projects.

Mr. Hennigan replied to Treasurer Pellicciotti's first question by stating that there is a lot of deferred need out there, which is why the Department of Commerce has had these programs. For example, the Silver Creek at Vintage project in Pasco that just had its public hearing today, is a re-syndication of an existing Commission deal that needs rehabilitation. He said that the Commission would continue to keep an eye out regarding this. Ms. Vatske added that these are regulated rent restricted properties that have a lot of wear and tear and turnover, and they need reinvesting in, with some properties as old as 40 years. The Commission can gain operating efficiencies by upgrading and providing more energy efficiencies, resulting in a long-term sustainable affordable housing project.

Mr. Hennigan then replied to Treasurer Pellicciotti's second question by stating that this is a pilot to provide a set amount of volume cap for acquisition/rehabilitation projects. The Commission will see how popular it is. The Commission's intent is still to address new construction needs but also take advantage to address preservation, which has been minimized the past few years.

Mr. Walker added that that having an opportunity to pilot a preservation strategy and a framework at a time when new construction has lost favor a little bit, will serve the Commission well when the market does rebound. With competition again for both new construction and acquisition/rehabilitation projects, we will have a proven framework with which we can turn proverbial dials.

Ms. Perez asked who the respondents were and whether preservation would improve security and ingress/egress at these acquisition/rehabilitation properties. Mr. Brown replied that larger development partners and development consultants were the primary respondents. Ms. Vatske added that security and tenant concerns are factors and taken into consideration.

Chair Bascomb-Green asked whether moving to electric is something that is being prioritized and is Commission staff is keeping a close watch on the fact that PSE (Puget Sound Energy) and other electric utility companies/PUDs are increasing their rates from the electric side exponentially in the region. Mr. Brown replied that that they are.

There were no comments or written testimony from members of the public, and the public hearing was closed at 2:19 p.m.

Action Item: Resolution No. 26-59, Teanaway Court, OID #25-28A

This action item was pulled from the agenda.

Action Item: Resolution No. 26-45, Wesley Homes Des Moines Phase V, OID #26-42

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of tax exempt and taxable revenue obligations to finance costs for the construction, expansion and equipping of nonprofit housing facilities in Des Moines, Washington, owned and to be owned and operated by Wesley Homes Des Moines, LLC, a Washington limited liability company, the sole member of which is Wesley Homes, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the IRS Tax Code. Proceeds of the obligations are expected to be used to (i) finance costs for the demolition of a vacant facility and the construction, expansion and equipping of nonprofit housing facilities in Des Moines, Washington, (ii) fund a debt service reserve fund, (iii) pay capitalized interest and certain working capital expenditures relating to the Project, and (iv) pay all or a portion of the costs of issuing the obligations. The total estimated obligation amount is not expected to exceed $100,000,000. The public hearing was held March 26, 2026.

Ms. Vatske concluded that the bonds will be publicly sold by the underwriting firm of Hamlin Capital Management, thus, no lender commitment letter will be issued.

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

Action Item: Resolution No. 26-61, The Summit @ First Hill, OID #26-43A

Ms. Vatske stated that this is a resolution approving the issuance of one or more series of tax exempt and taxable revenue obligations to finance and/or refinance nonprofit facilities owned and to be owned and operated by The Kline Galland Center, a Washington nonprofit corporation and an organization described under section 501(c)(3) of the IRS Tax Code. Proceeds of the obligations may be used to refinance bonds previously issued by the Commission to finance and refinance the construction and equipping of the Project and related expenses, and to pay all or a portion of the costs of issuing the obligations. The total estimated obligation amount is not expected to exceed $1,400,000. The public hearing was held March 26, 2026.

Ms. Vatske added that JPMorgan Chase Bank issued a bank commitment letter for an amount not to exceed $1,400,000.

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

Action Item: Resolution No. 26-64, LIHTC 9% Tax Credit Program Allocation, Lewis Spruce & Sixth, TC/OID #25-03

Ms. Vatske stated that this was a resolution for a request for authorization by Commissioners to increase the 9% Low Income Housing Tax Credits allocation (LIHTC) by $302,039 from $1,378,777 to $1,680,816 for Lewis, Spruce, and Sixth using a 2026 LIHTC Allocation, to be owned by Lewis Spruce and 6th Avenue LLLP, a Washington limited liability limited partnership. The project is located at: 316 North Lewis Avenue, 914 East Spruce Street, and 415 North 6th Avenue, in Yakima, Washington 98902.

Ms. Vatske stated further that the project sponsor is the Yakima Housing Authority (YHA). The Commission initially allocated this project tax credits in September, 2025. She added that the project has experienced cost increases and now has a financial gap in the final development budget. The gap was created by a combination of increasing construction costs, a softening market for the tax credit investment, and a change in the pricing, along with additional requirements associated with soil remediation.

She stated that the proposed additional allocation credit would allow Lewis, Spruce, and Sixth to be completed and serve very low-income and chronically homeless individuals and families in Yakima. Prior to requesting this increase in their tax credit allocation, the YHA pursued several additional sources of funding to help bridge this gap without success. She added the project now has an investor on board, and this project is scheduled to close on its financing in May, 2026.

Ms. Vatske concluded by stating the sponsor (YHA) is requesting an additional $302,039 in annual credits, which brings the total credit request for the project to $1,680,816. To accommodate this request, the Commission would be waiving the per-credit limit policy, but the current amount of 9% credit that is being forward committed is well within this request. The credit is available; thus, Commission staff is recommending approval of this additional allocation by the Commission's board.

Mr. Rumpf moved to approve the resolution. Mr. Espinoza seconded.
The resolution was approved by a vote of 10 to 0, with Mr. Krueger abstaining from the vote, as he is currently employed by the Yakima Housing Authority as its Executive Director.

Action Item: Action needed to transfer $5 million from the PRI Program Reserves to HomeSight

Ms. Vatske stated that this was a request for approval f to transfer $5 million from the Commission's Program-Related Investments (PRI) Program Reserves to invest in HomeSight, a local nonprofit community development financial institution (CDFI) and community development corporation.

She added that HomeSight has operated since 1990 and focuses on affordable homeownership, small business development, and community advocacy. HomeSight takes an integrated approach to building thriving communities across Washington, particularly in areas with limited access to opportunity. She mentioned that the Commission has had a long history of investing in CDFIs across the state, including Impact Capital, the Office of Rural and Farmworker Housing (ORFH), and the Washington Community Reinvestment Association (WCRA). She mentioned further that the Commission has especially long-standing partnerships with Impact Capital and WCRA, providing over $22 million and $5.2 million, respectively, in PRI investment funding over 26 years.

Ms. Vatske stated that, consistent with the Commission's other CDFI investment(s), HomeSight offers lending programs and products that directly complement the Commission's work. These include pre-development lending for affordable homeownership projects, community development lending, homebuyer education, downpayment assistance, and mortgage lending.

Ms. Vatske then concluded by mentioning that the Commission has determined that providing investment funds to HomeSight advances the Commission's mission to provide equitable access to capital through strong partnerships and innovative financing to create and sustain affordable rental housing, homeownership, and community spaces across Washington state. She added that the PRI loan would be for a 5-year initial loan term, with a 5-year extension, at an interest rate at 1%, with annual interest payments due, and principal due at maturity, and no prepayment penalty. Also, the Commission does intend to roll its previous investment of $1 million into this new investment to sync with the current maturity dates. Ms. Vatske then asked Commissioners to consider and approve the request.

Mr. Tripp moved to approve the transfer of $5 million from the PRI Program Reserves to HomeSight. Mr. Rumpf seconded.

The motion was approved by a vote of 10 to 0, with Chair Bascomb-Green abstaining from the vote, as she is currently a board member of HomeSight.

Informational Report on Department of Commerce Activities

Mr. Tedd Kelleher, the Commerce designee, and current co-Interim Assistant Director of the Department of Commerce Housing Division, gave a brief report on Department of Commerce activities.

Mr. Kelleher stated that the Legislative session is over, and that Commerce is beginning to implement the new laws. He noted that in Commerce's growth management section in the Local Government division, the previous and current Governor along with the Legislature has emphasized land use and regulatory reforms to encourage building affordable housing in every community.

Mr. Kelleher then mentioned that after 32 years of working for Commerce and its predecessor agencies in the Housing Division, he will be retiring in the end of June. He mentioned further that Commerce still has an open recruitment for the long-term assistant director of the Housing Division. The recruitment period will close sometime in early May.

Mr. Walker and Commissioners congratulated and wished Mr. Kelleher all the best.

Executive Director's Report

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

Multifamily Housing and Community Facilities (MHCF) Division:

Several MHCF and AMC Division staff attended the grand opening of St. Luke's Affordable Housing, which is the result of an extensive and lengthy community driven development process on property owned by St. Luke's Episcopal Church in Ballard. Staff heard from a lot of speakers, the most inspirational of whom was a resident who has recently moved in with his wife and young child, who said that because of this community, they finally have "breathing room."

Homeownership Division:

Covenant Program:

As of April 20, 2026, there are 1,357 confirmed closed loans and an additional 177 loans in the pipeline with CHA reservations in 28 counties.

Also, on April 20, 2026, the Commission implemented the oversubscription (pre-reservation process) policy as approved by Commissioners, as the rate of reservation now exceeds the amount of monthly funds received from document recording fees.

Other updates:

The Homeownership Division launched the new reservation portal with HOTB software on April 20, 2026, and trained over 950 lenders on the new system!

Finance Division:

Staff, including Mr. Walker and Ms. Lisa Vatske, met with members of Moody's analytics team to answer questions about the Commission's approach to strategic planning as well as detailed questions on the performance and purpose of PRI. Additional reports and documentation were provided to Moody's at their request.

Mr. Walker then announced as breaking news, that just before the start of the Commission meeting, Moody's issued the Commission an "Aa2" bond rating. Mr. Walker gave special thanks to Mr. Lucas Loranger, Senior Finance Director, and his team in the Finance Division for all their efforts to make this bond rating come to fruition.

Executive Director's Update:

On April 8, Mr. Walker participated in the second meeting of the Governor's State Housing Department Task Force. Most of the agenda focused on an in-depth discussion of the new department's mission and vision.

From here, the Task Force will break into two subcommittees:

Organization and Mapping — examining the current landscape and recommending which existing programs should move into the new agency, and, *Budget, Operations, and Legal* — identifying what is required to establish the new agency from financial, operational, and legal perspectives.

Mr. Walker stated that he will be serving on the Organization and Mapping subcommittee. The work of both groups will be facilitated by the Ruckelshaus Center.

Mr. Walker attended and spoke at the launch of the University of Washington's Housing Futures Center, a new interdisciplinary initiative dedicated to strengthening decision making across Washington's housing ecosystem. The Center integrates applied research, education, and cross-sector collaboration to support leaders shaping housing policy, finance, development, and community outcomes. The launch event introduced the Center's initial research agenda, highlighted opportunities for partnership, and brought together stakeholders committed to advancing housing attainability, stability, and shared prosperity statewide. The Commission is—and will continue to be—a strong supporter of this effort.

Mr. Walker concluded his report by briefly mentioning a recently published *Seattle Times* op-ed, and the response he submitted, both of which were included in the board meeting packet.

Treasurer Pellicciotti asked whether there is a formal protocol regarding major public communications on behalf of the board. Treasurer Pellicciotti commented further that he wanted to make sure there would be consensus on the board related to those type of communications.

Mr. Walker replied that the Commission has an in-house communications team, plus a team of consultants that are both available for critical responses, should the need arise. He added that the Commission currently does not have a process that directly involves the Commission's board, but they can have that discussion at a future time. Mr. Walker concluded that the response was his, as the Commission's Executive Director, and with help from the Commission's in-house communications staff and the Commission's contracted communications team.

Consent Agenda	The consent agenda was approved as distributed.
Public Comment	The Chair opened the public comment section. No members of the public commented.
Executive Session	Chair Bascomb-Green stated that an Executive Session was needed. The purpose of the Executive Session is for the Commission's legal counsel from Pacifica Law Group to give a briefing to Commissioners and senior staff regarding current litigation. The Executive Session started at 2:42 p.m. and ended at 3:05 p.m. The Chair then reconvened the business meeting at 3:05 p.m.
Adjournment	After hearing no further items for the good of the order, the business meeting was adjourned by the Chair at 3:05 p.m.
Signature	______________________________

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 26-58

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt multifamily revenue bonds in the aggregate principal amount of not to exceed $47,850,000 to finance the acquisition, construction and equipping of a 272-unit multifamily housing facility located in Olympia, Washington, to be owned Harbor Pines Apartments, LLC, a Washington limited liability company; approving the sale of the bonds to Cedar Rapids Bank and Trust Company pursuant to its purchase offer; approving the form of a financing agreement, regulatory agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON MAY 18, 2026

PREPARED BY:

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

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RESOLUTION NO. 26-58

A RESOLUTION of the Washington State Housing Finance Commission authorizing the issuance of one or more series of tax-exempt multifamily revenue bonds in the aggregate principal amount of not to exceed $47,850,000 to finance the acquisition, construction and equipping of a 272-unit multifamily housing facility located in Olympia, Washington, to be owned by Harbor Pines Apartments, LLC, a Washington limited liability company; approving the sale of the bonds to Cedar Rapids Bank and Trust Company pursuant to its purchase offer; approving the form of a financing agreement, regulatory agreement and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

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

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

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

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

WHEREAS, Cedar Rapids Bank and Trust Company (the "Bank") has offered to originate two loans in an aggregate principal amount of not to exceed $47,850,000 (the "Loans") to finance a portion of the costs of the acquisition, construction and equipping of a 272-unit multifamily housing facility located in Olympia, Washington (the "Project"), by Harbor Pines Apartments, LLC, a Washington limited liability company (the "Borrower"), and to sell the Loans to the Commission;

WHEREAS, it is desirable for the Commission to provide the Borrower with tax-exempt financing for the Project through: (1) the issuance of its Washington State Housing Finance Commission Multifamily Housing Revenue Bond (Harbor Pines Apartments Project), Series 2026A and its Washington State Housing Finance Commission Multifamily Housing Revenue Bond Harbor Pines Apartments Project), Series 2026B, with such additional series and designations as may be appropriate, in the aggregate principal amount of not to exceed $47,850,000 (the "Bonds"); and (2) its acquisition of the Loans with proceeds of the Bonds;

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 25-25A, the Commission held a public hearing as required by federal tax law on March 26, 2026, and the Governor has, or by the closing on the Bonds will have, approved the Project and the Bonds; and

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

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

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

date with the Bonds (the "Tax Certificate"), and the Regulatory Agreement between the Commission and the Borrower (the "Regulatory Agreement").

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

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

Section 4. Authorization of the Bonds. The Commission hereby authorizes the issuance, sale and delivery of its Bonds to be designated "Multifamily Housing Revenue Bond (Harbor Pines Apartments Project), Series 2026A" and "Washington State Housing Finance Commission Multifamily Housing Revenue Bond (Harbor Pines Apartments Project), Series 2026B" and with such additional series and designations as may be appropriate, in an aggregate principal amount not to exceed $47,850,000, pursuant to and in accordance with the provisions of the Act and the Code.

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

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

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

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

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

ADOPTED at a special meeting duly noticed and called this 18th day of May, 2026.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By ______________________________
Chair

ATTEST:

____
Secretary

APPROVED AS TO FORM:

____
General Counsel

EXHIBIT A

Purchase Offer

Bond/Tax Credit Program

Project Name

Harbor Pines

Developer

DevCo, LLC

Description

Harbor Pines is the new construction of 272 units in Olympia, Washington. Ten percent of units will be set aside for disabled persons, as well as 20% set aside for large households. The project will provide amenities including a fitness center, outdoor plazas, computer/business center, dog walk, outdoor recreation/play areas and meeting rooms.

DevCo is partnering with Next Chapter on Harbor Pines. Next Chapter's mission is to provide a safe and supportive place to live for pregnant women, single mothers, and their children who are experiencing homelessness, while helping them address their individual barriers to housing.

Next Chapter provides education, opportunities, and tools for women to find permanent housing and achieve self-sufficiency.

Location

3909 - 9th Ave SW
Olympia, WA 98502

Project Type

New Construction

Units

One Bedroom	88
Two Bedroom	92
Three Bedroom	52
Four Bedroom	24
Five Bedroom	16
Total	**272**

Housing Tax Credits

Yes

Income Set-Aside

100% at 60%

Income Averaging - allows units to serve households earning as much as 80% of the AMI as long as the average income/rent limit in the property is 60% or less of AMI.

Regulatory Agreement Term	Minimum 40 years	
Evaluation Plan Scoring	Cost Efficient Development	7
	Commitments for Priority Populations	2
	CBO Ownership	6
	CBO Inclusion	5
	Community Engagement Process	2
	Application of Community Engagement	3
	Donation in Support of Local Nonprofit Programs	2
	Energy Efficiency, Healthy Living, & Renewable Energy – New Construction	12
	Total Points	**39**
Estimated Tax-Exempt Obligation Amount (Not to exceed)	$47,850,000	
Obligation Structure	Private Placement	
Lender	Cedar Rapids Bank & Trust	

Development Budget	
Acquisition Costs	$5,662,000
Construction	$73,889,842
Soft Costs	$17,184,214
Financing Costs	$8,821,828
Capitalized Reserves	$2,253,000
Other Development Costs	$5,674,582
Total Development Costs	**$113,485,466**

Permanent Sources	
Citi Perm Loan	$43,492,000
Soft Loan	$13,000,000
Deferred Dev Fee	$11,621,194
Income from Ops	$3,048,970
General Partner Equity	$100
Tax Credit Equity at $0.8500 per credit x 10 years	$42,323,202
Total Permanent Sources	**$113,485,466**

Total Development Cost Limit	
Project's Total Development Cost Limit	$132,548,904
Total Development Cost (minus land and reserves)	$105,670,466
Waiver	Not required

Project Operations

Unit Size	*Market Rents*	*Proposed Rent Range*
One Bedroom	$1,600	$1,380
Two Bedroom	$1,850	$1,656
Three Bedroom	$2,150	$1,913
Four Bedroom	$2,425	$2,134
Five Bedroom	$2,700	$2,355

Action Approval of Resolution No. 26-58

Anticipated Closing Date May 2026

WASHINGTON STATE HOUSING
FINANCE COMMISSION

RESOLUTION NO. 26-66

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 of not to exceed $200,000,000 to finance the construction and expansion of a continuing care retirement community owned and operated by Heron's Key, a Washington nonprofit corporation, and to pay capitalized interest and certain costs of issuing the bonds; approving the sale of the bonds to B.C. Ziegler and Company; approving the form of a bond trust indenture, loan origination and financing agreement, and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

APPROVED ON MAY 18, 2026

PREPARED BY:

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

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RESOLUTION NO. 26-66

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 of not to exceed $200,000,000 to finance the construction and expansion of a continuing care retirement community owned and operated by Heron's Key, a Washington nonprofit corporation, and to pay capitalized interest and certain costs of issuing the bonds; approving the sale of the bonds to B.C. Ziegler and Company; approving the form of a bond trust indenture, loan origination and financing agreement, and tax certificate; and authorizing the Chair, Vice-Chair, Treasurer, Secretary, or the Secretary's designee, and Executive Director of the Commission to execute such documents and other related documents.

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

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

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

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

WHEREAS, the Borrower has requested that the Commission issue bonds to assist it with financing (i) the expansion of a continuing care retirement community located in Gig Harbor, Washington through the construction and equipping of 54-unit independent living units, including expanded wellness, dining and community spaces, (ii) the payment of capitalized interest, and (iii) the payment of costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, it is desirable for the Commission to assist the Borrower through the issuance of its Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026A, its Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026B-1, its Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026B-2 and its Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026B-3 (collectively, the "Bonds"); and

WHEREAS, the Bonds will be secured by the Washington Obligated Group Direct Note Obligation No. 6 and Washington Obligated Group Direct Note Obligation No. 7, each to be issued pursuant to an Amended and Restated Master Trust Indenture dated as of August 1, 2023, as amended by a First Supplemental Master Trust Indenture dated as of August 1, 2023 and by a Second Supplemental Master Trust Indenture dated as of June 1, 2026 among Eastside Retirement Association d/b/a/ Emerald Heights (the "Obligated Group Representative"), for itself and on behalf of all current and future Members, the Borrower and U.S. Bank Trust Company, National Association, as the Master Trustee (collectively, the "Master Indenture"); and

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

WHEREAS, the Commission has previously given preliminary approval of the Project by Official Intent Declaration No. 26-40A, the Commission held a public hearing with respect to the

Project on April 23, 2026, and the Governor has or will have approved the Project, the plan of finance and the Bonds; and

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

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

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

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

Section 3. Authorization of the Bonds. The Commission hereby authorizes the issuance and sale of its bonds to be designated "Washington State Housing Finance Commission

Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026A", "Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026B-1", "Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026B-2" and "Washington State Housing Finance Commission Nonprofit Housing Revenue Bonds (Heron's Key Phase II Project), Series 2026B-3", in an aggregate principal amount not to exceed $200,000,000 pursuant to and in accordance with the provisions of the Act and the Code. The Commission further authorizes the issuance of additional series of bonds and the adjustment of the names of the Bonds, as is necessary to facilitate the sale of the Bonds and the accomplishment of the Project; provided that any such additional series of bonds shall be issued pursuant to the terms of Section 5 of this resolution.

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

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

Section 5. Sale of the Bonds. The Commission hereby authorizes and approves the sale of the Bonds to B.C. Ziegler and Company, an underwriter listed on its roster of approved underwriting firms as described in RCW 43.180.100, in accordance with the terms and conditions set forth in the Bond Purchase Contract. The Commission hereby delegates to the Executive Director the authority to execute the Bond Purchase Contract on behalf of the Commission in substantially the form filed with the Commission, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed $200,000,000; (b) the interest rate on the Bonds does not exceed 5.50%; (c) the Bond Purchase Contract is executed prior to September 30, 2026; and (d) the final terms of the Bond Purchase Contract are otherwise in furtherance of the Act and the Plan.

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

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

ADOPTED at a special meeting duly noticed and called this 18th day of May, 2026.

WASHINGTON STATE HOUSING
FINANCE COMMISSION

By ___________________________________
Chair

ATTEST:

____
Secretary

APPROVED AS TO FORM:

____
General Counsel

Nonprofit Housing Program

Project Name	Heron's Key
Developer	Emerald Communities
Description	Heron’s Key is a nonprofit Life Plan Community located on an 18-acre campus in Gig Harbor, serving older adults seeking independent living with access to assisted living, memory care, skilled nursing, and rehabilitation. The community offers onsite therapy/rehab services and resident-focused amenities. Heron’s Key is planning a Phase II expansion adding 50 independent living units, including new residences and expanded wellness, dining, and community spaces.
Location	4340 Borgen Blvd Gig Harbor, WA 98332
Relation to Mission and Goals	To provide effective, low-cost financing for nonprofit housing
Project Type	The expansion and construction of a nonprofit housing facility.
Total Estimated Project Cost	$175,927,330
Estimated Tax-Exempt Obligation Amount (Not to exceed Amount (Not to exceed)	$200,000,000
Obligation Structure	Public Sale
Lender	Ziegler
Action	Approval of Resolution No. 26-66
Anticipated Closing Date	June 2026

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Nicole Bascomb-Green
Chair
Steve Walker
Executive Director

Memorandum

To: WSHFC Commissioners

From: Lisa Vatske, Jackie Moynahan, Jason Hennigan, Kate DeCramer, Ben Brown

CC: Steve Walker

Date: May 6, 2026

Re: Bond/Tax Credit Program: Proposed Preservation Pilot Policies-Approval Request

To balance opportunities to finance new construction and preserving existing projects, staff recommend launching a pilot allocation round to test both a separate allocation track for existing multifamily properties as well as a shift in allocation criteria that aligns with program values to center residents and healthy sustainable properties for the long term.

Washington state is not alone in this effort, partner Housing Finance Agencies across the country are trying to balance the need to create new affordable housing supply while also protecting the existing affordable housing portfolio to ensure there is not a net loss of affordable housing overall. Models from other states have informed our preservation strategy and approach to the pilot outlined below. The Commission maintains the flexibility to adjust the amount of resources made available to support new construction and existing multifamily projects; we will balance and adjust to the shifting needs and demand to be responsive to market conditions.

Bond/Tax Credit Program Preservation Pilot Overview:
The Preservation Pilot creates a separate application track using a set of revised policies documented in a Preservation Policy Addendum to allocate approximately $250M in tax-exempt bonds for this first cycle. The pilot will test a few shifts in our program threshold requirements and evaluation criteria that intentionally uses a lens that centers residents and the building's physical needs to ensure the properties are healthy, sustainable and affordable for the long term.

The chart that follows outlines the proposed policy changes for the Bond/Tax Credit Program Preservation Pilot and includes a Risk/Opportunity Prioritization Matrix in Table A. The proposed changes were shared at an interested parties meeting on April 3rd and refinements based on sponsor questions and feedback received to date.

<u>Highlights of the Substantial Changes:</u>

Program Requirements Shifts

Eligible projects will be expanded to include both Preservation projects with existing Commission LIHTC regulatory agreements, also referred to as resyndications and Acquisition/Rehab projects such as Naturally Occurring Affordable Housing (NOAHs) or a property with a regulatory agreement from another funder and not in the Commission's portfolio.

Tenant Engagement with existing residents moves from being an option under our scoring criteria to a program requirement. All applicants will need to plan on engaging with residents and demonstrate how the results of that engagement will be incorporated into the project's scope.

Prioritization using a Risk/Opportunity Matrix

Existing properties come with a variety of risks and opportunities that need to be evaluated. To assess a project's risk of being lost to the market or out of the housing system, displacing residents, we propose using a Risk/Opportunity Prioritization Matrix in lieu of a minimum point threshold where all projects must first receive a priority designation of High, Medium or Low.

The matrix as further described in Table A aims to more intentionally evaluate for the common risks which also present opportunity for investment by using four assessment categories: 1) expiring regulatory agreements, 2) expiring critical subsidies, 3) physical needs and 4) critical community/population served. It is expected that not every project will have a ranking in all of the categories, but we do expect that projects will have more than one. All projects must first receive a prioritization before being scored.

Allocation Criteria (Points) Changes

Three existing Allocation Criterion shift to the Risk/Opportunity Prioritization Matrix for assessment to further align with our values as described above. This includes, Additional Low Income Housing Commitment, Housing Commitments for Priority Populations and Major Systems.

The Potential Tenant Engagement criterion will be renamed Tenant Engagement and adjusted to both remove the components that move to program requirements and restate points for using a Community Based Organization (CBO) for engagement with residents. We want to maintain our commitment to elevating the experience of organizations that are By and For Community.

Additionally, the option to select points for adding Electric Vehicle Charging Stations to existing properties will be removed. This recommendation is based on outreach to owners who selected this option in the past that revealed that when EV stations were installed, residents do not use them. Therefore, we do not want to incentivize an option that does not benefit the residents.

Revisions since April Public Hearing

Based on follow up conversations with developer partners we are making one adjustment to the proposed Risk/Opportunity Prioritization criteria to clarify how scattered site or portfolio applications will be evaluated. We want to make sure that we continue to allow for strategic bundling of a mix of projects where partners can leverage the strength of performing projects to support projects at risk. We propose requiring a majority of the projects in a scattered site or portfolio application to meet the minimum priority designation to be considered for an allocation. This adjustment is noted on page 6 of the updated policy chart.

Evaluating the Pilot

This pilot is testing a separate track for preservation that shifts existing evaluation criteria from a points scoring system to a prioritization matrix. We are interested in evaluating how well this shift works for both assessing the risk and opportunities that are nuanced across a variety of existing multifamily affordable housing properties and ease for our developer partners to self-assess and pipeline their projects. We will solicit feedback from staff internally as well as from our developer partners, those who chose to apply as well as those who did not.

This pilot will inform a permanent track for preserving existing buildings as affordable housing and elevate preservation as a key component of our affordable housing ecosystem. By intentionally laying the pathway, we expect more opportunities to surface to keep projects with expiring restrictions affordable and bring additional housing stock into the Commission's portfolio. We can support the need for both new construction and preservation to achieve our state housing goals.

Pending Board approval staff will finalize the Preservation Pilot Addendum and application materials to launch the pilot.

Bond/Tax Credit Program Proposed Policy Amendments:
Preservation Pilot Policy Addendum 5/18/26

Changes for inclusion in an Addendum specific to the Preservation Pilot are noted as redlines.

Updates since the April 23rd Board meeting are noted in blue.

Note: The Bond/Tax Credit Program Policies approved 9/25/2025 remain in effect. Any approved policy changes to be posted for the Preservation Pilot will be as a Policy Addendum, which will be additive and should be followed along with the Bond/Tax Credit Program Policies.

Existing Policy	**Proposed Changes**	**Rationale**
Section 1.2 Bond Policy Values and Outcomes Our goal is to at least meet the minimums of our targets in Preservation, and public investment and not exceed the amount in balance of state, but we will prioritize New Production. We will not allocate to more acquisition/rehab projects simply to increase the dispersion of potential projects outside of King and Snohomish counties. Targets may be considered over a rolling multi-year period, where some targets may be over or under in any given allocation round, but target prioritization will adjust accordingly over a three-year period to achieve these stated goals.	New Addendum Section for 2026 Preservation Pilot Language: There is an opportunity and need to elevate investments to preserve existing affordable housing properties both properties within the Commission's portfolio with an existing regulatory agreement and properties regulated by other public funder partners or naturally occurring affordable housing. The needs of existing properties are different from new construction. These are operating properties with existing residents and each property will have a distinct set of factors and risks to be evaluated. This pilot tests creating a separate track for preservation projects (both acquisition rehab and	*Policy and Process Change*. Elevates the importance of preserving existing housing stock, alongside new construction.

	portfolio preservation) to apply for a bond allocation, centering the residents and the buildings that serve them.	
Section 1.2 Bond Policy Values and Outcomes - Value 4: Affordable Housing Projects Serve Their Purpose for as Long as Possible Outcome: Low-income tenants remain in their housing and do not suffer displacement when the regulatory covenants expire. Their housing affordability is maintained, and their units are improved, which improves the quality of their lives. Trade-off: Balancing the needs of the existing portfolio of affordable housing with new production could result in a decrease in new production. Although we want to prioritize the creation of new units, financing the acquisition and rehabilitation of existing projects has also been a key purpose for the Multifamily Bond/Tax Credit Program over the years. We want to maintain a limited but predictable amount of bond financing for rehabilitation projects to ensure that developers have resources available and can address health and safety issues and energy efficiency of the current affordable housing portfolio. We also want to ensure that any equity being pulled out of projects as part of a refinancing is being reinvested into the housing to ensure long-term sustainability and livability of the units. We additionally prioritize the preservation of units with long-term rental assistance. Methodology: A project is defined as "Preservation" if 80% or more of the housing units that exist at the time of application are to be renovated as part of the project. In a situation where the project proposal involves both rehabilitation and new construction, the rehabilitated units must make up more than 50% of the total housing units in the project to be eligible for this definition.	Addendum Updated Language: *Section 1.2 Bond Policy Values and Outcomes - Value 4: Affordable Housing Projects Serve Their Purpose for as Long as Possible* Outcome: Low-income tenants remain in their housing and do not suffer displacement when the regulatory covenants expire. Their housing affordability is maintained, and their units are improved, which improves the quality of their lives. Trade-off: Balancing the needs of the existing portfolio of affordable housing with new production could result in a decrease in new production. Although we want to prioritize the creation of new units, financing the acquisition and rehabilitation of existing projects ~~has also been~~ continues to be a key purpose for the Multifamily Bond/Tax Credit Program ~~over the years~~. We want to ~~maintain a limited but~~ create a predictable ~~amount of bond financing~~ path for rehabilitation projects to ensure that developers have resources available and can address health and safety issues and energy efficiency of the current affordable housing portfolio. We also want to ensure that any equity being pulled out of projects as part of a refinancing is being reinvested into the housing to ensure long-term sustainability and livability of the units. We additionally prioritize the preservation of units with long-term rental assistance. Methodology: A project is defined as "Preservation" if 80% or more of the housing units that exist at the time of application are to be renovated as part of the project. In a situation where the project proposal involves both rehabilitation and new	*Policy and Process Change* Elevates the importance of preserving existing housing stock, alongside new construction. Acknowledges the unique challenges of preserving existing properties, focuses the residents and the physical condition of the building that serve them.

Further, Preservation projects must: • have one or more Federally Assisted Building(s), or • be currently beyond year fifteen of the Extended Use Agreement and the financing will be preserving the housing units under a new Extended Use Agreement, or • if originally in the Commission's portfolio, the final regulatory agreement (bond or tax credit) expired in the past 12 months. Projects that acquire and rehabilitate buildings that do not have regulatory covenants or agreements do not qualify under this definition of Preservation and would be considered new production and would compete in the new construction category even though they need to adhere to the rehabilitation requirements. We are targeting 15-25% of the resources for these projects.	construction, the rehabilitated units must make up more than 50% of the total housing units in the project to be eligible for this definition. Further, Preservation projects are inclusive of the two following project types: Preservation projects with existing LIHTC regulatory agreements with the Commission are also referred to as re-syndications. Acquisition/Rehab projects of a property that is Naturally Occurring Affordable Housing (NOAHs) or a property that may have a regulatory agreement that is not in the Commission's portfolio. All applications will be first evaluated for prioritization using a Risk/Opportunity Matrix. Each project will receive a prioritization designation of High, Medium, or Low based on a set of criteria described in further detail in Table A. • Expiring Regulatory Agreements with Affordability Restrictions • Expiring Critical Subsidies • Physical Needs • Critical for Community/Population Served We are offering approximately $250M in bond allocation resources for this 2026 Preservation Pilot. This amount is subject to change, at the Commission's discretion. ~~Preservation projects must:~~ • ~~have one or more Federally Assisted Building(s), or~~ • ~~be currently beyond year fifteen of the Extended Use Agreement and the financing will be preserving the housing units under a new Extended Use Agreement, or~~	

	• ~~if originally in the Commission's portfolio, the final regulatory agreement (bond or tax credit) expired in the past 12 months.~~ ~~Projects that acquire and rehabilitate buildings that do not have regulatory covenants or agreements do not qualify under this definition of Preservation and would be considered new production and would compete in the new construction category even though they need to adhere to the rehabilitation requirements.~~ ~~We are targeting 15-25% of the resources for these projects.~~	
Value 6: Foster Healthy and Sustainable Homes in a Changing Climate Federal and state policies of redlining and disinvestment in communities of color have long contributed to unequal access to healthy, safe housing and thus to unequal health outcomes among communities of color. Additionally, climate change brings more frequent waves of extreme heat and wildfire smoke that exacerbate health issues among vulnerable people in Washington, including those with cardiovascular, respiratory, and mental health conditions. How affordable housing is designed and built can mitigate some of these health impacts of climate change. Furthermore, the built environment is Washington's second-largest carbon polluter behind transportation. Building emissions come from burning fossil fuels including gas and oil for furnaces, water heaters, and appliances. While climate change brings unequal health outcomes, state agencies have a window of opportunity to reduce those unequal outcomes and slow climate change's speed. WSHFC envisions affordable housing in which residents live in a healthy environment with a comfortable temperature range, safe from the harmful effects of smoke. As we plan for	Revised Language Value 6: Foster Healthy and Sustainable Homes ~~in a Changing Climate~~ Many low-income residents in Washington face increasing exposure to extreme heat, wildfire smoke, and unhealthy indoor living conditions. These challenges are compounded by longstanding patterns of unequal investment that have left some communities with inefficient housing and at higher risk of worse health outcomes. Advancing healthier and more resilient housing is central to the Commission's mission to expand access to safe, affordable homes and ensure responsible use of public resources. The Commission aspires to incentivize cost-effective construction and rehabilitation practices that improve indoor comfort and strengthen building performance. These investments deliver long-term value for Washington by protecting residents' health, preserving affordable housing,	*Language updates centered on the tenants, health and safety and building improvements.*

future building design criteria, we incentivize housing that is healthier for residents, as well as energy efficient to minimize carbon emissions.	reducing strain on public systems, and strengthening community resilience.	
<u>4.5.3 Potential Tenant Engagement</u> The Commission awards points for meaningfully engaging potential tenants in the development of the project. 4.5.3.1 Potential Tenant Engagement Process • Sponsor provides budgeted engagement resources to partner CBO who represents potential tenants, and conducts the Potential Tenant engagement process - 2 points Or • Sponsor conducts a Potential Tenant engagement process using one of the toolkits provided by the Commission1 point Or • Sponsor provides documentation of a Potential Tenant engagement process that meets or exceeds the standards of the approved toolkits, with pre-approval of the process - 1 point 4.5.3.2 Application of Potential Tenant Engagement The Commission awards points for projects that can demonstrate that: • Results of Potential Tenant input are implemented in the project development - 2 points • A service provider partnership results from Potential Tenant input -1 point	<u>Revised Language-Two Changes:</u> 1) New Program Requirement Section 3.35 Préservation/Acquisition/Rehab Projects Tenant Engagement: All Applicants are required to plan to conduct meaningful engagement with residents in the property. Sponsors may conduct engagement in the following ways, all of which must be responsive to the Existing Tenant Engagement Guidelines: • Sponsor provides budgeted engagement resources to partner CBO who represents potential tenants, and conducts the Tenant engagement process • Sponsor conducts a Tenant engagement process using one of the toolkits provided by the Commission • Sponsor provides documentation of a Tenant engagement process that meets or exceeds the standards of the approved toolkits Additionally, all applicants must demonstrate that the results of tenant input will be implemented in the project rehabilitation. 2) 4.5.3 Tenant Engagement: The Commission will award 2 points for sponsors that budget for and partner with a CBO to conduct the Tenant engagement process.	*Policy Change* Aligns focus on existing residents by shifting optional point criteria to a program requirement.

4. Bond Cap and Tax Credit Allocation Criteria	New Language: Addendum Section for 2026 Preservation Pilot	*Policy and Program Process Change*
Minimum Score Projects outside King County must select a minimum of 25 points below to apply for the Bond/Tax Credit Program (4 of which must be in Section 4.5 Projects that are By and For the Community). Projects located in King County must select a minimum of 30 points (5 of which must be in Section 4.5 Projects that are By and For the Community). For scattered site or portfolio applications each property must meet the minimum for where the majority of the units are located. The portfolio score will be the average score of the properties, weighted by the number of low-income housing units in each project. The MHCF Director makes the final decision regarding points when they are in dispute.	For the Preservation Pilot, the Minimum Score Criteria will not apply. Instead, projects will be first evaluated using the Risk/Opportunity Prioritization Matrix (see Table A) which identifies criteria within each Risk/Opportunity Category to determine a Project's prioritization for review and a financing allocation – High, Medium, or Low. Not all of the Risk/Opportunity Categories may apply to every project and projects are expected to have a prioritization in one or more of the Risk/Opportunity categories. In place of a minimum point score, projects must at least meet the Low Priority criteria in at least one of the Risk/Opportunity Categories, to be considered for an allocation. For scattered site or portfolio applications, a majority of the projects included must meet the minimum of the Low Priority criteria in at least one of the Risk/Opportunity Categories, for the application to be considered for an allocation. The portfolio designation will take into consideration the mix of properties and the number of low-income housing units in each project, recognizing that properties may be intentionally bundled to leverage the strength of performing properties to support properties more at risk.	Shifts some scoring criteria to a prioritization process as threshold.

<u>4.2 Additional Low-Income Housing Commitment</u> Points are awarded to projects based on the Applicant's commitment to provide selected percentages of the housing units for occupancy by households at or below selected area median income levels. Units are both rent and income restricted at the selected income levels. • For Resyndication projects maintaining existing set-asides below 60% AMI 6 points For projects in King and Snohomish Counties points will be awarded based on the following: • 100% of the housing units at 60% AMI 0 points • 70% of the housing units at 60% AMI, 30% at 50% AMI 2 points • 50% of the housing units at 60% AMI, 50% at 50% AMI 4 points • 30% of the housing units at 60% AMI, 70% at 50% AMI 6 point ***AND*** <u>4.3 Housing Commitments for Priority Populations</u> In addition to the minimum set aside for priority populations threshold requirement in Section 3.31 Set Asides for Priority Populations, points are be awarded based on the Applicant's commitment in the Application to provide housing units for Large Households or Seniors. Applicants may not select both options. • A total of 20% of the total housing units set aside for Large Households 2 points • 100% of housing units set aside for Seniors 2 points Applicants should review Chapter 3 of the Tax Credit Compliance Procedures Manual and Appendix P for further information on Housing Commitments for Priority Populations (also referred to as "Special Needs Housing Commitments".	<u>New Language:</u> Both criteria (point categories) shift to the Risk/Opportunity Priority Matrix to be evaluated under the **Critical for Community/Population Served category.** Determined by application responses regarding existing residents served and any proposed changes, market study findings as well as other available data sources regarding resident income/paid rent as it relates to market rents and quality/availability of housing supply. Preference to maintain existing set asides below 60% AMI. <u>High Priority:</u> Limited to no affordable housing options of similar quality and cultural relevance are available for existing residents; will result in a significant loss of supply for the community due to high displacement pressure. <u>Medium Priority:</u> Limited affordable housing options of similar quality and cultural relevance are available for existing residents; may result in loss of supply for the community due to medium displacement pressure. <u>Low Priority:</u> Other affordable housing options of similar quality and cultural relevance are available for existing residents; not expected to result in loss of supply for the community due to low displacement pressure.	*Policy and Process Change* Further aligns with Value 4: Affordable Housing Projects Serve Their Purpose for as Long as Possible by centering the existing residents served to ensure the property continues to serve them and displacement is mitigated.

<u>4.11 Rehabilitation of Major Systems</u> For Preservation projects only – the Commission awards ten points to projects for each major system installed or replaced, for up to 30 points. Eligible major systems are: • Plumbing • Electrical • Heating, ventilation, and air conditioning • Elevators • Seismic upgrades • Envelope 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. In addition, all rehab projects must comply with Section 3.19 Rehabilitation Requirements to implement the ductless or ducted heat pump options. 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	<u>Updated Language:</u> Criteria (point category) shifts to Risk/Opportunity Prioritization Matrix to be evaluated under the **Physical Needs category**: Determined by the applicants proposed scope of work and budget including major systems rehab, the Capital Needs Assessment (CNA). 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. In addition, all rehab projects must comply with Section 3.19 Rehabilitation Requirements to implement the ductless or ducted heat pump options. 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	*Policy and Process Change* Further aligns with Value 4: Affordable Housing Projects Serve Their Purpose for as Long as Possible and Value 6 to Foster Healthy and Sustainable Homes and centers addressing the properties immediate and long-term needs and incorporates sustainability.

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 Sponsor plans to begin rehabilitation in advance of application Requires all immediate/critical needs get addressed. Prioritization based on number of major systems rehabbed, with additional priority given for properties that are electrifying existing gas-powered major systems. Eligible major systems: • Heating, ventilation, and air conditioning (HVAC) •Electrical • Plumbing • Envelope •Elevators • Seismic upgrades High Priority: A. Rehab addresses all immediate physical needs identified in the CNA. AND one of: B. Rehab addresses the long-term physical needs of at least 4 major systems. OR C. Rehab addresses the long-term physical needs of at least 3 major systems and at least 1 of those systems is converted to electricity from another fuel source. Medium Priority: A. Rehab addresses all immediate physical needs identified in the CNA. AND one of: B. Rehab addresses the long-term physical needs of at least 3 major systems. OR	

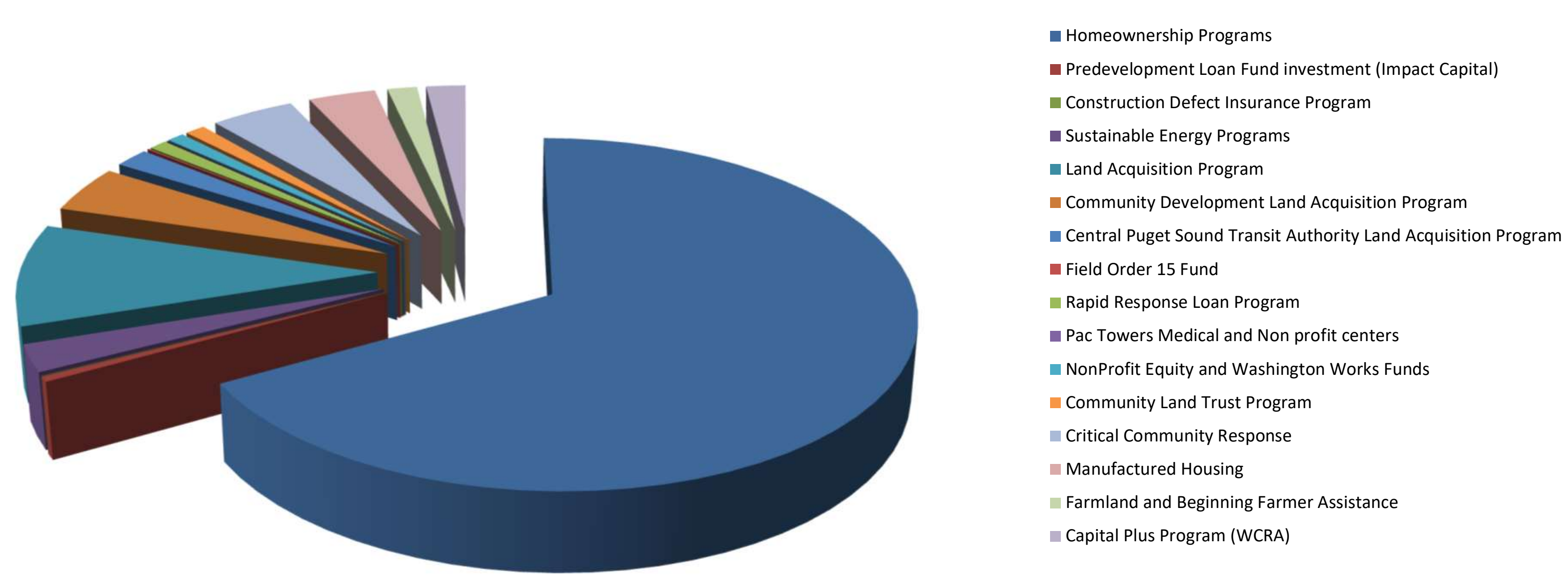
	C. Rehab addresses the long-term physical needs of at least 2 major systems and at least 1 of those systems is converted to electricity from another fuel source. Low Priority: A. Rehab addresses all immediate physical needs identified in the CNA. AND B. Rehab addresses the long-term physical needs of at least 2 major systems.	
4.9.3 Rehab Electric Vehicle Charging Station Option The Commission will award one point to projects that install electric vehicle charging stations in no less than 5% of residential 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	Section 4.9.3 is removed in its entirety.	*Policy Change* Staff outreach to owners demonstrated that when installed in Rehab properties the EV Charging Stations were not being utilized by residents. Owners are still welcome to install the stations, however it is not something we will be incentivizing.

Table A: Risk/Opportunity Prioritization Matrix

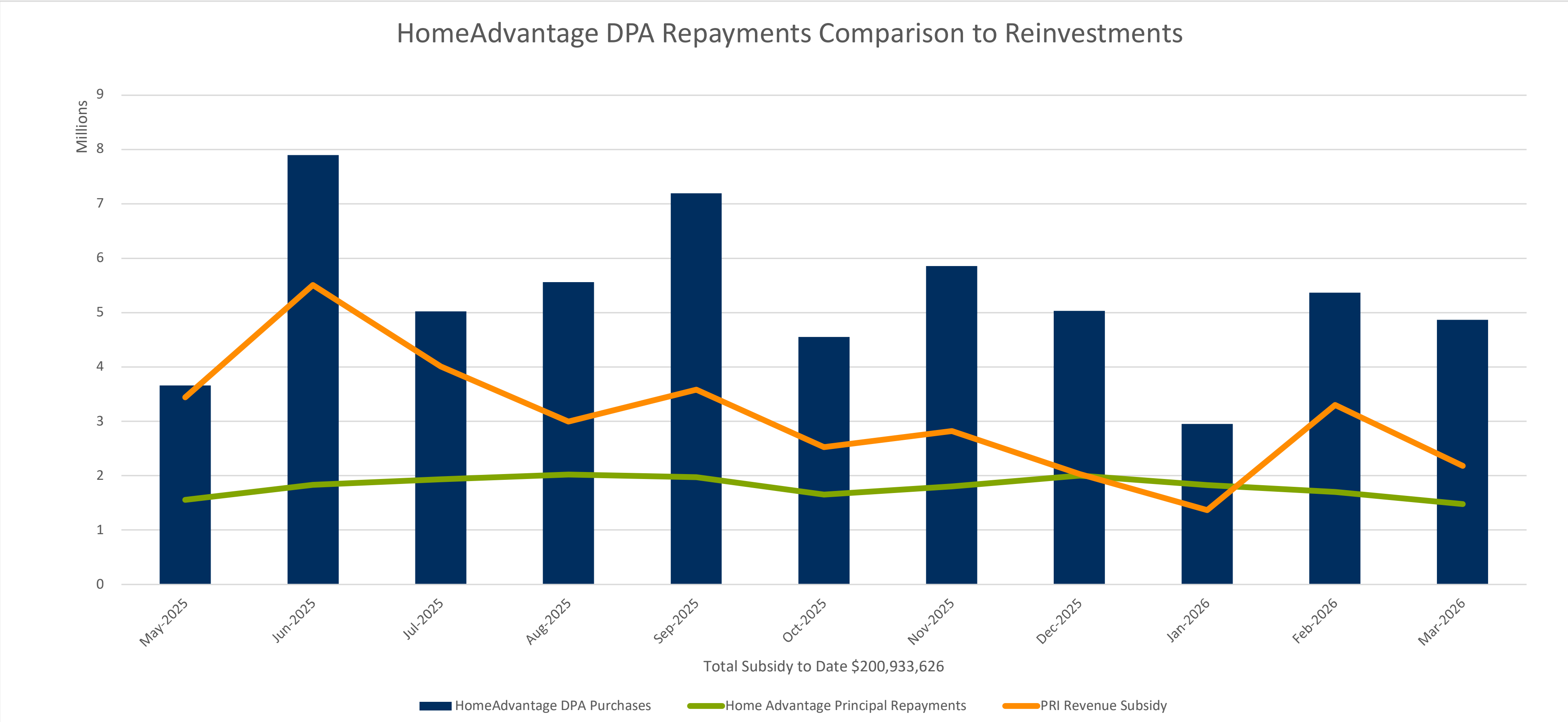
Risk/Opportunity Category	High Priority	Med Priority	Low Priority
Expiring Regulatory Agreement with Affordability Restrictions: Determined by expiration date of existing regulatory agreements. For LIHTC properties the expiration date of the extended use agreement will be used. For Federally financed projects, prepayment option timelines will be considered to determine expiration risk.	Affordability restrictions expire within 0-5 years and the regulatory agreement covers a majority (50% or more) of the units in the property	Affordability restrictions expire within 5-7 years and the regulatory agreement covers a majority (50% or more) of the units in the property	Affordability restrictions expire 7+ years and/or the regulatory agreement covers a minority (less than 50%) of the units in the property
Expiring Critical Subsidies: Determined by expiration date of existing subsidy contracts or agreements. Note: Pro-active renewals of existing contracts to facilitate reinvestment such as a recent extension of a Section 8 HAP contract, will be considered in conjunction with the original expiration dates.	Within 3 years and supports majority (50% or more) of residents who are extremely or very low income at or below 50% AMI	Within 5 years and support majority (50% or more) of residents who are extremely or very low income at or below 50% AMI	Within 7 years and/or supports a minority (less than 50%) of residents within the property who are low income at or below 50% AMI
Critical for Community/Population Served: Determined by application responses regarding existing residents served and any proposed changes, market study findings as well as other available data sources regarding resident income/paid rent as it relates to market rents and quality/availability of housing supply.	Limited to no affordable housing options of similar quality and cultural relevance are available for existing residents; will result in a significant loss of supply for the community due to high displacement pressure	Limited affordable housing options of similar quality and cultural relevance are available for existing residents; may result in loss of supply for the community due to medium displacement pressure	Other affordable housing options of similar quality and cultural relevance are available for existing residents; not expected to result in loss of supply for the community due to low displacement pressure

Risk/Opportunity Category	High Priority	Med Priority	Low Priority
Physical Needs: Determined by the applicants proposed scope of work and budget including major systems rehab, the Capital Needs Assessment (CNA). Note: in unit cooling is a rehab requirement (see Policy 3.19). Requires all immediate/critical needs get addressed. Prioritization based on number of major systems rehabbed, with additional priority given for properties that are electrifying existing gas-powered major systems. Eligible major systems: -HVAC -Electrical -Plumbing -Envelope -Elevators -Seismic	A. Rehab addresses all immediate physical needs identified in the CNA. *AND one of:* B. Rehab addresses the long-term physical needs of at least 4 major systems. *OR* C. Rehab addresses the long-term physical needs of at least 3 major systems and at least 1 of those systems is converted to electricity from another fuel source.	A. Rehab addresses all immediate physical needs identified in the CNA. *AND one of:* B. Rehab addresses the long-term physical needs of at least 3 major systems. *OR* C. Rehab addresses the long-term physical needs of at least 2 major systems and at least 1 of those systems is converted to electricity from another fuel source.	A. Rehab addresses all immediate physical needs identified in the CNA. *AND* B. Rehab addresses the long-term physical needs of at least 2 major systems.

PRI Program Assets at March 31, 2026 By Program



Total Program Assets, including Partner Investment $1,157,188,872



Home Advantage Availability

Home Adv Available at 12/31/25	34,231,325
Quarterly Repayments Received	4,827,585
Quarterly Repayments Reinvested	(7,486,807)
Reinvested in Taxable Bond DPAs	(424,525)
Reallocated to other DPA programs	(1,484,965)
Misc Income/Expenses	839,355
Home Adv Available at 03/31/26	30,501,968

*Misc Income/Expense encompasses other items that impact availabilty, such as income from loan fees and bad debt.

WSHFC 2026 Budget & Planning Session

Seattle, Washington
May 18th and 19th, 2026

WASHINGTON STATE HOUSING FINANCE COMMISSION

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

DAY 1 AGENDA

BUDGET SESSION 2026

Day 1 Agenda	
9:00 am	Business Meeting
9:30 am	Call to Order/Housekeeping
9:35 am	Single Family: Market Update & Division Report Homeownership Market Updates *Mina Choo, RBC Capital Markets* *Mike Awadis, Hilltop Securities* Homeownership Division *Lisa DeBrock, Homeownership Director*

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DAY 1 AGENDA - *Continued*

Day 1 Agenda (p.2)	
10:45 am	Multi Family: Market Update & Division Report Market Updates *Thomas Stagg, Partner* *Novogradac & Company LLP* MHCF Division *Lisa Vatske, MHCF Division Director*
12:00 to 1:00 pm	***LUNCH BREAK***
1:00 pm	Overview of Proposed FY 2026 Budget and Business Objectives *Steve Walker* *Lucas Loranger, Senior Finance Director*

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HOUSING FINANCE
COMMISSION

DAY 1 AGENDA - *Continued*

BUDGET SESSION 2026

Day 1 Agenda (p.3)	
1:50 pm	Program Related Investments Status Report & Proposed Investments for FY2027 *Lucas Loranger* *Steve Walker*
2:20 to 2:35 pm	***Break***
2:35 pm	Division Reports – Successes & Meeting Challenges in FY2027
2:35 pm	Asset Management & Compliance *Wubet Biratu, AMC Director*
3:40 pm	Communications Strategy & Procedures *Margret Graham, Communications Director*
4:00 pm	Wrap Up & Debrief from Day 1

Homeownership

Lisa DeBrock
Homeownership Director

Mike Awadis, Hilltop Securities

Mina Choo, RBC Capital Markets

WASHINGTON STATE
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COMMISSION

WASHINGTON STATE HOUSING FINANCE COMMISSION

Programs & Initiatives

- Production & Initiatives
- Covenant Homeownership Program
- Seller Servicer
- Outreach, Marketing & Community Engagement
- Counseling Grants

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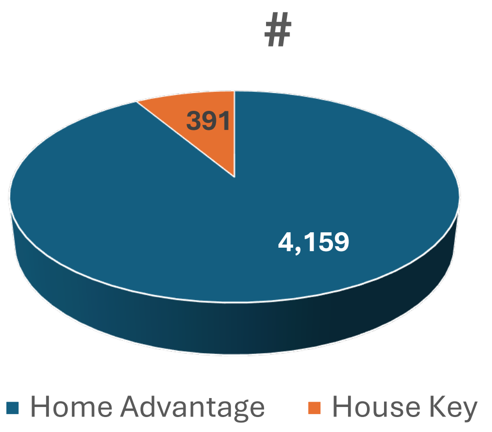
COMMISSION

YTD Production

Production as of April 2026 - 91% Towards Goal



Total: 4,550

Program	#	$
Home Advantage	4,159	1,673,521,298
House Key	391	103,095,606
Total	4,550	**1,776,616,904**

Production & Initiatives

Implemented New Loan Reservation Portal!

LOOKING AHEAD

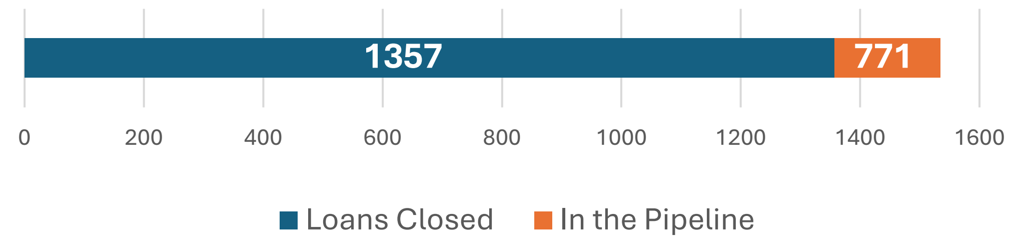
- Technology to help with file review
- RFP For Master Loan Servicer & Sub-Servicer
- Staffing

Covenant Homeownership Program

- Implemented HB 1696
- Started Pre-reservation Process – April 20th

Results since program inception (July 1, 2024):

- Loans closed & in the pipeline as of May 1st



Average Loan Amount:	$110,000

Average Home Price:	$486,419

Seller Servicer

Freddie Mac — Delivered first pools to Freddie Mac

Fannie Mae — Received Fannie Mae Seller Servicer Approval

LOOKING AHEAD

- First Fannie Mae Deliveries
- Ginnie Mae Application
- Internal Audit
- Hiring New Staff

Marketing/Outreach/Community Engagement Initiatives

- Website
- Social Media Videos
- Marketing Plan Implementation
- Homebuyer Events
- Trainings

Counseling Grants

- HUD SuperNOFA Close Out
- Foreclosure Fairness Act Funds
- HAF Close Out


why
when
who
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where
what
QUESTIONS
who
how
where
how
what
how
why
when

Successes & Challenges: Multifamily Housing and Community Facilities

Lisa Vatske

MHCF Director

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Four P’s

- People
- Programs
- Policies
- Partnerships

People

Team Skills

Where we are solid

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

What we aspire to achieve

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

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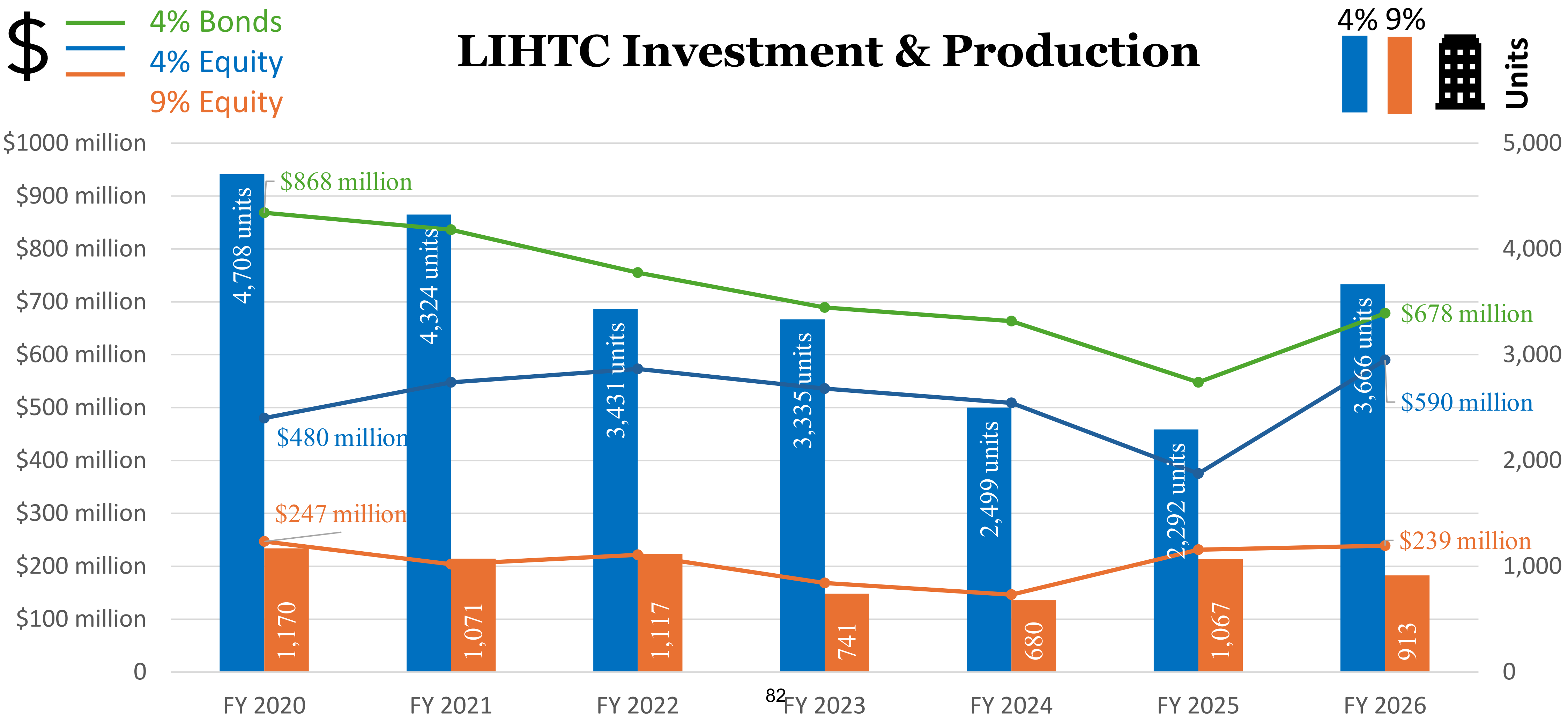
Programs

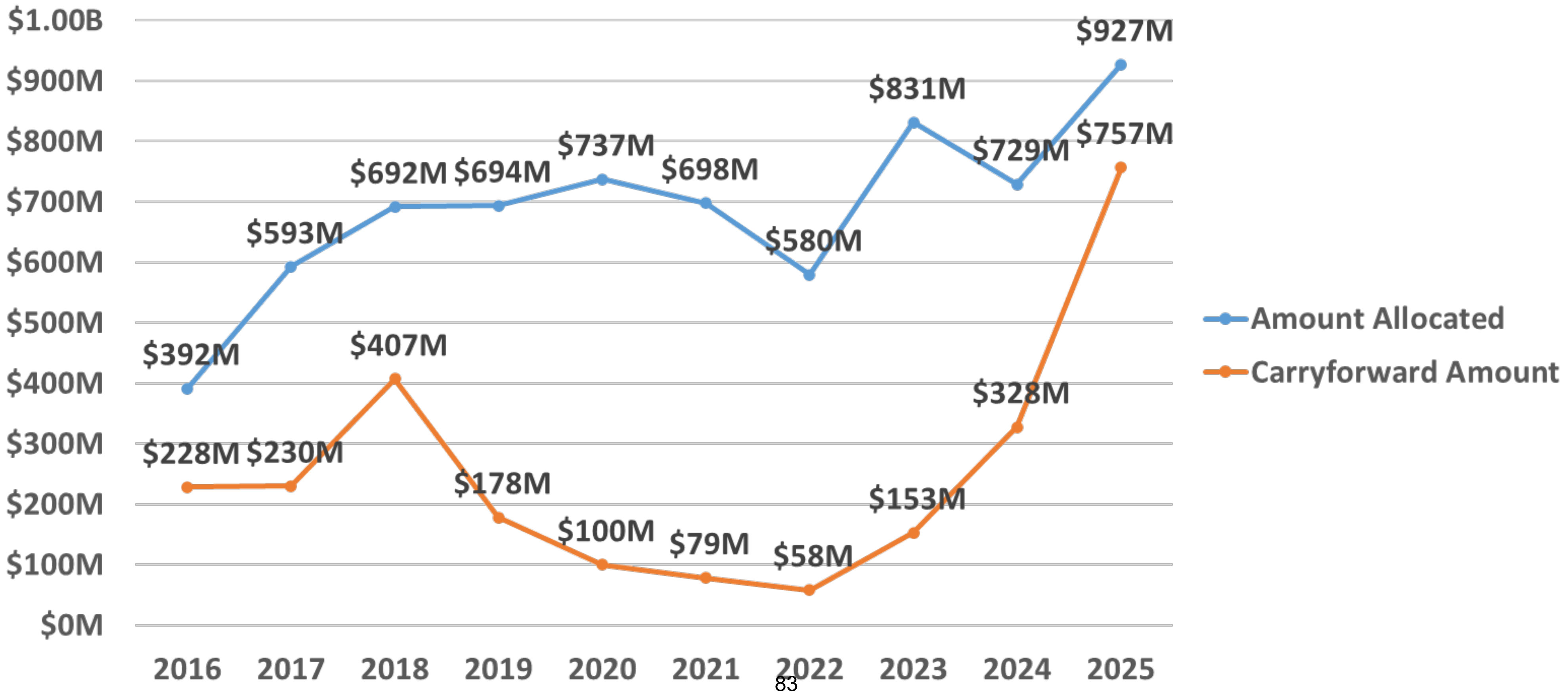
BUDGET SESSION 2026

LIHTC Investment & Production



Programs

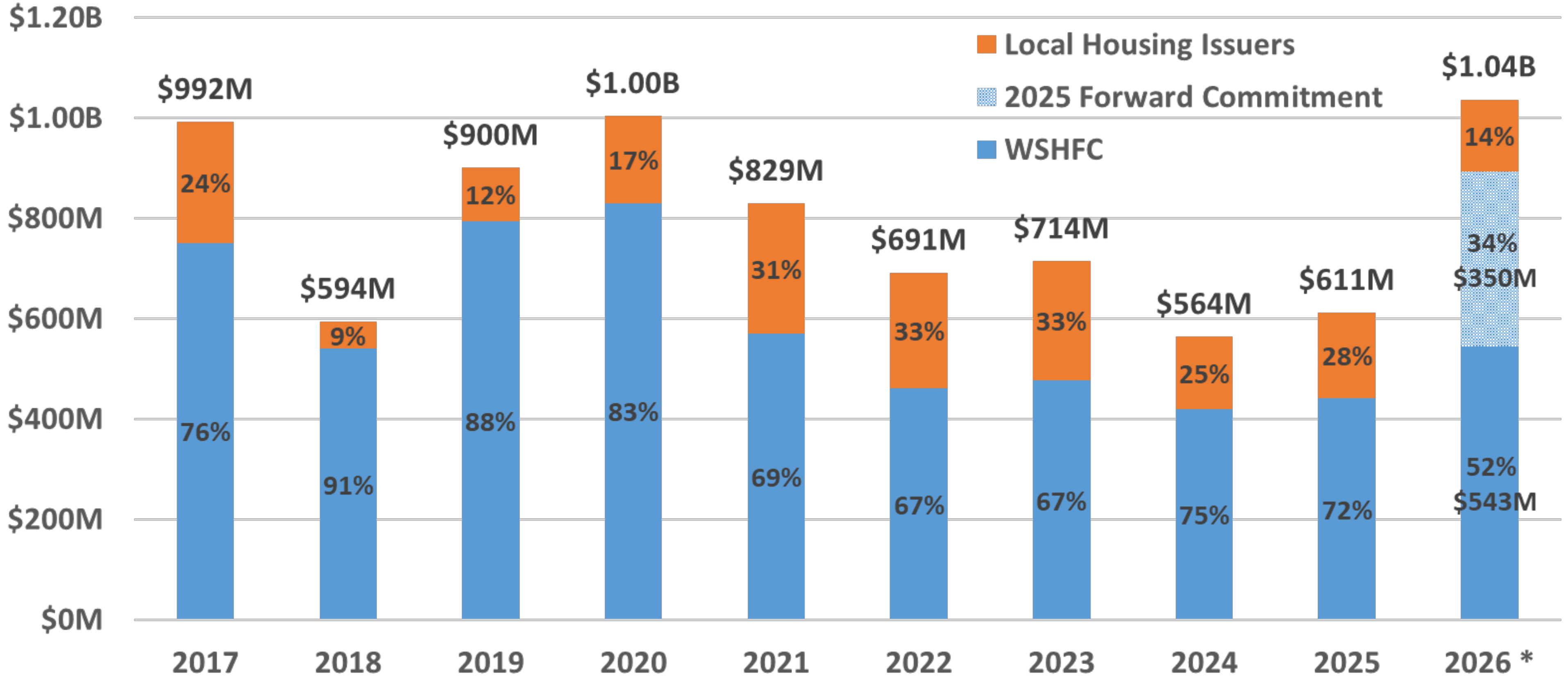
Multifamily Bond Cap Designation & Carryforward



Note: *Figures are presented on a calendar-year basis.*

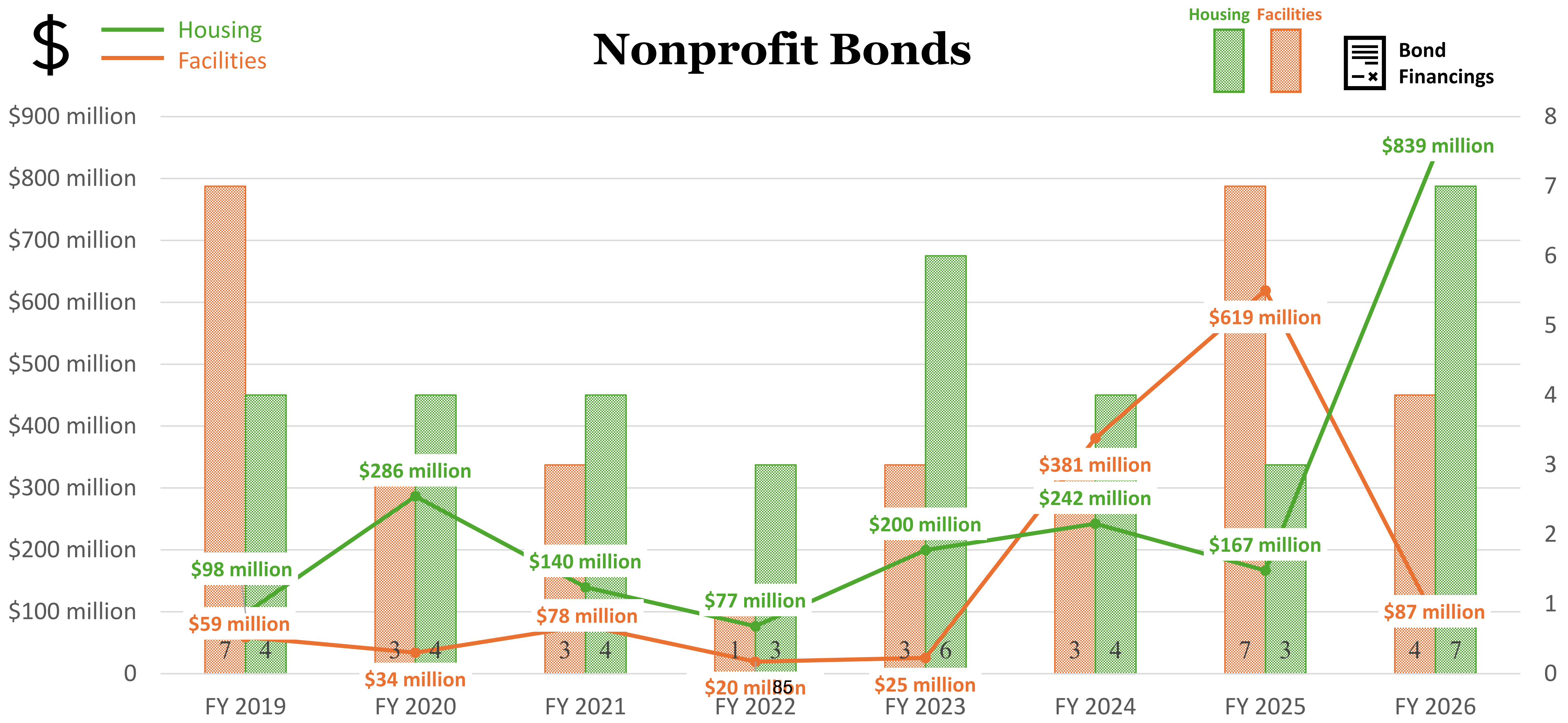
Programs

Multifamily Bond Volume – WSHFC vs. Local Housing Issuers



Note: *Figures are presented on a calendar-year basis.*
**** 2026 includes projects in development/not closed.***

Programs


$
Housing
Facilities
Nonprofit Bonds
Housing
Facilities
Bond Financings
$900 million
$800 million
$700 million
$600 million
$500 million
$400 million
$300 million
$200 million
$100 million
0
8
7
6
5
4
3
2
1
0
$98 million
$59 million
7
4
$286 million
$34 million
3
4
$140 million
$78 million
3
4
$77 million
$20 million
1
3
$200 million
$25 million
3
6
$381 million
$242 million
3
4
$619 million
$167 million
7
3
$839 million
$87 million
4
7
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
FY 2025
FY 2026

Programs – Program Related Investments

7 Active PRI programs

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

Total invested: $10,561,496, 291 units

Critical Community Projects
Providing gap and preservation financing

Programs – Program Related Investments

Sustainable Energy Trust (SET)
Total investment- $1,247,790 for two solar loans assisting 8 rural school districts and a church; 4 new projects in the pipeline

Community Land Trust Fund
$8.1M, 143 Homeownership units

Manufactured Housing Communities
$1,427,299 in loans, 2 communities; 72 sites/units

Farm PAI
Total investment since inception - $15M, conserving 884 acres, 4 projects repaid, making $4 million available for reuse

Capital Plus
$2.6 M, 2 organizations

Lesli & Robert Schmid: dairy farm purchased through FarmPAI

Policy

Program Policy Processes = Maintain shift to Pro-Active approach for 9% and Bond/4%; incorporating data and user input to shape policy

Community Engagement = Ongoing evaluation and support of Program Policy work

Preservation Strategy = Evaluate Bond/4% Preservation Pilot to solidify an ongoing application track for preservation projects

Rent Stabilization = Continue to incorporate Work Group recommendations

Strengthen Good Standing Policy

Why: To ensure good stewardship of housing resources, maintain accountability and program sustainability for the public's benefit.

Goal: Expand on current policy to be clear and transparent about expectations of Project Sponsors to be considered in Good Standing and what happens if they are not.

Components: Policy focuses on litigations, severe adverse events, non-compliance and good faith efforts, and fulfilling obligations.

Note: Intersects with Asset Management framework/procedures and Development Team and Property Management Capacity policies.

For 2027 Proposed Policy Updates

Both Programs

- Good Standing Policy, Development Team Capacity, and Property Management Capacity
- Any necessary language clean up and guidance for applicants + TA!

9% PROGRAM:

- Focusing on Additional Affordability and Priority Population policies and points criteria
- Other updates related to criteria for Job Centers, Transit Oriented Development, Energy Incentives and Additional Use Period points.

BOND/4% PROGRAM:

- To be determined once new construction and preservation rounds are completed-need to track and manage the high level of bond cap

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Partnerships

BUDGET SESSION 2026

- Housing Trust Fund/Apple Health and Home
- Sound Transit/King County public funders/Regional HDC’s
- Microsoft/Amazon/WAFAM/Community Foundations
- Housing Authorities/AWHA
- Community Based Organizations (LISC/BHI)
- FarmTrust /WA State Conservation Commission
- ROC/NWCDC/WCRA
- State Energy Office/Greenbank/WSU

Questions?

Fiscal Year 2027 Budget Review

July 1, 2026 – June 30, 2027

Lucas Loranger
Senior Finance Director

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

What's in your packet…

- Business Objectives
- Allocated FTEs
- Revenue
- Expenses
- Allocations
- Net Results

Business Objectives

Four High-Level Goals/Objectives:

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

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

Business Objectives

Four High-Level Goals/Objectives:

3. Internal Process Perspective:

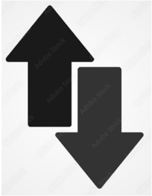
- ***Enhance Business Process Efficiency:*** Refine and streamline business processes to improve overall operational efficiency and effectiveness
- ***Promote Sound Resource Stewardship:*** Implement and uphold practices that ensure the responsible and sustainable use of resources, make informed funding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

4. Learning, Growth and Inclusion Perspective:

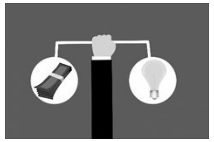
- ***Cultivate Workforce Development and Culture:*** Invest in our workforce's growth through training, mentorship, and career advancement opportunities, while fostering a culture of continuous improvement, innovation, and inclusivity.
- ***Promote Emerging Initiatives:*** Identify, support, and promote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

Overview of the Budget Process

Large, complex process with lots of data



Simultaneous bottom-up and top-down process



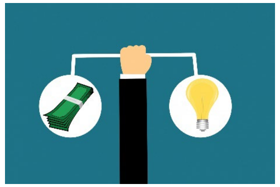
Significant revenue and expense items projected with high level of certainty

- ✓ Use significant amount of existing data
- ✓ Apply known factors

Overview of the Budget Process

Large, complex process with lots of data

Simultaneous bottom-up and top-down process



Significant revenue and expense items projected with high level of certainty

- ✓ Use significant amount of existing data
- ✓ Apply known factors

WASHINGTON STATE
HOUSING FINANCE COMMISSION
Annual Divisional Business Objectives
Fiscal Year 2026 – 2027

Homeownership Division

Financial Stewardship Perspective

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

1. **Expand access to affordable financing options to low- to moderate-income borrowers and historically underserved communities.**
   Associated Metrics: *4,300 low and moderate-income households purchase an affordable home using Home Advantage/House Key by June 30, 2027.*

2. **Deliver loans as an approved seller-servicer to maintain flexible underwriting guidelines and challenge biased traditional financing requirements.**
   Associated metrics: Estimated completion date: June 30, 2027

Engagement Perspective

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

1. **In consultation with the division's community engagement staff, apply the Practice Framework of the International Association for Public Participation to one or more external-facing initiatives in the 2026-27 program year.**
   Associated metrics: Estimated completion date: June 30, 2027

2. **Strengthen partnerships with lenders, real estate professionals, nonprofits, and community-based organizations from historically underserved communities to reach potential homebuyers.**

   Associated Metrics:
   - Conduct 10 lender Home Advantage trainings by June 30, 2027
   - Conduct 4 Advanced DPA trainings by June 30, 2027
   - Engage in 20 outreach activities with non-profits, lenders, real estate professionals and/or government entities

3. ***Sponsor statewide homebuyer education classes, ensuring accessibility to underserved communities.***

   Associated Metrics: Ten percent (10%) of the Homebuyer Education class instructor's participants teach a class within twelve (12) months of taking the training.

Internal Processes Perspective

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

1. **Enhance the loan reservation system to streamline processes and improve user experience.**

   Associated metrics: Estimated completion date: June 30, 2027

2. **Develop and implement equitable distribution processes for homeownership and counseling grants.**

   Associated metrics: Estimated completion date: June 30, 2027

Learning, Growth and Inclusion Perspective

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

1. **Invest in the growth of staff and interns through mentorship, training, and career development programs.**

Associated Metrics: Report on key milestones and personnel changes thru June 30, 2027

2. **Align homeownership and counseling assistance efforts with state and national housing priorities.**

   Associated metrics:

   - *Successfully distribute all available counseling funds through federal agencies, the Department of Commerce, and the Washington State Legislature by June 30, 2026.*
   - *Fully expend the American Rescue Plan Act Homeownership Assistance Program in compliance with Commission, Treasury, and legislative requirements by HAF Program end date.*
   - Implement new legislative initiatives for counseling programs as applicable.

3. **Increase future homebuyer access to Covenant and other homeownership programs.**

   Associated metrics: Estimated completion date: June 30, 2027

Multifamily Housing & Community Facilities Division (MHCF)

Financial Stewardship Perspective

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

1. **Leverage traditional financing tools in an effort to increase the availability and preservation of affordable rental housing across the state.**

   Associated Metrics: Report on closings. Enhance reporting for bond cap usage**.**

2. **Leverage innovative financing tools to increase the availability of affordable rental housing and community spaces across the state.**

   Associated Metrics: Report on closings and percentage of dollars allocated vs available.

3. **Respond, assess and adapt to federal and state legislative changes.**

   Associated Metrics: Report on analysis and assessment of key bills and initiatives tracked and modification of program policy through June 30, 2027.

Engagement Perspective

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

1. **In consultation with the division's community engagement staff, apply the Practice Framework of the International Association for Public Participation to one or more external-facing initiatives in the 2026-27 program year.**

   Associated Metrics: Project will be measurable and set specific KPI(s) as part of the project plan, to be submitted during Q1. KPIs will be achievable by June 30, 2027.

2. **Enhance engagement and capacity-building for emerging developers through accessible resources and financing tools.**

   Associated Metrics: Ratio of new applicants vs. repeat organizations, historical baseline available, and outcomes.

Internal Processes Perspective

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

1. **Improve internal processes and foster collaboration across divisions to streamline operations and enhance overall efficiency.**

   Associated Metrics: Report on key milestones thru June 30, 2027.

Learning, Growth and Inclusion Perspective

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

1. **Innovate and partner to develop tools that address gaps in the affordable housing system and bring benefits to residents.**

   KPIs for this Business Objective:

   - Implement preservation strategy to preserve existing affordable housing properties in the Commission's portfolio centering impact to residents to prevent displacement
   - Pilot the Seattle Affordable Housing Solar Fund
   - Implement new financing strategies to incentivize single-family production program.
   - Implement new tools utilizing the agency's new credit rating for Multifamily programs.

   Associated Metrics: Report on key milestones thru June 30, 2027.

2. **Invest in the growth of staff and interns through mentorship, training, and career development programs.**

   Associated Metrics: Report on key milestones and personnel changes thru June 30, 2027.

Asset Management and Compliance Division (AMC)

Financial Stewardship Perspective

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

1. **Complete timely and thorough compliance monitoring of the multifamily portfolio.**
   Associated Metrics: 100% of required multifamily compliance reports are reviewed, documented, and closed out by the end of Q4.

2. **Complete physical inspections of the tax credit property portfolio to monitor all developments remain compliant with regulatory requirements, and physically viable to provide safe, quality housing for residents.**
   Associated Metrics: 100% of required physical inspections for the tax credit portfolio are completed by the end of Q2, in accordance with HUD inspection standards.

3. **Operationalize standardized asset management practices to proactively monitor 100% of the 4% and 9% tax credit multifamily portfolio and ensure timely identification and mitigation of financial, operational, regulatory, and physical risks in accordance with established risk assessment metrics and timelines.**

   Associated Metrics: Final draft of portfolio risk monitoring metrics is developed and ready for testing; performance monitoring and risk identification processes is created and incorporated in the portfolio monitoring cycle by end of the FY27

Engagement Perspective

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

1. **Strengthen Program Compliance through enhanced training, education and guidance for Tax Credit and Bond Property Owners and Managers.**

   Associated Metrics: At least six (6) compliance training sessions (virtual or in-person) are delivered to Tax Credit and Bond property owners and managers by the end of Q4**.**

2. **In consultation with the division's community engagement staff, apply the Practice Framework of the International Association for Public Participation to one or more external-facing initiatives in the 2026-27 program year.**

   Associated Metrics: AMC will apply the IAP2 framework to external-facing initiative in the 2026-27 program year namely Table 4, development of resource materials for one special program and Asset Management Procedures rollout.

3. **Develop and publish written and video materials that reflect the needs and experiences of those required to use the programs**

   Associated Metrics: 100% of planned written and video materials identified for FY26–27 are developed, approved, and published by the end of Q4.

4. **Improve user experience and engagement with AMC's online resources through improved website design, functionality, and accessibility.**

   Associated Metrics: At least 50% of planned AMC webpage enhancements (content updates, redesign elements, or accessibility improvements) are initiated and underway by the end of Q4.

5. **Sponsor and/or participate in external outreach and Engagement events to strengthen partnership and increase reach and visibility of our resources**

   Associated Metrics: AMC has sponsored at least one partner agency event and participated and tabled in 4 housing conferences across the state including one tribal housing conference by the end of Q4

6. **Cross-Divisional Collaboration: AMC and MHCF staff will engage in two cross-divisional engagement initiatives including: Participation in policy development work and stakeholder (interested parties) engagement sessions**

   Associated Metrics: By the end of FY27, AMC division staff will have completed participation and collaboration with MF team with demonstrated contribution to policy work and stakeholder engagement activities

Internal Processes Perspective

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

1. **Create a comprehensive, user-friendly Standard Operational Procedure document that serves as a central reference guide within the Division to promote stewardship, standardization, support training and onboarding, and preserve institutional knowledge across the team**

   Associated Metrics: Final SOP, supporting materials and document maintenance plan are delivered by end of Q4.

2. **Enhance divisional Business Processes by leveraging technology and cross divisional collaboration.**

   Associated Metrics: 100% of planned business process improvement projects including SOP development, HB improvements, WBARS table 4 improvement, LF AI tools exploration and reporting improvements and data integration projects are initiated or substantially completed by the end of Q4.

Learning, Growth and Inclusion Perspective

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

1. **Enhance staff training and development goals.**

   Associated Metrics: 100% of staff have documented individual training and development goals established or updated by mid-FY27. At least 80% of individual training and development goals are achieved by each staff member by the end of FY27, as tracked in performance or training records.

Finance Division

Financial Stewardship Perspective

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

1. **Lead an agency wide effort to develop an enterprise risk assessment framework and process, to be completed annually.**

   Associated Metrics: Expected completion December 31, 2026

2. **Lead the Commission's efforts in the state's OneWA statewide accounting process.**

   Associated Metrics: Percent of completion of program deliverables, with full completion expected by June 30, 2027

Engagement Perspective

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

1. **Lead the development of an equity-based protocol to guide Commission decisions on memberships and sponsorships of organizations and initiatives.**

   Associated Metrics: Estimated completion March 31, 2027

Internal Processes Perspective

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

3. **Implement loan tracking and servicing software, including migrating all non-DPA PRI loans to the system.**

   Associated Metrics: Estimated completion December 31, 2026

4. **Coordinate with the Admin division on the update of at least three Office Policy and Procedures Guide (OPPG) policies.**

   Associated Metrics: Number of Office Procedure and Policy Guide (OPPG) updates

5. **Digitize and transition at least four Finance led internal processes to Laserfiche.**

   Associated Metrics: Number of process updates

Learning, Growth and Inclusion Perspective

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

6. **Invest in the growth of staff through mentorship, training and cross-training, and career development programs.**

   Associated Metrics: Report of activities and personnel changes through June 30, 2027

IT Division

Financial Stewardship Perspective

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

1. **Ensure that all critical IT hardware (servers, switches, and firewalls) and software remain under warranty coverage in accordance with the agreed upon SLA (service level agreement).**

   Associated Metrics: Quarterly reports to IT Governance Committee reflect all IT hardware and software remain under warranty coverage.

2. **Maintain systems that guard against ransomware and malware.**

   Associated Metrics: Quarterly reports to IT Governance Committee reflect 0 successful ransomware and malware attacks.

3. **Maintain the after-hours maintenance schedule.**

   Associated Metrics: 99.99% operational and available up-time, and all IT equipment receive quarterly updates for security, firmware and operating systems as recommended by vendors and in line with industry best practices.

4. **Maintain and provide quarterly Security Breach Reports.**

   Associated Metrics: Quarterly report to IT Governance Committee

Engagement Perspective

- Drive Employee Engagement: Increase engagement levels among employees through effective communication, collaboration, and recognition initiatives.

- Promote Community Engagement: Strengthen relationships and engagement with external stakeholders and the community through outreach programs, partnerships, and community-building initiatives.

1. **Provide regular demonstrations and updates of new technologies and functionality as well as changes to IT policies and procedures.**

   Associated Metrics: Minimum of 4 updates at monthly All-Staff meeting and 1 Lunch and Learn Session.

2. Implement a comprehensive data warehouse solution to centralize and consolidate data across the organization.

   Associated Metrics: Create draft versions of IT and Data Governance policies along with an updated IT Roadmap.

Internal Processes Perspective

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

1. **Strengthen the Commission's disaster recovery readiness by updating and testing recovery protocols quarterly, ensuring 100% of critical systems have documented recovery plans, tracked through audit logs and staff participation.**

   Associated Metrics: Complete quarterly server recovery testing with Disaster Recovery exercises to support the Business Resumption Plan

2. **Ensure IT Service Desk incidents are resolved in accordance with the terms of our Service Level Agreement (SLA) based on severity level.**

   Associated Metrics: During business hours maintain a one-hour response time to a requests submitted to the IT Service Desk.

3. **Maintain and further develop Commission's web-based/cloud applications (Salesforce, Laserfiche, Business Central...).**

   Associated Metrics: Successfully deploy Division requested updates and improvements by the agreed upon delivery date.

Learning, Growth and Inclusion Perspective

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

1. **Invest in the growth of staff through mentorship, training and cross-training, and career development programs.**

   Associated Metrics: 100% of staff have identified trainings and certifications by12/31/2026. 100% have used a minimum of 80% of their training and conference budget by June 30, 2027.

Executive & Administration Division

Financial Stewardship Perspective

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

1. **Executive:** Earn a minimum of $500,000 per FTE in revenue each fiscal year.

2. **Executive:** Spend less than $250,000 per FTE each fiscal year.

Engagement Perspective

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

1. **Communications/Strategy & Engagement: In consultation with the division's community engagement staff, apply the Practice Framework of the International Association for Public Participation to one or more external-facing initiatives in the 2026-27 program year.**
   Associated Metrics: *Each division with a community engagement/outreach/marketing staff member will apply IAP2 framework to one or more external-facing initiatives in the 2026-27 program year.*

2. **Communications/Strategy & Engagement: Create new accessibility and equity framework for Housing WA.**
   Associated Metrics: Develop framework, supporting documents and SOPs by Dec. 31, 2026.

3. **Communications: Produce and distribute the web based Annual Report and Cumulative Report.**
   Associated Metrics: Produce reports by December 31, 2026

4. **Communications: Increase future homebuyer access to Covenant and other homeownership programs.**

Associated Metrics: Increase external contact list by 20% by June 30, 2027

5. **Executive: Demonstrate leadership in affordable housing.**
   Associated Metrics: Develop and implement statewide housing policies and programs that address key challenges by June 30, 2027.

6. **Human Resources/ Strategy & Engagement: Improve scores for areas with less than 50% positive ratings from last year's Employee Engagement Survey**
   Associated Metrics: Increase positive ratings to 50% or higher for any questions below 50% positive ratings by the end of the 2026 survey cycle.

Internal Processes Perspective

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

1. **Executive: Evaluate and strengthen the current process for public record request (PRR)**
   Associated Metrics: Evaluate, update and implement an improved process for public record requests captured in a revised Office Policies and Procedures Guide (OPPG) by June 30, 2027.

2. **Human Resources (HR): Lead a project within the Administrative Division to evaluate and enhance new employee orientation and onboarding across the organization**.
   Associated Metrics: In collaboration with the Administrative Division, HR will lead the development of a comprehensive shared approach to orientation and onboarding. A guide and plan will be produced and captured in a revised OPPG by June 30,

Learning, Growth and Inclusion Perspective

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

1. **Communications/Human Resources: Plan and conduct annual all-staff planning session by June 30, 2027.**
   Associated Metrics: *Percent positive feedback from survey.*

2. **Human Resources: A statement will be added to the annual reminder/notice to supervisors to include and encourage their staff to use the Employee Development &**

Certificate Degree Program in their discussion with staff regarding their training plans for the year. In January of each year, HR will email the policy to all staff as a reminder of the policy/program.

Associated Metrics: These changes will occur by June 30, 2027

3. **Strategy & Engagement/Human Resources: Offer staff one or more learning experiences that strengthen skills in navigating conflict and fostering accountability in alignment with agency values.**

   Associated Metrics: Completion of newly developed staff training by June 30, 2027

4. **Strategy & Engagement: Develop an Impact team charter, framework, and roll-out plan to engage staff in an annual organizational strategic planning process.**

   Associated Metrics: Development of organizational impact team July 1, 2026

5. **Strategy & Engagement: Support agency preparedness for HB 2475 (Language Accessibility) by collaborating with language accessibility subject matter experts, building internal awareness, and developing guidance related to language-accessible programs and communications.**

   Associated Metrics: Completion of draft Language Accessibility Plan by June 30, 2027

The Bottom-Up items

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

The Top-Down – High Certainty Expense

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

Results

Revenue

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

Expenses

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

Revenue Sources

	HO	MHCF	AMC	FINANCE	ADMIN	TOTAL
Issuance & app fees	9,789,106	6,769,600	—	—	—	16,556,706
Comm (ongoing) fees	—	5,149,933	4,371,477	6,061,084	—	15,582,494
Citi (ongoing) revenue	—	398,306	—	398,306	—	796,612
Comp (ongoing) fees	—	—	4,388,365	—	—	4,388,365
Servicing (ongoing) fees	17,479,910	—	—	—	—	17,479,910
Interest	—	—	—	11,868,242	—	11,868,242
Other	67,000		127,000	4,000	37,500	235,500
Total	**27,269,016**	**12,317,839**	**8,886842**	**18,331,632**	**37,500**	**66,907,829**

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

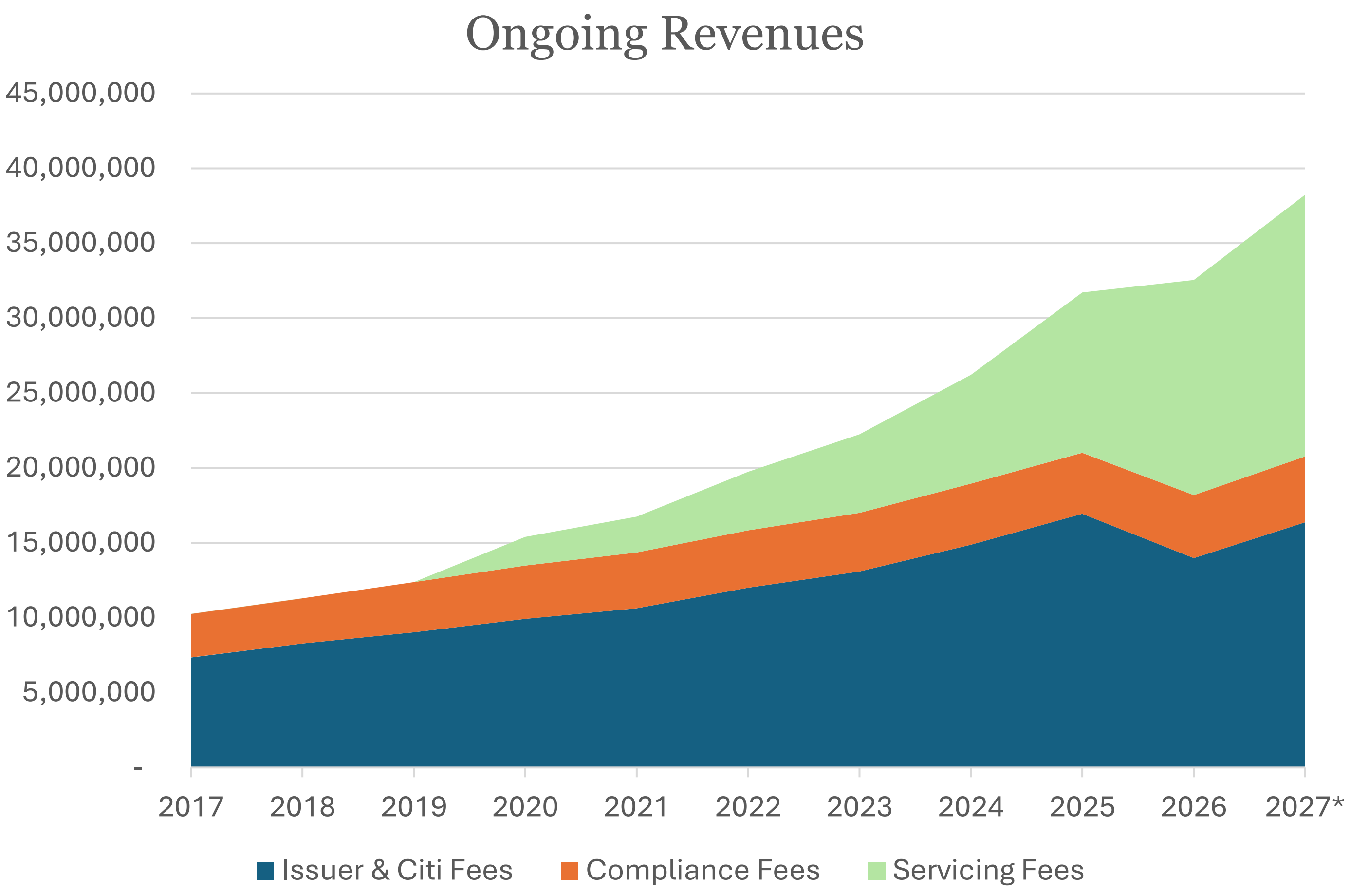
Net Revenue Comparison *(in millions)*

	FY 2027 Budget	FY 2026 Projected	% Change	% Change FY 2025 Actual
Ongoing Fees (Comm, Comp, Servicing, Citi)	$38.25	$32.55	17%	20%
Issuance & App Fees	16.56	17.91	-8%	28%
Interest	11.87	12.02	-1%	-23%
Other	0.24	0.24	0%	-75%
Total Revenue	$66.91	$59.79	12%	9%

WASHINGTON STATE
HOUSING FINANCE COMMISSION

Revenue Focus

BUDGET SESSION 2026



- Ongoing revenues have grown 218% since 2017
- Largest driver in increase is servicing fees on Home Advantage loans
- Increase to Servicer Fees in FY 2027 due to continued low prepayment rates allowing for growth in portfolio of mortgages serviced by Idaho Housing

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Budgeted FTEs

BUDGET SESSION 2026

Division/Entity	Fiscal Year 2026 Budget	Fiscal Year 2027 Budget
Homeownership	19.3	20.5
MHCF	22.3	23
Asset Mgmt Compliance	16.3	16.3
Finance	12.8	12.8
Administration	16.53	16.88
IT Services	6.91	9.86
WSHFC	94.14	98.34
WHEFA	0.86	0.86
Total	95	100.2

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Expense Comparison *(in millions)*

BUDGET SESSION 2026

	FY 2027 Budget	FY 2026 Projected	% Change	% Change FY 2025 Actual
People & travel	18.87	14.85	27%	53%
Professional fees	1.71	1.37	25%	24%
Office expense	6.58	5.02	31%	47%
Total Expense	**$27.16**	**$21.24**	**28%**	**49%**

Why the Variance?

- 5.2 new FTEs to support growth, and future initiatives and programs
- Scheduled pay increases for staff
- Third-party consultant support for new program development
- Investment in Housing Futures Center

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Net Revenue Comparison *(in millions)*

	FY 2027 Budget	FY 2026 Projected	% Change	% Change FY 2025 Actual
Net revenue	**$39.75**	**$42.65**	**-6.8%**	**-7.4%**

WASHINGTON STATE
HOUSING FINANCE
COMMISSION

Nicole Bascomb-Green
Chair

Steve Walker
Executive Director

memorandum

To: Commissioners

From: Lucas Loranger, Mackenzie Hafer, Shirleen Noonan

CC: Executive Management Team

Date: May 13, 2026

Re: Budget proposal for the fiscal year July 1, 2026 – June 30, 2027

BACKGROUND

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

The draft budget packet for the upcoming fiscal year July 1, 2026 through June 30, 2027 (FY27) is attached. The document outlines the various program's purpose, business objectives, projected income and expense, as well as supplemental information supporting each program. We will seek your feedback on the FY27 budget during the Planning Session.

Here are some highlights of program production, revenue, and expense projections for FY27:

- Production in the Home Advantage, taxable single-family mortgage program, continues to perform well in the current fiscal year. In FY26, we budgeted loan production at 4,000 loans and are on pace to exceed that target with approximately 4,800 new loans. For FY27, we expect production to stay at about this level or decrease slightly, as the market remains challenging and potential homebuyers continue to face high home prices. For

FY27, we have budgeted Home Advantage loan production at 4,700 new loans, which represents a 3% lower volume than actual projected FY26 results and 17.5% more than budgeted in FY25. Revenue is budgeted to reflect the margin currently received on loans pooled adjusted for the subsidy from PRI, as well as the impact of the servicing revenue model on our loans serviced by Idaho where we receive less up front but are paid a portion of the servicing revenue over time. The program is budgeted to provide $27.3 million of the budgeted revenue for FY27, an increase of 37.7% from FY26 projected actuals.

- For the next year, the Commission expects financings by the Multifamily Housing and Community Facilities Division totaling $593.5 million. Estimated fees directly related to the Multifamily Housing and Community Facilities Division represent $22.1 million of the budgeted revenue for FY27. This includes issuance fees of 25 basis points (bps) of the bond amount earned at closing, the annual fees currently ranging from 10 to 25 bps of the outstanding bond amount, and tax credit application and reservation fees.

- Revenues (excluding pass-through grants) for FY27 are budgeted 25% more than the prior year's budget. The increase is primarily due to the growth of our servicing portfolio with Idaho Housing, increased volume and improved pricing in the Home Advantage program, and increased levels of bonds outstanding.

- Expenses (excluding pass-through grants) for FY27 are budgeted 14% greater than the prior year's budget, and 28% greater than the prior year's projected actual expenses. The increase is primarily due to the addition of 5.2 FTEs, coupled with scheduled pay and cost of living increases effective July 1, 2026. Additionally, as we look to increase our impact across the state through leveraging new financing tools, we have budgeted additional resources for financial advisors and contractors to help shape those tools.

- The increase in revenue, coupled with the increase in expenses, results in a budgeted $39.7 million net income, a 34% increase from FY26 budgeted net income, but a 7% decrease in projected actual net income.

PROPOSED ACTION

Consider and provide feedback to staff on the proposed fiscal year 2026 - 2027 budget.

WASHINGTON STATE HOUSING FINANCE COMMISSION

Budget for Fiscal Year Ending June 30, 2027

	HOMEOWNERSHIP			MULTIFAMILY	ASSET	FINANCE				EXECUTIVE OFFICE			
	Home-ownership	Homebuyer Education	TOTAL	HOUSING & COMMUNITY FACILITIES*	MANAGEMENT AND COMPLIANCE	Bond Portfolio Management	General Operations	TOTAL	INFORMATION TECHNOLOGY SERVICES	Administration	Comm.	TOTAL	TOTAL BUDGET
REVENUE													
Fee Revenue	27,267,016	-	27,267,016	12,317,839	8,759,842	6,459,390	-	6,459,390	-	-	-	-	54,804,087
Interest Revenue	-	-	-	-	-	-	11,868,242	11,868,242	-	-	-	-	11,868,242
Misc. Revenue	-	67,000	67,000	-	127,000	-	4,000	4,000	-	37,500	-	37,500	235,500
Pass through Grants	-	1,261,000	1,261,000	-	-	-	-	-	-	-	-	-	1,261,000
TOTAL REVENUE	**27,267,016**	**1,328,000**	**28,595,016**	**12,317,839**	**8,886,842**	**6,459,390**	**11,872,242**	**18,331,632**	**-**	**37,500**	**-**	**37,500**	68,168,829
EXPENSES													
Salaries & Wages	3,606,941	527,606	4,134,547	4,113,488	3,088,900	746,841	1,408,816	2,155,657	1,849,275	3,033,535	22,857	3,056,392	18,398,259
Travel	64,272	10,469	74,741	74,670	57,240	13,428	28,597	42,025	58,642	104,493	60,650	165,143	472,461
Professional Fees	395,200	30,000	425,200	335,000	100,000	229,215	268,500	497,715	-	350,000	-	350,000	1,707,915
Office Exp. & Other	612,251	77,955	690,206	605,194	1,133,274	174,533	425,997	600,530	1,790,163	1,739,854	22,350	1,762,204	6,581,570
Pass through Grants	-	1,261,000	1,261,000	-	-	-	-	-	-	-	-	-	1,261,000
TOTAL EXPENSES	**4,678,664**	**1,907,030**	**6,585,694**	**5,128,352**	**4,379,414**	**1,164,017**	**2,131,910**	**3,295,927**	**3,698,080**	**5,227,882**	**105,857**	**5,333,739**	28,421,205
EXCESS OF REVENUES OVER EXPENSES	22,588,352	(579,030)	22,009,322	7,189,487	4,507,428	5,295,373	9,740,332	15,035,705	(3,698,080)	(5,190,382)	(105,857)	(5,296,239)	39,747,624
Overhead Allocations	218,195	30,128	248,323	239,166	204,239	54,285	(9,740,332)	(9,686,047)	3,698,080	5,190,382	105,857	5,296,239	-
Program Allocations	213,986	106,993	320,979	5,028,679	-	(5,349,658)	-	(5,349,658)	-	-	-	-	-
NET INCOME	**23,020,533**	**(441,909)**	**22,578,624**	**12,457,332**	**4,711,667**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	39,747,624

CAPITAL EXPENDITURES	**40,000**

FYE 2026 Budgeted Revenue & Expenses for Comparative Purposes

	Home-ownership	Homebuyer Education	TOTAL	HOUSING & COMMUNITY FACILITIES*	MANAGEMENT AND COMPLIANCE	Bond Portfolio Management	General Operations	TOTAL	INFORMATION TECHNOLOGY SERVICES	Administration	Comm.	TOTAL	TOTAL BUDGET
REVENUE													
Fee Revenue	16,993,034	-	16,993,034	10,605,024	8,337,717	5,315,385	-	5,315,385	-	-	-	-	41,251,160
Interest Revenue	-	-	-	-	-	-	11,920,539	11,920,539	-	-	-	-	11,920,539
Misc. Revenue	-	156,000	156,000	-	169,000	-	4,000	4,000	-	34,944	-	34,944	363,944
Pass through Grants	-	7,613,008	7,613,008	-	-	-	-	-	-	-	-	-	7,613,008
TOTAL REVENUE	**16,993,034**	**7,769,008**	**24,762,042**	**10,605,024**	**8,506,717**	**5,315,385**	**11,924,539**	**17,239,924**	**-**	**34,944**	**-**	**34,944**	61,148,650
EXPENSES													
Salaries & Wages	3,171,046	502,600	3,673,646	3,762,849	2,895,902	707,928	1,331,042	2,038,970	1,215,288	2,915,819	22,475	2,938,294	16,524,949
Travel	59,663	10,421	70,084	71,104	57,218	13,410	28,560	41,970	18,087	66,694	70,290	136,984	395,447
Professional Fees	395,200	20,000	415,200	290,000	140,000	211,560	254,000	465,560	-	185,000	-	185,000	1,495,760
Office Exp. & Other	526,319	79,252	605,571	366,856	1,340,829	147,602	249,311	396,913	1,333,533	1,409,248	25,850	1,435,098	5,478,799
Pass through Grants	-	7,613,008	7,613,008	-	-	-	-	-	-	-	-	-	7,613,008
TOTAL EXPENSES	**4,152,228**	**8,225,281**	**12,377,509**	**4,490,809**	**4,433,949**	**1,080,500**	**1,862,913**	**2,943,413**	**2,566,908**	**4,576,761**	**118,615**	**4,695,376**	31,507,963
EXCESS OF REVENUES OVER EXPENSES	12,840,806	(456,273)	12,384,533	6,114,215	4,072,768	4,234,885	10,061,626	14,296,511	(2,566,908)	(4,541,817)	(118,615)	(4,660,432)	29,640,687
Overhead Allocations	796,804	117,494	914,298	861,777	850,866	207,346	(10,061,626)	(9,854,280)	2,566,908	4,541,817	118,615	4,660,432	-
Program Allocations	222,112	44,422	266,534	4,175,697	-	(4,442,231)	-	(4,442,231)	-	-	-	-	-
NET INCOME	**13,859,722**	**(294,357)**	**13,565,365**	**11,151,689**	**4,923,634**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	29,640,687

CAPITAL EXPENDITURES	**-**

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

WSHFC

FYE 2027 -- BUDGET Roll-up by Division

	HOMEOWNERSHIP				MULTIFAMILY HOUSING & COMMUNITY FACILITIES				ASSET MANAGEMENT & COMPLIANCE				FINANCE			
	Budget FYE 2027	Budget FYE 2026	Projected Act FYE 2026	Actual FYE 2025	Budget FYE 2027	Budget FYE 2026	Projected Act FYE 2026	Actual FYE 2025	Budget FYE 2027	Budget FYE 2026	Projected Act FYE 2026	Actual FYE 2025	Budget FYE 2027	Budget FYE 2026	Projected Act FYE 2026	Actual FYE 2025
Revenues:																
Commission Fees	-		-	-	5,149,933	4,701,216	4,128,466	4,057,505	4,371,477	3,893,805	4,220,327	3,997,053	6,061,084	4,662,131	4,939,918	4,736,694
Compliance Fees	-		-	-	-		-	-	4,388,365	4,443,915	4,206,695	4,069,133	-	-	-	-
All other Program Fees	17,479,910	13,482,960	14,365,529	10,709,499	398,306		693,403	2,071,088	-		138,300	206,236	398,306	653,254	693,403	2,076,720
Issuance & Application Fees	9,787,106	3,510,074	5,494,384	5,331,541	6,769,600	5,903,808	12,412,061	7,577,055	-	-	-	-	-	-	-	-
Interest Revenue	-	-	-	-	-	-	-	-	-	-	-	-	11,868,242	11,920,536	12,021,722	15,349,325
Other Income	67,000	156,000	393,080	642,918	-	-	-	93,798	127,000	168,997	145,345	156,205	4,000	4,003	4,774	6,672
Grant Revenue	1,261,000	7,613,008	9,979,031	60,398,071	-	-	-	-	-	-	-	-	-	-	-	-
Total Unadjusted Revenues	**28,595,016**	**24,762,042**	**30,232,023**	**77,082,028**	**12,317,839**	**10,605,024**	**17,233,930**	**13,799,446**	**8,886,842**	**8,506,717**	**8,710,666**	**8,428,627**	**18,331,632**	**17,239,924**	**17,659,817**	**22,169,412**
Expenses:																
EMPLOYEE EXPENSES																
Salaries, Wages & Temp. staffing	3,292,026	2,934,144	2,626,077	2,394,794	3,213,515	2,962,044	2,627,977	2,382,929	2,430,689	2,293,572	2,226,955	1,751,309	1,666,881	1,592,211	1,314,612	1,199,951
Employee Benefits	797,596	699,960	669,827	671,725	851,698	756,300	707,743	703,991	623,911	569,220	593,020	501,277	457,851	420,409	339,323	361,689
Conference, Education & Training	44,925	39,552	13,317	8,678	48,275	44,496	16,187	12,549	34,300	33,096	17,702	21,323	30,925	26,348	5,400	8,374
TRAVEL EXPENSES																
Travel out of state	51,251	48,744	4,554	10,848	47,500	45,000	13,092	22,286	38,750	38,748	9,076	26,080	25,000	25,004	-	2,498
Travel in state	23,490	21,336	6,304	19,765	27,170	26,100	2,826	18,814	18,490	18,468	18,275	28,273	17,025	16,966	940	5,773
PROFESSIONAL FEES																
Accounting Fees	-	-	-	-	-	-	-	-	-	-	-	-	150,815	146,364	136,300	135,444
Legal Fees	180,000	170,004	253,870	178,964	235,000	215,004	153,500	149,572	100,000	140,004	78,389	119,752	1,000	996	-	-
Financial Advisor Fees	245,200	245,196	235,200	237,700	100,000	75,000	-	-	-	-	-	-	113,400	100,200	112,800	190,118
Investment Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	232,500	218,004	221,532	206,018
OFFICE EXPENSE																
Office Rent/Conf. Room Rentals	125,770	124,944	108,159	90,978	140,617	143,784	124,972	93,422	106,655	108,096	95,898	73,058	78,256	82,531	71,733	60,111
Furniture & Equipment Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	35,500	50,508	8,665	13,104	15,000	15,000	5,267	9,314	8,000	2,496	1,067	734	1,900	1,900	-	-
Publications/ Subscriptions/ Dues	3,251	12,381	1,612	1,845	50,000	39,000	28,191	30,556	13,400	8,100	14,635	5,217	2,418	2,368	700	225
Deliveries	100	96	30	87	1,000	996	165	756	-	-	186	-	100	100	-	-
Insurance	20,000	12,000	18,228	9,562	-	-	-	-	-	-	-	-	-	-	-	-
Meeting Expense	-	1,488	-	395	11,000	9,997	742	409	3,000	3,021	-	1,682	750	739	-	-
Equipment & Building Maintenance	1,500	-	1,711	-	2,000	-	1,977	-	1,500	-	1,445	-	-	-	1,135	-
Software Maint. Support & Other Info	227,250	257,748	227,686	198,371	146,817	126,816	127,604	112,522	291,249	345,636	259,923	311,542	389,755	275,245	239,667	186,551
Non-capitalized Equipment/Supplies	3,074	936	-	3,421	3,450	3,348	-	436	2,445	2,448	777	272	1,921	1,922	235	-
Postage	100	96	1	10	250	252	281	292	25	48	2	31	280	430	109	341
Printing	-	48	-	122	-	-	44	33	6,000	996	2,647	4,899	320	320	-	33
State Services	-	-	-	-	-	-	-	-	-	-	3,469	-	-	-	-	-
Supplies	5,000	2,004	4,164	3,192	150	156	103	134	1,000	2,004	800	1,314	1,350	1,356	267	474
Telephone	3,004	2,952	2,244	2,642	5,400	8,004	4,676	6,293	3,000	3,000	2,404	3,430	480	-	208	-
Other Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Services	234,700	109,404	224,941	177,732	210,000	-	-	25,625	697,000	864,996	594,380	735,042	123,000	30,000	108,150	22,378
Depreciation	30,957	30,960	30,957	30,957	19,510	19,512	26,013	67,509	-	-	-	-	-	-	-	-
Grant Pass-Through	1,261,000	7,613,008	9,979,031	60,398,071	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	**6,585,694**	**12,377,509**	**14,416,580**	**64,452,962**	**5,128,352**	**4,490,809**	**3,841,359**	**3,637,442**	**4,379,414**	**4,433,949**	**3,921,053**	**3,585,234**	**3,295,927**	**2,943,413**	**2,553,111**	**2,379,978**
Revenue over expense, prior to allocations	22,009,322	12,384,533	15,815,443	12,629,067	7,189,487	6,114,215	13,392,571	10,162,004	4,507,428	4,072,768	4,789,613	4,843,393	15,035,705	14,296,511	15,106,706	19,789,433
% of Total Expenses	19.6%	19.9%	20.9%	22.3%	18.9%	18.8%	18.1%	20.0%	16.1%	18.6%	18.5%	19.7%	12.1%	12.3%	12.0%	13.1%
NET INCOME	22,009,322	12,384,533	15,815,443	12,629,067	7,189,487	6,114,215	13,392,571	10,162,004	4,507,428	4,072,768	4,789,613	4,843,393	15,035,705	14,296,511	15,106,706	19,789,433
OVERHEAD ALLOCATION	248,323	914,298	1,522,892	3,187,421	239,166	861,777	1,233,642	2,951,196	204,239	850,866	1,100,275	2,816,430	(9,686,047)	(9,854,280)	(10,309,502)	(13,443,508)
PROGRAM ALLOCATION																
BOND PORTFOLIO MANAGEMENT	320,979	266,534	383,776	380,756	5,028,679	4,175,697	4,413,428	5,965,170	-	-	-	-	(5,349,658)	(4,442,231)	(4,797,204)	(6,345,925)
BOND COMPLIANCE																
TAX CREDIT COMPLIANCE																
NET INCOME	**22,578,624**	**13,565,365**	**17,722,112**	**16,197,243**	**12,457,332**	**11,151,689**	**19,039,641**	**19,078,370**	**4,711,667**	**4,923,634**	**5,889,889**	**7,659,823**	**-**	**-**	**-**	**-**
OVERHEAD ALLOCATION PERCENTAGE	**33%**	**35%**	**35%**	**33%**	**32%**	**28%**	**28%**	**31%**	**27%**	**25%**	**25%**	**29%**	**7%**	**11%**	**11%**	**7%**
PROGRAM ALLOCATION PERCENTAGE																
BOND PORTFOLIO MANAGEMENT (Based on	**6%**	**8%**	**8%**	**6%**	**94%**	**92%**	**92%**	**94%**	**0%**	**0%**	**0%**	**0%**	**0%**	0%	0%	0%

WSHFC

	INFORMATION TECHNOLOGY SERVICES				EXECUTIVE ADMINISTRATION				FYE 2027	FYE 2026	@ 03/31/26	
	Budget FYE 2027	Budget FYE 2026	Projected Act FYE 2026	Actual FYE 2025	Budget FYE 2027	Budget FYE 2026	Projected Act FYE 2026	Actual FYE 2025	TOTAL BUDGET	TOTAL Budget	FYE 2026 Proj Actl	Actual FYE 2025
Revenues:												
Commission Fees	-	-	-	-	-	-	-	-	15,582,494	13,236,213	13,288,711	12,791,252
Compliance Fees	-	-	-	-	-	-	-	-	4,388,365	4,443,915	4,206,695	4,069,133
All other Program Fees	-		-	-	-		-	-	18,276,522	14,157,153	15,890,635	15,063,543
Issuance & Application Fees	-	-	-	-	-	-	-	-	16,556,706	9,413,882	17,906,445	12,908,596
Interest Revenue	-	-	-	-	-	-	-	-	11,868,242	11,920,536	12,021,722	15,349,325
Other Income	-	-	-	-	37,500	34,944	35,926	32,142	235,500	363,944	579,124	931,736
Grant Revenue	-	-	-	-	-	-	-	-	1,261,000	7,613,008	9,979,031	60,398,071
Total Unadjusted Revenues	**-**	**-**	**-**	**-**	**37,500**	**34,944**	**35,926**	**32,142**	**68,168,829**	**61,148,651**	**73,872,363**	**121,511,655**
Expenses:												
EMPLOYEE EXPENSES												
Salaries, Wages & Temp. staffing	1,426,331	948,216	665,072	538,294	2,344,926	2,284,644	2,147,992	1,966,121	14,374,368	13,014,831	11,608,685	10,233,398
Employee Benefits	371,286	238,080	167,997	124,952	642,624	590,388	552,659	(582,635)	3,744,966	3,274,357	3,030,569	1,780,999
Conference, Education & Training	51,658	29,004	33,786	14,252	68,842	63,300	26,682	26,198	278,925	235,796	113,074	91,373
TRAVEL EXPENSES	-				-				-		-	
Travel out of state	35,030	6,996	12,371	17,073	101,570	78,768	25,161	24,943	299,101	243,260	64,254	103,727
Travel in state	23,612	11,088	2,133	927	63,573	58,212	7,855	24,318	173,360	152,170	38,334	97,870
PROFESSIONAL FEES	-				-				-		-	
Accounting Fees	-	-	-	-	-	-	-	-	150,815	146,364	136,300	135,444
Legal Fees	-	-	-	-	350,000	185,004	179,946	165,062	866,000	711,012	665,706	613,350
Financial Advisor Fees	-	-	-	-	-	-	-	-	458,600	420,396	348,000	427,818
Investment Management Fees	-	-	-	-	-	-	-	-	232,500	218,004	221,532	206,018
OFFICE EXPENSE	-				-				-		-	
Office Rent/Conf. Room Rentals	60,282	44,556	38,724	27,743	104,042	111,264	104,055	187,198	615,622	615,175	543,541	532,509
Furniture & Equipment Rental	-	-	295	458	18,936	25,872	16,472	12,321	18,936	25,872	16,767	12,779
Advertising	-	-	-	-	230,035	143,232	93,155	58,675	290,435	213,136	108,153	81,827
Publications/ Subscriptions/ Dues	17,210	8,292	5,460	4,488	72,714	68,916	65,576	65,705	158,993	139,057	116,174	108,036
Deliveries	-	-	129	-	1,500	1,008	610	425	2,700	2,200	1,122	1,268
Insurance	-	-	-	-	84,000	69,996	63,752	67,960	104,000	81,996	81,980	77,522
Meeting Expense	-	-	-	598	157,000	141,976	156,774	80,977	171,750	157,221	157,516	84,060
Equipment & Building Maintenance	-	-	613	1,221	17,420	58,296	3,018	47,222	22,420	58,296	9,900	48,443
Software Maint. Support & Other Info	976,218	1,066,476	806,535	626,654	115,638	336,252	136,997	142,797	2,146,927	2,408,173	1,798,413	1,578,437
Non-capitalized Equipment/Supplies	86,479	58,032	128,629	139,955	33,532	13,476	4,981	25,153	130,901	80,162	134,623	169,237
Postage	-	-	-	-	600	240	278	168	1,255	1,066	671	843
Printing	-	-	44	33	3,000	6,000	-	5,808	9,320	7,364	2,736	10,928
State Services	-	-	-	-	9,370	6,972	3,435	2,721	9,370	6,972	6,904	2,721
Supplies	2,000	2,004	11,869	7,267	10,250	35,748	8,067	44,640	19,750	43,272	25,271	57,021
Telephone	88,200	63,720	85,556	60,909	5,116	4,452	5,395	15,223	105,200	82,128	100,483	88,498
Other Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Contract Services	516,000	60,000	343,657	14,304	829,004	341,316	456,887	474,971	2,609,704	1,405,716	1,728,016	1,450,052
Depreciation	43,774	30,444	41,259	41,922	70,047	70,044	84,739	43,583	164,287	150,960	182,968	183,971
Grant Pass-Through	-	-	-	-	-	-	-	-	1,261,000	7,613,008	9,979,031	60,398,071
Total Expenses	**3,698,080**	**2,566,908**	**2,344,130**	**1,621,051**	**5,333,739**	**4,695,376**	**4,144,489**	**2,899,553**	**28,421,205**	**31,507,964**	**31,220,722**	**78,576,220**
Revenue over expense, prior to allocations	(3,698,080)	(2,566,908)	(2,344,130)	(1,621,051)	(5,296,239)	(4,660,432)	(4,108,563)	(2,867,410)	39,747,624	29,640,687	42,651,641	42,935,436
% of Total Expenses	13.6%	10.7%	11.0%	8.9%	19.6%	19.7%	19.5%	16.0%	100%	100%	100%	100%
NET INCOME	(3,698,080)	(2,566,908)	(2,344,130)	(1,621,051)	(5,296,239)	(4,660,432)	(4,108,563)	(2,867,410)	39,747,624	29,640,687	42,651,641	42,935,436
OVERHEAD ALLOCATION	3,698,080	2,566,908	2,344,130	1,621,051	5,296,239	4,660,432	4,108,563	2,867,410	-	-	-	-
PROGRAM ALLOCATION												
BOND PORTFOLIO MANAGEMENT	-	-	-	-	-	-	-	-	-	-	-	-
BOND COMPLIANCE												
TAX CREDIT COMPLIANCE												
NET INCOME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,747,624**	**29,640,687**	**42,651,641**	**42,935,436**
OVERHEAD ALLOCATION PERCENTAGE									**100%**	**100%**	**100%**	**100%**
PROGRAM ALLOCATION PERCENTAGE												
BOND PORTFOLIO MANAGEMENT (Based on									**100%**	**100%**	**100%**	**100%**

Washington State Housing Finance Commission
Projected Statement of Operations
FYE 26 Projected Actual & FYE 27 Budget versus FYE 26 Budget

	FYE 2027 Bdgt vs. FYE 2026 Bdgt Change	FYE 2027 Bdgt vs. FYE 2026 Bdgt Variance	FYE 2026 Budget	FYE 2027 Budget	@ 03/31/26 FYE 2026 Projected Actual	FYE 2027 Bdgt vs. FYE 2026 Proj Variance	FYE 2027 Bdgt vs. FYE 2026 Prj Change	FYE 2027 Budget %
Revenues:								
Program Fees	20%	6,410,100	31,837,281	**38,247,381**	33,386,041	4,861,340	15%	**57.2%**
Issuance & Application Fees	76%	7,142,824	9,413,882	**16,556,706**	17,906,445	(1,349,739)	-8%	**24.7%**
Interest Revenue	0%	(52,294)	11,920,536	**11,868,242**	12,021,722	(153,480)	-1%	**17.7%**
Other Income	-35%	(128,444)	363,944	**235,500**	579,124	(343,624)	-59%	**0.4%**
Total Unadjusted Revenues excluding Grants	**25%**	**13,372,186**	**53,535,643**	**66,907,829**	**63,893,332**	**3,014,497**	**5%**	**500%**
Expenses:								
EMPLOYEE EXPENSES								
Salaries, Wages & Temp. staffing	10%	1,359,537	13,014,831	**14,374,368**	11,608,685	2,765,683	24%	**52.9%**
Employee Benefits	14%	470,609	3,274,357	**3,744,966**	3,030,569	714,397	24%	**13.8%**
Conference, Education & Training	18%	43,129	235,796	**278,925**	113,074	165,851	147%	**1.0%**
TRAVEL EXPENSES								
Travel out of state	23%	55,841	243,260	**299,101**	64,254	234,847	365%	**1.1%**
Travel in state	14%	21,190	152,170	**173,360**	38,334	135,026	352%	**0.6%**
PROFESSIONAL FEES								
Accounting Fees	3%	4,451	146,364	**150,815**	136,300	14,516	11%	**0.6%**
Legal Fees	22%	154,988	711,012	**866,000**	665,706	200,294	30%	**3.2%**
Financial Advisor Fees	9%	38,204	420,396	**458,600**	348,000	110,600	32%	**1.7%**
Investment Management Fees	7%	14,496	218,004	**232,500**	221,532	10,968	5%	**0.9%**
OFFICE EXPENSE								
Office Rent/Conf. Room Rentals	0%	447	615,175	**615,622**	543,541	72,081	13%	**2.3%**
Furniture & Equipment Rental	-27%	(6,936)	25,872	**18,936**	16,767	2,169	13%	**0.1%**
Advertising	36%	77,299	213,136	**290,435**	108,153	182,282	169%	**1.1%**
Publications/ Subscriptions/ Dues	14%	19,936	139,057	**158,993**	116,174	42,819	37%	**0.6%**
Deliveries	23%	500	2,200	**2,700**	1,122	1,578	141%	**0.0%**
Insurance	27%	22,004	81,996	**104,000**	81,980	22,020	27%	**0.4%**
Meeting Expense	9%	14,529	157,221	**171,750**	157,516	14,234	9%	**0.6%**
Equipment & Building Maintenance	-62%	(35,876)	58,296	**22,420**	9,900	12,520	126%	**0.1%**
Software Maint. Support & Info Svcs	-11%	(261,246)	2,408,173	**2,146,927**	1,798,413	348,514	19%	**7.9%**
Non-capitalized Equipment/Supplies	63%	50,739	80,162	**130,901**	134,623	(3,722)	-3%	**0.5%**
Postage	18%	189	1,066	**1,255**	671	584	87%	**0.0%**
Printing	27%	1,956	7,364	**9,320**	2,736	6,584	241%	**0.0%**
State Services	34%	2,398	6,972	**9,370**	6,904	2,466	36%	**0.0%**
Supplies	-54%	(23,522)	43,272	**19,750**	25,271	(5,521)	-22%	**0.1%**
Telephone	28%	23,072	82,128	**105,200**	100,483	4,717	5%	**0.4%**
Contract Services	86%	1,203,988	1,405,716	**2,609,704**	1,728,016	881,688	51%	**9.6%**
Depreciation	9%	13,327	150,960	**164,287**	182,968	(18,681)	-10%	**0.6%**
Total Expenses excluding Grants	**14%**	**3,265,249**	**23,894,956**	**27,160,205**	**21,241,691**	**5,918,514**	**28%**	**200%**
Grant Pass-Through Revenue	-83%	(6,352,008)	7,613,008	**1,261,000**	9,979,031	(8,718,031)	-87%	
Grant Pass-Through Expense	-83%	6,352,008	(7,613,008)	**(1,261,000)**	(9,979,031)	8,718,031	-87%	
Total Grants Net		-	-	-	-	-		
EXCESS OF REVENUES OVER EXPENSES	**34%**	**10,106,937**	**29,640,687**	**39,747,624**	**42,651,641**	**(2,904,017)**	**-7%**	

STAFFING SUMMARY

Division/Entity	Fiscal Year 2026 Budget	FY 27 FTE Addition/(Reduction) Manager	Analyst	Admin/ Specialist	Fiscal Year 2027 Budget
Homeownership	19.30		1.00	0.20	20.50
MHCF	22.30		0.70		23.00
Asset Mgmt Compliance	16.30				16.30
Finance	12.80				12.80
Administration	16.53	(0.65)		1.00	16.88
IT	6.91	1.95	1.00		9.86
WSHFC	**94.14**	**1.30**	**2.70**	**1.20**	**99.34**
WHEFA	0.86				0.86
TSA	-		-		-
Total	95.00	1.30	2.70	1.20	100.20

WASHINGTON STATE HOUSING FINANCE COMMISSION
CAPITAL BUDGET SUMMARY
For The Budget Year Ending: June 30, 2027

CATEGORY Program	Description	TOTAL
OTHER OFFICE EQUIPMENT		
ITS	Board Room Video and Audio System	40,000
	TOTAL OTHER OFFICE EQUIPMENT	40,000
	GRAND TOTAL	$ 40,000

Allowance for Annual Depreciation:	Life	Basis	In Service	Depreciation
ITS - Board Room Video and Audio System	3	40,000	July 2026	13,333
New Depreciation				13,333
Depreciation of Existing Capital Assets				
ADM - Furniture, Equipment	3 - 7			70,047
MFH - On-line Application & Community Build	3			19,510
ITS - Rubrik, Network Wiring	3			30,441
HBE - Homebuyer Portal	3			30,957
Total Depreciation				$ 164,287

Totals may not add due to rounding.

Printed: 5/13/2026

First-time Home Buyers (FTH)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	17.62	16.14	16.43
Temporary	-	-	-
Total FTE's	**17.62**	**16.14**	**16.43**
Program Budget			
Fee Income	27,267,016	19,914,473	16,993,034
Interest Income	-	-	-
Other Income	-	1,796,346	-
Grant Program Income	-	-	-
Total Revenue	27,267,016	21,710,819	16,993,034
Employee Expenses	3,606,941	2,886,872	3,171,048
Travel Expenses	64,272	10,367	59,664
Professional Fees	619,900	685,726	492,600
Office Expenses	387,551	337,272	428,916
Grant Program Expense	-	-	-
Total Expenses	4,678,664	3,920,237	4,152,228
Income over Expense Excess (Deficit)	22,588,352	17,790,582	12,840,806
Overhead Allocation	218,195	1,258,574	796,804
Program Allocation	213,986	200,056	222,112
Total Income/(Loss)	23,020,533	19,249,212	13,859,722

Homebuyers Education (HBE)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	2.87	2.73	2.87
Temporary			
Total FTE's	**2.87**	**2.73**	**2.87**
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	67,000	(1,033,704)	156,000
Grant Program Income	1,261,000	10,006,445	7,613,008
Total Revenue	1,328,000	8,972,742	7,769,008
Employee Expenses	527,606	431,441	502,608
Travel Expenses	10,469	521	10,416
Professional Fees	40,000	30,247	32,004
Office Expenses	67,955	67,294	67,245
Grant Program Expense	1,261,000	10,006,445	7,613,008
Total Expenses	1,907,030	10,535,948	8,225,281
Income over Expense Excess (Deficit)	(579,030)	(1,563,206)	(456,273)
Overhead Allocation	30,128	169,994	117,494
Program Allocation	106,993	100,028	44,422
Total Income/(Loss)	(441,909)	(1,293,184)	(294,357)

Multi-Family Housing & Community Facilities
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	23.00	21.60	22.30
Temporary	-	-	-
Total FTE's	**23.00**	**21.60**	**22.30**
Program Budget			
Fee Income	12,317,839	17,233,930	10,605,024
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	12,317,839	17,233,930	10,605,024
Employee Expenses	4,113,488	3,361,116	3,762,840
Travel Expenses	74,670	15,961	71,100
Professional Fees	545,000	153,922	290,004
Office Expenses	395,194	310,361	366,865
Grant Program Expense	-	-	-
Total Expenses	5,128,352	3,841,360	4,490,809
Income over Expense Excess (Deficit)	7,189,487	13,392,571	6,114,215
Overhead Allocation	239,166	1,233,642	861,777
Program Allocation	5,028,679	4,413,428	4,175,697
Total Income/(Loss)	12,457,332	19,039,641	11,151,689

Compliance (COM)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	16.30	15.55	16.30
Temporary	-	-	-
Total FTE's	**16.30**	**15.55**	**16.30**
Program Budget			
Fee Income	8,759,842	8,564,922	8,337,720
Interest Income	-	-	-
Other Income	127,000	145,744	168,997
Grant Program Income	-	-	-
Total Revenue	8,886,842	8,710,666	8,506,717
Employee Expenses	3,088,900	2,845,473	2,895,888
Travel Expenses	57,240	27,427	57,216
Professional Fees	797,000	674,617	1,005,000
Office Expenses	436,274	373,535	475,845
Grant Program Expense	-	-	-
Total Expenses	4,379,414	3,921,052	4,433,949
Income over Expense Excess (Deficit)	4,507,428	4,789,614	4,072,768
Overhead Allocation	204,239	1,100,275	850,866
Program Allocation	-	-	-
Total Income/(Loss)	4,711,667	5,889,889	4,923,634

Bond Portfolio Management (BPM)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	4.09	3.59	4.09
Temporary			
Total FTE's	**4.09**	**3.59**	**4.09**
Program Budget			
Fee Income	6,459,390	5,633,321	5,315,385
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	6,459,390	5,633,321	5,315,385
Employee Expenses	746,841	565,883	707,929
Travel Expenses	13,428	239	13,410
Professional Fees	229,215	224,160	211,560
Office Expenses	174,533	140,436	147,602
Grant Program Expense	-	-	-
Total Expenses	1,164,017	930,717	1,080,500
Income over Expense Excess (Deficit)	5,295,373	4,702,604	4,234,885
Overhead Allocation	54,285	298,803	207,346
Program Allocation	(5,349,658)	(5,001,406)	(4,442,231)
Total Income/(Loss)	-	-	-

General Operations (GOP)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	8.71	6.71	8.71
Temporary	-	-	-
Total FTE's	**8.71**	**6.71**	**8.71**
Program Budget			
Fee Income	-	-	-
Interest Income	11,868,242	12,408,713	11,920,536
Other Income	4,000	4,774	4,003
Grant Program Income	-	-	-
Total Revenue	11,872,242	12,413,487	11,924,539
Employee Expenses	1,408,816	1,093,452	1,331,040
Travel Expenses	28,597	702	28,560
Professional Fees	391,500	362,935	284,004
Office Expenses	302,997	173,618	219,309
Grant Program Expense	-	-	-
Total Expenses	2,131,910	1,630,707	1,862,913
Income over Expense Excess (Deficit)	9,740,332	10,782,781	10,061,626
Overhead Allocation	(9,740,332)	(10,782,781)	(10,061,626)
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-

IT Services (rev 07/08 from BIT) (ITS)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	9.86	6.97	6.91
Temporary			
Total FTE's	**9.86**	**6.97**	**6.91**
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	-	-	-
Employee Expenses	1,849,275	869,236	1,215,300
Travel Expenses	58,642	14,544	18,084
Professional Fees	516,000	344,601	60,000
Office Expenses	1,274,163	1,115,749	1,273,524
Grant Program Expense	-	-	-
Total Expenses	3,698,080	2,344,130	2,566,908
Income over Expense Excess (Deficit)	(3,698,080)	(2,344,130)	(2,566,908)
Overhead Allocation	3,698,080	2,344,130	2,566,908
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-

Administration (ADM)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	16.88	14.55	16.53
Temporary	-	-	-
Total FTE's	**16.88**	**14.55**	**16.53**
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	37,500	36,025	34,944
Grant Program Income	-	-	-
Total Revenue	37,500	36,025	34,944
Employee Expenses	3,033,535	2,726,756	2,915,844
Travel Expenses	104,493	24,495	66,684
Professional Fees	1,179,004	638,583	526,320
Office Expenses	910,850	740,901	1,067,913
Grant Program Expense	-	-	-
Total Expenses	5,227,882	4,130,735	4,576,761
Income over Expense Excess (Deficit)	(5,190,382)	(4,094,710)	(4,541,817)
Overhead Allocation	5,190,382	4,094,710	4,541,817
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-

Commissioners (EXO)
Budget Summary for the fiscal year ending: June 30, 2027

FINANCIAL AND PROGRAM INFORMATION

	FYE 27 Proposed Budget	FYE 26 Projected Actual	FYE 26 Budget as Adopted
Personnel Resources [FTE's]			
Permanent			
Temporary			
Total FTE's	**-**	**-**	**-**
Program Budget			
Fee Income	-	-	-
Interest Income	-	-	-
Other Income	-	-	-
Grant Program Income	-	-	-
Total Revenue	-	-	-
Employee Expenses	22,857	8,070	22,488
Travel Expenses	60,650	8,612	70,296
Professional Fees	-	-	-
Office Expenses	22,350	8,457	25,831
Grant Program Expense	-	-	-
Total Expenses	105,857	25,140	118,615
Income over Expense Excess (Deficit)	(105,857)	(25,140)	(118,615)
Overhead Allocation	105,857	25,140	118,615
Program Allocation	-	-	-
Total Income/(Loss)	-	-	-


QUESTIONS

2026 Program Related Investment (PRI) Proposal

Requests for allocation from 2026 PRI Undesignated to four main initiatives.

1. $10 million: Critical Community Response Program
   (Existing; Total Asset $48m)

2. $15 million: Evergreen Housing Impact Fund (New; with 3rd party)

3. $10 million: Offsite Production Innovation Fund (New; with 3rd party)

4. $5 million: HO Revolving Construction Catalyst Fund (New; with 3rd party)

<u>2026 PRI Proposal</u>:

1. **Invest Critical Community Response Program**

The PRI – Critical Community Response (CCR) Program was created in 2015 with total assets of $47 million, of which $26 million is currently outstanding. The CCR provides flexible financing to preserve existing housing, repurpose or stabilize critical community assets, and support the development of urgently needed housing and related community projects. This nimble tool has been essential in responding to a wide range of emerging community needs.

The program's top priority is supporting existing Commission-financed multifamily properties that serve low-income households and meet one or more of the following conditions:

- Serve a unique or vulnerable population
- Pose current health or safety risks
- Are located in areas with few safe, affordable alternatives
- Are at risk of being lost from the affordable housing portfolio

The next priority is new-construction multifamily projects in difficult-to-develop areas where other funding sources are not available.

Finally, the program may support facilities that provide essential health or social services, fill gaps in community infrastructure, or are identified as critical by the community, the Legislature, or due to their historical, cultural, or unique community role.

2026 PRI Proposal:

2. Evergreen Housing Impact Fund

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Opening doors to a better life

Proposed Product Memo

prepared by Dan Rothman
to guide future conversation and feasibility

Purpose

Create an affordable housing fund for an existing, productive program that aligns with investor expectations on return and timing of repayment.

Background

The Evergreen Impact Housing Fund (EIHF) was launched in 2020 to address a persistent barrier in affordable housing development across Washington State: projects that were nearly financed but stalled because they lacked a small portion of final capital. Managed by the Seattle Foundation, EIHF was created as a public-private partnership with the Washington State Housing Finance Commission, regional credit unions, and philanthropic and corporate investors to provide patient, low-interest "last-dollar" financing that unlocks these stalled developments.

The fund began with an $11 million proof-of-concept round, demonstrating that flexible gap financing could successfully move large affordable housing projects into construction. Early success attracted major additional investment from partners including Microsoft, JPMorgan Chase, and the Tableau Foundation, enabling EIHF to scale rapidly.

By aligning its investments with proven tools such as tax-exempt bonds and the federal 4% Low-Income Housing Tax Credit, EIHF reduces risk while leveraging significant public and private capital. Since its launch, the fund has helped finance multiple large-scale developments, catalyzing hundreds of millions of dollars in total investment and supporting the creation of thousands of affordable homes for working families and under-resourced communities. Today, EIHF is recognized as a replicable model for using impact capital to accelerate affordable housing production and advance housing stability, equity, and economic opportunity throughout Washington State.

Portfolio

Project	Location	Affordable Units	BR / Unit	People Housed (est.)	Avg. AMI	EIHF Loan	Total Project Size
Solera	Renton, WA	275	2.28	939	50%	$10.5M	$115.5M

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Opening doors to a better life

Nicole Bascomb-Green
Chair

Steve Walker
Executive Director

Proposed Product Memo

Copper Way	Spanaway, WA	256	2.25	864	60%	$8.75M	$85.3M
Aries	Seattle, WA	200	1.71	513	55%	$8.6M	$76.4M
Watershed	Renton, WA	145	1.65	359	55%	$10.8M	$63.2M
Polaris (Totem Lake)	Kirkland, WA	260	1.9	743	57%	$13.0M	$130.7M
Orchard Vista	Spokane, WA	240	1.79	644	60%	$4.75M	$68.5M

Key Terms

EIHF provides subordinate gap financing, structured as a second-lien loan funded after construction at or before senior loan conversion. Other key terms listed below.

Loan Term	15–17 years, aligned with the LIHTC compliance period
Interest Rate	3.0% fixed
Repayment Source	Annual payments from 50% of Residual Receipts (cash flow after operating expenses and senior debt service)
Payment Priority	Applied first to accrued interest, then to principal
Payment Calculation	Residual receipts calculated and certified annually by independent auditor within 120 days of fiscal year-end
Loan Fee	1% of principal, paid at bond/LIHTC closing to WSHFC; includes EIHF legal documentation costs
Prepayment	Mandatory upon sale, transfer, or refinance; no optional prepayment without EIHF consent during first 14 years

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Nicole Bascomb-Green
Chair

Steve Walker
Executive Director

Proposed Product Memo

Concept

EIHF staff have received feedback indicating that long-term investments of 15 years or more at a 3% interest rate—particularly after accounting for fund-level fees—present challenges for attracting and committing capital. To expand the pool of available investment dollars, the Fund is evaluating ways to shorten the expected investment duration and improve overall returns for conventional investors. One potential approach is to incorporate a low-cost investment from the Commission, which could reduce the maturity exposure required from private investors while still enabling EIHF to offer borrowers a long-term, lower-cost financing product.

An EIHF advisory group member modeled a structure (provided in an excel document with this cover letter), based on estimate residual receipts of a project that recently received approval for funding, that demonstrate that splitting subordinate debt into a short-term, higher-yield private tranche (Series A) and a long-term, low-cost public tranche (Series B) materially improves feasibility for conventional investors while preserving borrower affordability. In the model, 50% of the proposed $5.0 million investment is repaid to private investors over a 7-year amortization at ~5.5%, generating strong early-period cash flow coverage and a clear exit aligned with private capital expectations.

At the same time, the Commission-style tranche carries a 30-year, 1% cost, absorbing long-duration exposure and enabling the overall subordinate capital stack to maintain a patient, affordable profile consistent with mission objectives. Combined debt service remains fully supported by projected subordinate cash flow with DSCRs above 1.15x in early years and improving over time, indicating the structure can shorten private investor duration, increase returns, and still deliver long-term, low-cost financing to the project.

2026 PRI Proposal:

3. Offsite Innovation Fund —

The Opportunity

Small, mission-aligned private developers are increasingly using offsite construction to build affordable starter homes on infill lots statewide. These builders—supported by models like the HomeSight–Field Order 15 Fund—can deliver homes for 80–120% AMI faster and more predictably than conventional construction.

Their barrier is not capacity. It is access to capital that matches the front-loaded cost structure of offsite production.

The Problem

Offsite construction requires large upfront payments for factory deposits, engineering, materials, and prefabrication—costs that occur before traditional construction loans will disburse.

Small developers cannot carry these early expenses, and Washington's lending market is built around conventional onsite draw schedules, not offsite manufacturing. Lenders lack the risk models and experience to finance these projects, leaving a proven construction method out of reach for the very developers positioned to scale it.

How the Fund Works

WSHFC's $10M capitalizes a revolving loan fund designed to bring conventional lenders into the offsite market. The structure—whether gap loans, credit enhancements, or guarantees—will be shaped directly with lenders to reduce risk and align with offsite production timelines.

Potential administrators include participating banks. WSHFC's capital acts as a first-loss or guarantee layer, unlocking private co-investment and enabling developers to "pre-buy" homes. As projects complete and loans repay, capital recycles to the next cohort.

Over time, as lenders gain experience and confidence, offsite construction becomes a bankable, market-supported product, reducing the need for public subsidy.

Ecosystem Fit

The Starter Home Plan's Ecosystem Playbook identifies this financing gap as a central barrier to scaling offsite production in Washington.

National Proof Points

Other states demonstrate that targeted public capital can unlock private lending for offsite housing:

- LISC LA: $5.83M revolving fund covering upfront manufacturer deposits.
- Colorado Prop 123: Below-market loans to offsite manufacturers.
- Oregon Modular Housing Development Fund: $20M to expand factory capacity.

Washington's approach is distinct: it focuses on developers, not factories—supporting small, mission-aligned builders who activate infill sites and produce homes for working families.

The Goal

Grow Washington's developer ecosystem, normalize offsite construction within the lending market, expand factory capacity, and build a self-sustaining starter-home production system that no longer relies on ongoing public subsidy.

2026 PRI Proposal:

4. Affordable Homeownership Revolving Construction Catalyst Fund

The Affordable Homeownership Revolving Construction Catalyst Fund is a proposed $5–$10 million WSHFC investment designed to accelerate the production of affordable for-sale homes across Washington. Nonprofit homeownership developers—community land trusts, Habitat for Humanity affiliates, and similar organizations—are proven producers of homes for low-income households, but their work is consistently slowed by limited access to affordable construction capital.

A WSHFC-capitalized revolving loan fund, administered by a mission-aligned CDFI, would remove this bottleneck by providing low-cost, flexible predevelopment and construction financing. Because loans are repaid as homes are sold, capital continuously recycles, creating a self-sustaining pipeline of homes affordable primarily to households in the 50–80% AMI range.

Projects must incorporate 2D panelized or 3D modular construction, helping aggregate demand and expand statewide off-site construction capacity. All homes will use shared-equity models and remain affordable for at least 50 years.

The fund is structured to attract additional public and private co-investment, multiplying WSHFC's impact while keeping financing costs low. By enabling nonprofits to build on land they already hold—and by moving at market speed—this catalyst fund directly addresses one of the most persistent barriers to affordable homeownership production in Washington.

Asset Management & Compliance Division

Wubet Biratu

Asset Management & Compliance Director

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Portfolio At a Glance

BUDGET SESSION 2026

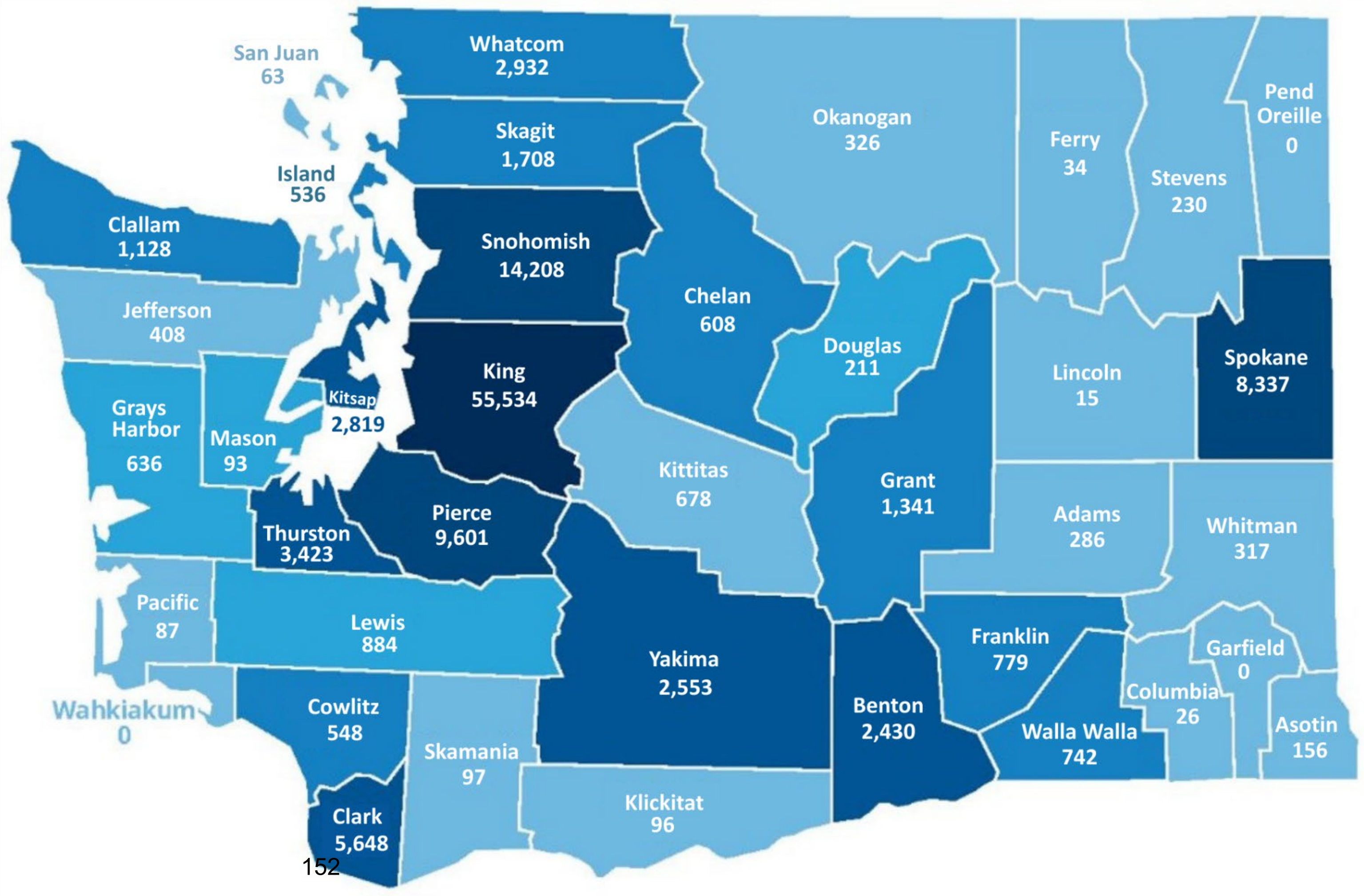
As of December 2025

119,178

Total Affordable Housing Units

1,198

Tax Credit (9% & 4%) & Bond-only Properties Monitored



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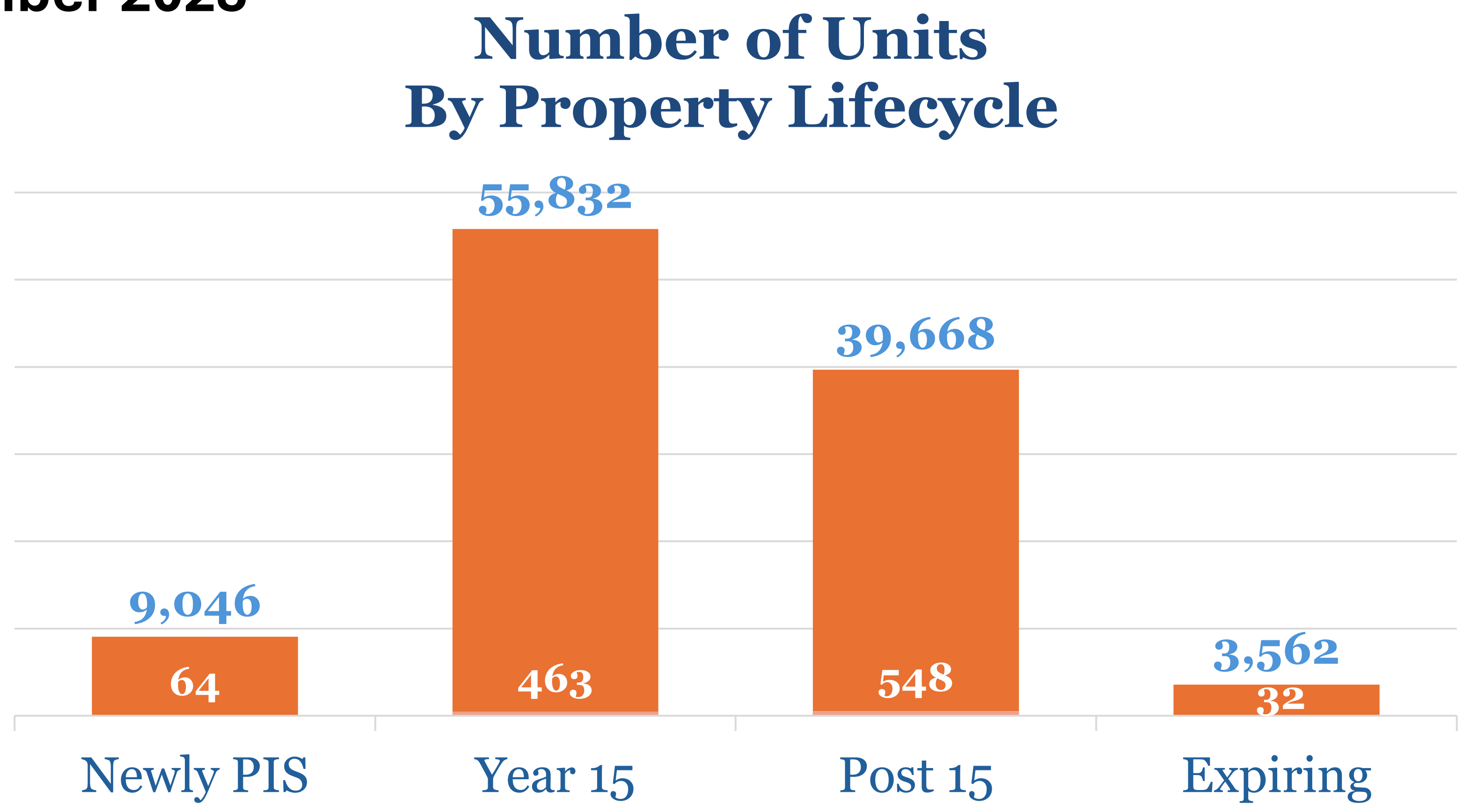
Portfolio At a Glance

BUDGET SESSION 2026

As of December 2025



Four Perspectives

- Financial Stewardship
- Engagement
- Internal Processes
- Learning, Growth, & Inclusion

Four Perspectives

Financial Stewardship

- Compliance Monitoring
- Physical Monitoring
- Asset and Risk Management

Engagement

Internal Processes

Learning, Growth, & Inclusion

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Four Perspectives

BUDGET SESSION 2026

Financial Stewardship

Engagement

- Internal/External stakeholder engagement
- Stakeholder Education
- Partnership/Relationship building

Internal Processes

Learning, Growth, & Inclusion

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Four Perspectives

BUDGET SESSION 2026

Financial Stewardship

Engagement

Internal Processes

Learning, Growth, & Inclusion

- Optimization of divisional business processes by leveraging technology, standardization, and documentation.
- Improve data analysis and reporting for data informed decision making.

Four Perspectives

Financial Stewardship

Engagement

Internal Processes

Learning, Growth, & Inclusion

- Cultivate skill development and growth.
- Promote innovation and creativity.
- Cultivate connection and collaboration.

SUCCESSES

What we achieved

CHALLENGES

What we're navigating

OPPORTUNITIES

Where we're going

Financial Stewardship: Successes

UNITS MONITORED
(as of 12/2025)

107,000

IN OVER

1,150

PROPERTIES

22 ARRA REVIEWS	**1,061** TAX CREDIT REVIEWS	**70** BOND REVIEWS

Monitoring Results:
2025 Reporting Year

659 Total Noncompliance Notices

- **414** IRS 8823
- **245** State Notices

48% Portfolio Affected

82% Notices Issued are Corrected

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Financial Stewardship: Successes

BUDGET SESSION 2026

5,000
UNITS INSPECTED
in 349 properties

ADOPTION OF ASSET MANAGEMENT FRAMEWORK

4 PROPERTIES PRESERVED
through Retargeting

PILOTED ORGANIZATIONAL ASSESSMENT
with other public funders

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HOUSING FINANCE COMMISSION

Financial Stewardship: Challenges & Opportunities

BUDGET SESSION 2026

Challenges

- Portfolio Growth and increasing workload
- HOTMA implementation & adoption delays by other funders
- Asset Management and Risk assessment integration

Opportunities

- Capacity and efficiency building
- Proactive compliance monitoring practices
- Workflow integration from policy-allocation-monitoring
- Improve Data analysis and Reporting

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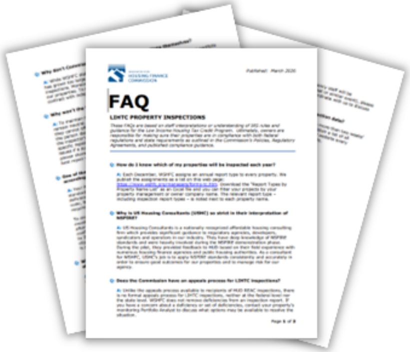
Engagement: Successes

BUDGET SESSION 2026

NEW!

Contact Us Form



NEW!

Inspections FAQ

REFRESHED

Training Materials

ENHANCED

Fair Housing Resources

ONGOING

Revisions of Program Eligibility Forms

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Engagement: Successes

BUDGET SESSION 2026

7
Compliance Workshops Hosted

Statewide
In-Person & Virtual

450+
Property Managers & Owners Reached

Highlights from the Training Survey:

> *I enjoyed this class and the trainers very much. They were very informative and answered questions when needed. Thank you so much!*

> *I really enjoyed this training, got a lot out of it. The format was easy to follow this training, the flow was better and more engaging.*

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Engagement: Successes

BUDGET SESSION 2026

Customer Service Portal

2025 Impact

283

TICKETS LOGGED

Jul-Dec 2025

A year of transformation, visibility, and stronger customer service.

Centralized & Transparent

Shared system replaced siloed tracking.
Full visibility into inquiries and responses.

More Efficient Response

Faster answers to leadership. Reduced disruption to Portfolio Analysts. Standardized responses via scenario guide.

Real-Time Operations

Live tracking of tickets and follow-ups. Streamlined intake channels: voicemail, email, and online form.

Data-Driven Insights

Identifying trends across portfolios to inform outreach, training, and proactive planning.

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Engagement: Challenges & Opportunities

BUDGET SESSION 2026

Challenges

- Training demand at capacity
- Coordination with other Public Funders around changes.
- Integrating engagement into existing workflows

Opportunities

- Expand training access
- Improve coordination
- Expand engagement & stakeholder participation
- Expand Resources access

Internal Processes: Successes

IN PROGRESS

SOP Development

Standardizing processes for consistency, clarity, sustainability and training.

IN PROGRESS

Workflow Improvement

Improving cross-division and database workflows.

IN PROGRESS

Asset Management Procedures

Risk Assessment tools to strengthen proactive monitoring and increase visibility.

UPDATED

Forms Updated

Keeping forms current, streamlined, clear, easy and accessible

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Internal Processes: Successes

BUDGET SESSION 2026

IN PROGRESS

WBARS Update

3.0 version launch & testing
- Funder and stakeholder's input
- User accessibility and
- Data accuracy and validation

Upcoming:
- AIT Functionality
- Table 4 overhaul

NEW!

Connected Homebase & Laserfiche via API

Streamline processes and reduces manual effort.

Internal Processes: Challenges & Opportunities

Challenges

- Complex workflow creates bottlenecks
- Administrative work takes too much time
- Data & document management can be improved

Opportunities

- Automate & offload administrative work
- Improve data & document management
- Streamline. Save Time. Drive Impact.

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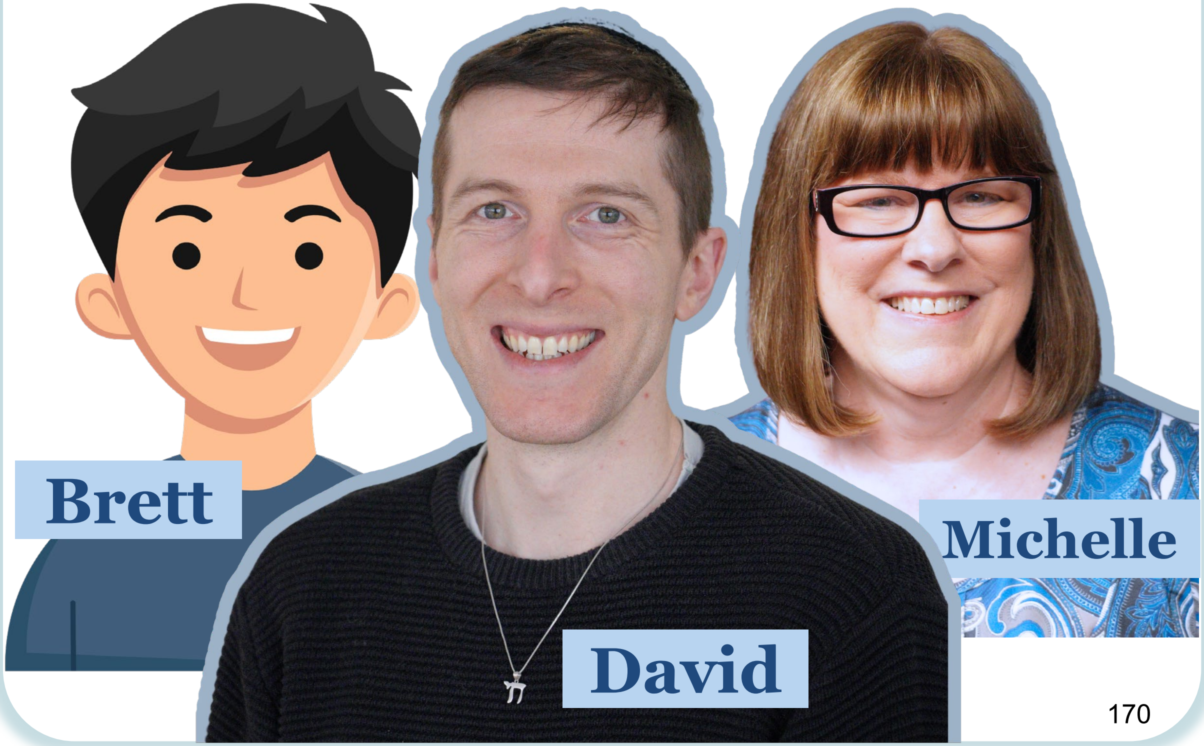
Learning, Growth & Inclusion: Successes

Onboarded
Three Portfolio Analysts



Hired an
Asset Management Analyst
(new position)

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Learning, Growth & Inclusion: Successes

We work
HARD,

We play
HARD.

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Learning, Growth & Inclusion: Challenges & Opportunities

Challenges

- **Competing priorities**
  Deadlines vs added responsibilities
- **Limited time for learning**
  Daily work vs continuous growth

Opportunities

- **Create clear and achievable workplan**
  Annual operational calendar and Personal Development Plan
- **Create dedicated development time**
  Intentional space for learning and professional development

Questions?

Crisis Communications
Decision Making and Response

Margret Graham
Communications Director

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Overarching Goals

- To maintain community trust, accountability and transparency
- To ensure that our work can continue
- To protect our reputation.

Are these threatened…?

Assessing the Situation

How do we respond – or should we?

- Are we responsible? (our policy or decision)
- How wide is the scope and how far could consequences ripple?
- How deep is potential disruption?
- How long could it last?
- What is the potential cost to Commission?

Red Alert!

What Do We Do?

- Assemble core crisis response team
  - ✓Margret and Resource Media plus as appropriate: Steve, division director(s), Nashika, legal counsel
- Create a plan of action and roles/responsibilities for internal and external communications
- Draft communications that reflect facts, status, proactive steps, and the "why"
- Implement, monitor, adapt

Advance Planning

Specific Plans for Higher-Risk Programs

- Advance scenario planning (what could go wrong?)
- Messaging and talking points
- Holding statements for media, website, etc.
- Authorized spokespeople

Example

“The Covenant Homeownership Program was established by the Washington State Legislature to address the state’s documented role in discriminatory barriers to homeownership. The Commission continues to stand firmly behind this program and its strong legal foundation.

“Since its launch, the program has helped nearly 1,300 Washington households achieve homeownership through downpayment assistance loans. These loans support first-time buyers whose families experienced housing discrimination before April 1968, when the Fair Housing Act was passed.

“Along with the Covenant Homeownership Program, the Commission offers an array of other home loans and downpayment programs for all low- and moderate-income homebuyers, so that everyone can be supported on their homeownership journey.”

Thank you!


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QUESTIONS
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WASHINGTON STATE HOUSING FINANCE COMMISSION

DAY 2 AGENDA

Day 2 Agenda	
9:00 am	Executive Session Executive Director Performance Evaluation
10:00 am	Continuation of Division Reports Finance Division *Lucas Loranger* Organizational Strategy & Engagement *Nashika Stanbro, Director* Communications Activities *Margret Graham, Director* Information Technology *Bob Woodard, Director*

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DAY 2 AGENDA - Continued

BUDGET SESSION 2026

Day 2 Agenda (p.2)	
10:00 am	Continuation of Division Reports Administration/Executive *Bob Peterson, Deputy Director*
11:10 am	Discussion of FY2027 Budget, External Challenges & Direction to Staff *Board Chair*
*****ADJOURN BUDGET PLANNING SESSION*****	

Successes & Challenges: Finance Division

Lucas Loranger
Senior Finance Director

Mackenzie Hafer
Senior Controller

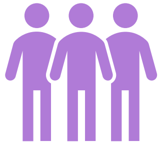
WASHINGTON STATE HOUSING FINANCE COMMISSION

Loan Financing

Bonds: House Key & Home Advantage	Will have issued $178.3 million in bonds during FY 26 for both House Key and Home Advantage programs
Mortgage Loans	Facilitated the purchase of over 4700 1st mortgage loans for $1.8 billion
PRI Loans	Funded 4800 new PRI loans for $192.9 million

Accomplishments

Received Aa2 credit rating from Moody’s, opening the door to new financing techniques in the coming year



Filled Senior Controller position, hiring Assistant Gen Ops Manager position shortly, and will be recruiting for PRI/Bond Analyst positions in the next month

Reworked internal control risk assessment framework for replicability and completeness

Challenges & Opportunities

- Staffing!
- Identify and assess external risk factors
- Maintaining issuer credit rating
- Modernizing and streamlining processes

Strategy & Engagement Update

Nashika Stanbro
Director, Organizational Strategy and Engagement

Approach | Priorities | Challenges and Opportunities| Successes

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Approach

- Systems change and Change management
- Cultivating a gracious space
- Prioritizing co-creation
- Evaluating internal and external impact

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Priorities

BUDGET SESSION 2026

- Strategic planning (Internal)
- Workplace culture (Internal)
- Equitable and sustainable polices, procedures, and practices (External/Internal)
- Community engagement (Internal/External)

Challenges/Opportunities

- Role clarity
- Strategic planning evolution (RESP to Impact)
- Equity-focused staff and leadership training
- Tribal relations
- Growing the Strategy & Engagement function to advance the Commission's ability to implement change and track measurable outcomes
- Evaluating new strategies for managing sponsorships

Successes

- Improved Conference (Complete)
- Change management scores on the employee climate survey (Complete)
- Collaborated on the revised Employee Certificate and Degree Program policy (Complete)
- Co-hosted a staff interactive learning session on Land Acknowledgements (Complete)
- Launched an Equity and Accessibility Committee to support Housing WA

Successes

Completed development, testing, and implementation of the Racial Equity Strategic Plan (RESP) accountability tool (Complete)

RESP portfolios

- Portfolio 1: Complete and Evolving
- Portfolio 2: Active and Accountable
- Portfolio 3: Embedded as Core Practices

Evolution from RESP to Impact

- Equity institutionalized
- Impact framework
- Impact team

Successes

Co-sponsored the cross-organizational Community Engagement (CE) team to advance understanding of community engagement across the organization. (Ongoing)

- International Association for Public Participation (IAP2) training for CE team members.
- Community engagement business objective
- Community engagement budgeting

Questions?

Communications Update

Margret Graham
Communications Director

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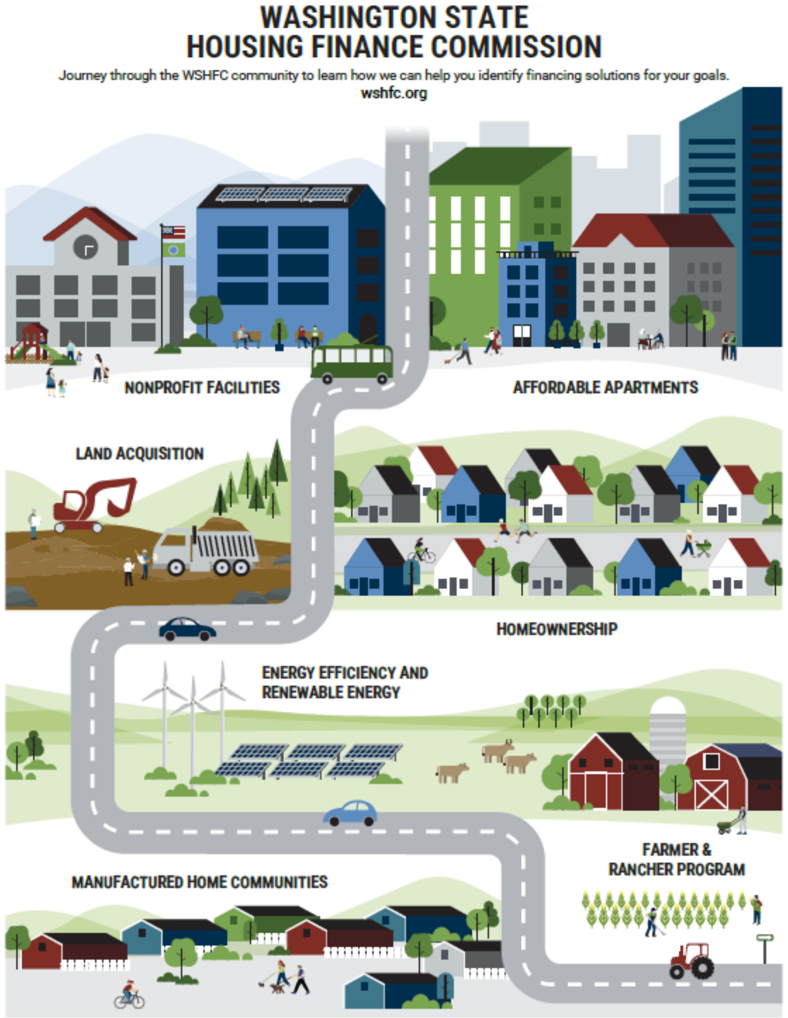
Community Engagement

...continued

- WSHFC Handout
- Learn at Lunch Presentation
- Coordinating Events & Sponsorships



Partnering with DEI

- Tribal relations
- Land acknowledgement
- Impact team planning
- Enhancing accessibility at Housing WA

Homeownership Outreach

- Deepening connections with Native/Tribal orgs and leaders
- Connecting with Native Hawaiian and Pacific Islander communities
- Forming relationships in Snohomish County
- Reaching renters where they live
- Homebuyers Testimonials

External & Internal Comms

External Communications

- WSHFC.org redevelopment with IT
- State legislation and initiatives
- Media responses

Internal Communications

- Work culture enhancement
- Accountability tracker

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Housing Washington

Bigger than ever!

Improvements and Updates

- Combined with Conference on Ending Homelessness
- Strengthening & standardizing
- Increased investment of resources and staff engagement in content
- Focus on values

Thank you!


why
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who
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QUESTIONS
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Successes and Challenges: Information Technology Division

Bob Woodard

IT Director

Matt Vickery

IT Manager

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Information Technology Successes

BUDGET SESSION 2026

Continued the digital transformation by implementing additional Laserfiche forms and processes

ninjaOne

Implemented the Commission's Mobile Device Management (MDM) system "Ninja One."

- Added more technical staff to align IT with the Commission's data goals and broaden the skills and knowledge available to address our growing IT needs
- Focused on developing an IT Succession Plan starting with staff growth and development

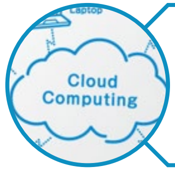
Added a layer of Web security with an update to our Threat Locker Zero Trust Platform

Last Year’s Challenges

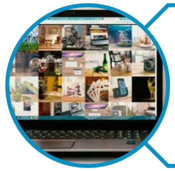
- Multifactor Authentication and separating it from personal devices
- Working towards becoming a data-driven organization
- Establishing an incident response team
- Creating a culture where cybersecurity is everyone’s responsibility

Information Technology Challenges

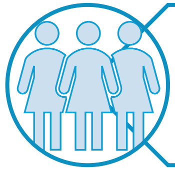
Board room audio issues and resolving the amplification issue in the room



Continuing migrating documents from local servers into the cloud for better access and improved business workflow functionality



Procuring replacement equipment in a timely manner



Finding qualified people to fill key staff roles

Creating a culture where cybersecurity is everyone’s responsibility

Questions?

Successes, Challenges & Opportunities

Administration Division

Bob Peterson

Deputy Director

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Human Resources Successes

BUDGET SESSION 2026

Successfully recruited for 11 positions.

Enhance inclusive recruiting practices by adding six new recruiting sites to expand the Commission's reach into diverse communities.

Washington State OFFICE OF EQUITY

Incorporated *WA For All* competencies into position descriptions and recruitment announcements.

Human Resources Challenges

Keeping staff engaged in a hybrid work environment.

Encouraging supervisors and staff to explore additional training opportunities to keep staff engaged and to help prepare them for the future.

We will continue to explore new recruiting platforms to expand our recruitment efforts and results.

Administration Successes

- Held 11 successful board meetings
- Held three New Commissioner Orientations.
- Housing Washington Conference sold out again!
- Closed Public Records Risk Gap with improved reporting and tracking.

Administration Challenges & Opportunities

Volume of requests for public records.

The Athena Group

Creation of a new decision matrix with the Athena Group leveraging "Safe-To-Fail" experiments.

Evolving hybrid culture. Breaking down silos. (Learn at Lunch Series)

Reengineered Administration Reception position.

Risk Management review


QUESTIONS

Subject: You're Invited to DESC's Birch Grove Grand Opening

Hello!
You're invited to the June 16th Grand Opening of Birch Grove, in Seattle's Lake City neighborhood.

☞ **RSVP NOW!**

We hope you will join us in celebrating DESC's 20th permanent supportive housing building that will house **120 people exiting chronic homelessness** and living with complex health, mental health, and substance use needs. This building represents DESC's deepened commitment to pairing housing with robust, person-centered services.

Birch Grove is named after **Helen Birch**, longtime DESC client, tenant, and beloved member of our community. Supported by unwavering staff care, Helen's journey from outreach to housing embodies the spirit of DESC. A friend of those in crisis, a teacher and volunteer, and a legend at DESC, Helen lit up our spaces — from Kerner-Scott House to our thrift store — and **her legacy continues to inspire how we serve and support.**

Our theme, **"Where Stability Takes Root: Housing, support, and a place to grow"** reflects Birch Grove as a building where clinical care, behavioral health support, and permanent housing come together to a safe and stable environment for its tenants.

Programming will include commentary from Representative Darya Farivar and other elected officials, DESC staff, and family and friends of Helen Birch.

Event Details:

- **Name:** Birch Grove Grand Opening: Where Stability Takes Root
- **Date:** Tuesday, June 16, 2026
- **Time:** Doors open at 11:30 a.m. Dedication and open house, 12–3:00 p.m.
- **Location:** DESC's Birch Grove, 2821 NE 123rd St., Seattle, WA 98125
- **Event Space:** Main Floor – Tenant Community Space
- **Food & Beverage:** Provided!

Please RSVP by using this link: DESC's Birch Grove Grand Opening: Where Stability Takes Root by DESC

If you have questions about the event, please contact Mateo Chávez at mchavez@desc.org.

I hope you'll join us as we celebrate Birch Grove, honor Helen Birch, and mark an important step forward in creating homes where people can grow roots and find stability.
Thank you.
-Daniel

Daniel Malone
Executive Director
DESC www.desc.org

9% Competitive Housing Tax Credit Program

Project Name DESC Lake City

Sponsor Downtown Emergency Service Center

Description DESC has strategically selected this location, considering proximity to existing properties, transportation accessibility, and feasibility studies. DESC Lake City will provide 24/7 onsite staffing by individuals called Residential Counselors (RCs). RCs manage the reception desk of the building and respond to day-to-day needs of the tenants, including providing hygiene supplies, distributing medication for those tenants who keep their medication at the front desk, checking in visitors, serving two meals daily, and responding to crisis as needed. During the day, Clinical Support Specialists are onsite to provide housing case management services to tenants. This includes assistance with managing appointments, connecting to behavioral and/or physical healthcare, intervention and planning around tenant behaviors that put housing in jeopardy, assisting with apartment hygiene, and money management.

Location 12051 Lake City Way NE
Seattle, WA 98125

Credit Pool King County

Project Type New Construction without Federal Subsidies

Low-Income Housing Units

Studio	120
Total	**120**

Income Set-Asides

50% of units at 30% AMI
50% of units at 50% AMI

Scoring

Additional Low-Income Housing Set-Aside	60
Additional Low-Income Use Period (22 Years)	44
Housing Commitments for Priority Populations	35
Leveraging	10
Public Funding	2
Developer Fees	10
Location Efficient Project	2

Area Targeted by a Local Jurisdiction	2
Community Revitalization Plan	1
Located in a High/Very High Opportunity Area	1
Nonprofit Sponsor	5
Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
Cost Containment Incentive	6
Total Points	**185**

Credit Request **$2,163,612**

Development Budget	
Acquisition Costs	$6,624,500
Construction	$31,753,878
Soft Costs	$4,223,187
Financing Costs	$3,374,835
Capitalized Reserves	$701,901
Other Development Costs	$1,515,000
Total Development Costs	**$48,193,301**

Permanent Sources	
Seattle Office of Housing	$12,500,000
King County HFP	$3,000,000
Commerce Apple Health and Home	$13,437,154
Tax Credit Equity at $0.8900 per credit x 10 years	$19,256,147
Total Sources	**$48,193,301**

Total Development Cost Limit	
Project's Total Development Cost Limit	$48,313,440
TDC less Land, Offsite Infrastructure, and Reserves	$40,991,400
Waiver	Not required

Project Operations

Unit Size	Market Rents	Proposed Rent Range
Studio	$ 1,205	$ 719 - 1,198

To: Steve Walker <steve.walker@wshfc.org>
Subject: You're Invited! Cedar Commons Open House, June 24

Hi Steve,

Opportunity Council would love to have you join us for a **Cedar Commons Open House**, celebrating the completion of **the first phase of this new community, including 65 new homes for families with children**.

These homes were designed to help families feel settled, supported, and connected. Cedar Commons includes onsite child care, a community computer room, and shared outdoor space where neighbors can gather and kids can play. It's a place built for everyday life—and for the future of our community.

During the open house, guests are invited to **tour the homes**, enjoy **light refreshments**, and hear **remarks from local elected officials** as we mark the opening of this new community and what it means for children, families, and a stronger community for everyone.

> Open House details
>
> **Wednesday, June 24, 2026**
>
> **2:00–4:00 pm**
>
> **Cedar Commons** (33 Bellis Fair Pkwy, Bellingham WA 9822)

If you're able to attend, please reply to this email so we know to expect you. We hope you'll stop by, look around, and help us celebrate this important first step at Cedar Commons.

Warmly,

Anneliese de Leon

Administrative Assistant

Opportunity Council | oppco.org

1419 Cornwall Avenue, Bellingham, WA 98225

Tel: 360-734-5121 || Ext: 1333

We are dedicated to helping people improve their lives through education, support, and direct assistance while advocating for just and equitable communities.

9% Competitive Housing Tax Credit Program

Project Name	Bellis Fair Family Housing
Sponsor	Opportunity Council
Description	The site, a portion of the Bellis Fair mall property, has excellent connections to services, jobs, educational institutions and two high-capacity transit routes. This 1st phase is designed for households at 30%, 50%, and 60% of the AMI. Additionally, 20% of units are set aside for households with a disability as well as another 20% of units set aside as permanent housing for families exiting from homelessness. In addition to providing affordable housing, the complex will also have a co-located 5 classroom early learning facility on site. The early learning facility will provide over 80 slots of low cost childcare.
Location	29 Bellis Fair Parkway Bellingham, WA 98226
Credit Pool	Metro
Project Type	New Construction without Federal Subsidies

Low-Income Housing Units

Studio	3
One Bedroom	36
Two Bedroom	21
Three Bedroom	3
Total	**63**

Income Set-Asides

50% of units at 30% AMI
30% of units at 50% AMI

Scoring

Additional Low-Income Housing Set-Aside	58
Additional Low-Income Use Period (22 Years)	44
Housing Commitments for Priority Populations	20
Leveraging	10
Public Funding	2
Project-Based Rental Assistance (PBRA)	2
Developer Fees	10
Location Efficient Project	2
Nonprofit Sponsor	5

Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
Total Points	**160**

Credit Request **$1,802,385**

Development Budget	
Acquisition Costs	$1,497,426
Construction	$25,750,150
Soft Costs	$4,411,083
Financing Costs	$1,242,884
Capitalized Reserves	$325,217
Other Development Costs	$648,202
Total Development Costs	**33,874,962**

Permanent Sources	
City of Bellingham	$4,020,000
State Housing Trust Fund	$5,000,000
NHTF/HOME	$3,053,892
Federal Appropriation	$2,000,000
CHIP	$278,727
FHLB / Opportunity Council	$1,000,000
Whatcom County	$2,000,000
Deferred Developer Fee	$800,000
Tax Credit Equity at $0.8750 per credit x 10 years	$15,722,343
Total Sources	**$33,874,962**

Total Development Cost Limit	
Project's Total Development Cost Limit	$27,281,988
TDC less Land, Offsite Infrastructure, and Reserves	$32,082,319
Waiver	Required

Project Operations

Unit Size	Market Rents	Proposed Rent Range
Studio	$ 1,755	$ 468-804
One Bedroom	$ 1,855	$ 500-1,040
Two Bedroom	$ 2,220	$ 598-1,246
Three Bedroom	$ 2,725	$ 688-1,437

Subject: Pathways Is In Motion!

Join us on June 3rd at 11am at the site of the future Pathways Project, located at 1200 Ruby Street in Ellensburg

As a result of the support and advocacy of partners like you, the Pathways Project on South Ruby in Ellensburg is a reality. We would be honored to celebrate this milestone together! I am excited to invite you to attend our June 3rd groundbreaking ceremony to celebrate the official start of construction.

We look forward to celebrating alongside you.

Thank you again for being part of a community that continues to make projects like this possible for families, seniors, veterans, and youth in critical need of affordable housing.

HopeSource

HOPE CHANGES EVERYTHING

Susan Grindle
CEO
Tel: 509-925-1448
606 W. 3rd Ave.
Ellensburg WA 98926

9% Competitive Housing Tax Credit Program

Project Name	Pathways Place
Sponsor	HopeSource
Description	Pathways Place is a new construction/rehabilitation project in Ellensburg that will serve 39 Senior households up to 50% AMI and 39 households up to 30% AMI, including 20 Permanent Supportive Housing units for Seniors presently experiencing homelessness. It will consist of two new 3 story buildings, the rehabilitation of an existing building, and a new 2,000 square foot community clubhouse. The project location is in a neighborhood close to shopping and services.
Location	1200 S Ruby Street Ellensburg, WA 98926
Credit Pool	Non-Metro
Project Type	New Construction/Rehabilitation without Federal Subsidies

Low-Income Housing Units

Studio	32
One Bedroom	30
Two Bedroom	16
Total	**78**

Income Set-Asides

50% of units at 30% AMI
50% of units at 50% AMI

Scoring

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

Nonprofit Sponsor	5
Donation in Support of Local Housing Needs	5
Energy Consumption Model	2
Cost Containment Incentive	6
Total Points	**173**

Credit Request **$2,703,887**

Development Budget	
Acquisition Costs	$1,815,000
Construction	$17,930,576
Soft Costs	$4,213,682
Financing Costs	$1,490,091
Capitalized Reserves	$2,637,900
Other Development Costs	$654,791
Total Development Costs	**$28,742,040**

Permanent Sources	
City of Ellensburg	$750,000
Community Projects Funding	$1,616,279
Connecting Housing to Infrastructure (CHIP)	$829,857
State Apple Health and Home (AHAH)	$1,014,350
HOME/NHTF	$1,985,650
Sponsor loan	$300,000
Kittitas County	$750,000
Tax Credit Equity at $0.795 per credit x 10 years	$21,495,904
Total Sources	**$28,742,040**

Total Development Cost Limit	
Project's Total Development Cost Limit	$28,633,510
TDC less Land, Offsite Infrastructure, and Reserves	$24,641,392
Waiver	Not required

Project Operations

Unit Size	Market Rents	Proposed Rent Range
Studio	$ 825	$ 430 - 742
One Bedroom	$ 1,200	$ 458 - 830
Two Bedroom	$ 1,500	$ 568 - 1,012

The Seattle Times – Opinion

Promise of tribal homeownership in WA remains unfulfilled

April 20, 2026 at 8:00 am Updated April 20, 2026 at 8:01 am

By Gabriel S. Galanda

Special to The Seattle Times

Twenty years. That's how long Native American families across Washington paid rent on homes they were promised they would one day own. After 20 years of monthly payments, maintaining their properties and upholding all obligations asked of them, not one deed was transferred. Not one.

The promise of homeownership, extended to hundreds of Native families through the federal Low Income Housing Tax Credit program, remains unfulfilled. The institution responsible for this failure is the Washington State Housing Finance Commission. And now, thanks to a text exchange that is a public record, we know exactly how commission leadership felt about a bipartisan bill that might have fixed it.

"Awful bill." That is how, in text messages exchanged by commission leaders in January 2026, commission Executive Director Steve Walker described House Bill 2527 — reform legislation designed to hold private investors accountable for fulfilling homeownership promises made to Native families. Consultant Nick Federici was equally dismissive. "It's idiotic," he replied to Walker, who also called HB 2527 "lame."

These were not offhand frustrations vented in isolation. They were part of a coordinated campaign to kill Native homeownership legislation before it could gain traction.

The mechanics of the state's broken system are straightforward, and the betrayal embedded in that system runs deep. Under federal law created pursuant to the 1986 Tax Reform Act, states administering the Low Income Housing Tax Credit program must prioritize projects with an "eventual tenant ownership" component — meaning that after 15 years of renting, tenants gain the right to home conveyance.

In Washington, this provision has operated almost entirely in Indian country. Seventeen of the 18 projects that involve tenant ownership are in tribal communities, encompassing over 500 homes across eight tribal nations. Private investors received dollar-for-dollar reductions on their federal corporate income taxes. Native families received conveyance promises. Investors collected. Those families are still waiting.

In 2024, the state auditor confirmed that the commission systematically failed to oversee this program. An audit found the program to be “little-known and largely misunderstood” within the commission. The agency did not request required five-year progress reports until 2022, despite at least one commission employee flagging the problem a decade ago.

At the time of the audit, 135 homes were eligible for transfer and had not been conveyed. Walker acknowledged at a legislative hearing that the agency “did not take necessary steps to ensure home purchase opportunities.” That acknowledgment now rings hollow.

The commission’s public posture — contrite, reform-minded, and apparently in the process of implementing new policies — is contradicted by its private conduct. State officials did not seek ways to fix their mistake. They sought to protect the institution and a phalanx of low-income housing profiteers from accountability.

The commission’s behavior exemplifies state political leaders’ indifference toward communities that have experienced centuries of displacement. In tribal communities where state actions decimated traditional kinship structures, housing shortages are severe, generational wealth is rare and the homeownership promises carry the weight of history, every year of obfuscation and delay compounds the injury.

HB 2527 was hardly radical. It would have held investors — who profited from federal corporate income tax credits for two decades while homeownership obligations went unfulfilled — accountable by threatening their future access to those credits. As the bill’s prime sponsor, Rep. Gerry Pollet, noted, the commission’s legislative hearing testimony was “incredibly misleading,” framing the bill as a burden on tribes when it targeted investment banks.

As of early 2026, there are 352 native homes eligible for ownership, some of which reached the 15-year threshold six years ago. Another 454 homes statewide will become eligible by 2030. The commission says ownership transfer plans are now underway. But that’s empty without enforcement — and the text messages make clear that when enforcement was on the table, the commission’s leadership called it idiotic, awful and lame, helping sink the measure without even a public vote.

Washington cannot credibly claim to be a leader on housing equity while its housing

Seattle Times Op-Ed
April 20 2026

officials privately mock legislation designed to achieve Native homeownership. Commission leaders must now be required to answer — publicly — for the conduct revealed in their texts. And the Legislature must return in 2027 with a strengthened accountability bill, which cannot be covertly killed by agency leaders who have no intention of honoring this state's promises to Native families.

Editor's note: This story has been updated to reflect Nick Federici's title.

Gabriel S. Galanda*: is an Indigenous rights lawyer in Seattle. He belongs to the Round Valley Indian Tribes.*

OPINION

AN INDEPENDENT, LOCALLY OWNED NEWSPAPER
Founded Aug. 10, 1896

EDITORIALS

The newspaper's view

WHAT WILL IT TAKE FOR SENATE REPUBLICANS TO STEP UP?

For the fifth time, the Senate Democrats last week tried to put constitutionally protected guardrails on President Donald Trump and his authority over the war in Iran. For the fifth time, Republican senators blocked them.

The actions and statements of the president and Secretary of Defense Pete Hegseth should snap Republican senators back to reality. Congress should have been consulted; it was not.

Repeatedly, Trump and Hegseth demonstrate the lack of leadership, military and temperament to lead the U.S. military in a war without some form of oversight.

That's why the voices and experience of lawmakers are urgently needed.

As the war continues, too many decisions have been made by the Trump administration that should concern any politician who understands the consequences — at home and abroad — of waging a directionless war in the Middle East.

Trump made an apocalyptic threat April 7 via social media that "a whole civilization will die tonight, never to be brought back again," if Iran didn't meet his deadline to strike a deal. That prompted many Republicans in Congress to criticize him, but not enough to take action.

Also, this month Hegseth fired Army Chief of Staff Gen. Randy George, who has experience in multiple wars, and Secretary of the Navy John Phelan. George is among at least 19 admirals or generals Hegseth has either fired, demoted or reassigned.

Meanwhile, negotiations between the U.S. and Iran have stalled once again and Israel and Hezbollah have accused each other of violating a ceasefire deal. And still, there's little reported traction toward disabling Iran's nuclear capacity, once and for all.

Now Trump has requested that Congress approve a $1.5 trillion defense budget as munitions stockpiles reportedly are dwindling.

All of these disturbing and questionable developments ought to be enough to goose members of Congress to stop sitting on their hands, their eyes cast downward.

"Our colleagues have had several opportunities to make sure the president comes before Congress before engaging us in such a broad war effort," said U.S. Sen. Maria Cantwell, D-Wash. "Now, after billions of dollars and loss of life, Americans are faced with skyrocketing fuel prices. The cost of this conflict cannot continue to be sustained. Diplomatic efforts that allow the U.S. and regional allies to verify Iran does not possess nuclear weapons should be our goal."

Friday will be Day 60 of the undeclared war; that's the deadline for Trump to either get congressional approval or start dialing back military action. Under the law, he can extend that deadline by 30 days.

With 13 military service members killed and economic pressures from the war being felt at home, the American people cannot wait for the administration to act responsibly on its own — and neither should Congress.

Northwest Voices

From our readers

Seattle schools

Lack of input

As a former parent, volunteer, PTA president, and employee of Adams Elementary, I was dismayed to learn of the lack of community involvement in the appointment of Anitra Jones as principal. ("Superintendent scolds parents over 'unacceptable' response to new principal," April 23, Ed Lab) I served on numerous hiring committees and deeply believe that it is in the best interest of the school community, and of the district at large, to engage those parents whose time and efforts contribute greatly to the success of the school community.

Perhaps Superintendent Shuldiner makes a good point about changing the "Seattle way." Part of that change should include a commitment from the district not to pass down autocratic decisions in hiring a school leader.

How does it encourage parents to send their kids to Seattle Public Schools when they learn about this steamroller of a decision? Those with the means to make another choice have gotten yet another reason to avoid SPS.

— Patty Lott, Seattle

Letters, not exceeding 200 words, must include your full name, address and telephone numbers for verification. Email: letters@seattletimes.com.

No one knows more about tribal housing than tribes themselves

By STEVE WALKER
Special to The Seattle Times

From Seattle to Seaview, housing affordability is top of mind for renters and aspiring homeowners in every corner of our state.

One of the nation's most effective financing tools to address the housing crisis is the federal Low-Income Housing Tax Credit, which is managed here by the Washington State Housing Finance Commission.

As Gabriel Galanda stated in his April 20 op-ed "Promise of tribal homeownership in WA remains unfulfilled," LIHTC is key to financing rental homes developed by tribal housing authorities. The program can also provide a life-changing opportunity for tenants of properties that choose to convert rental units to homeownership after 15 years. This is as far as we agree with Galanda's op-ed.

But the fact is that LIHTC properties on tribal land are planned, built and operated by the tribes themselves, using investor capital. Investors share responsibility — but only the tribal owners can take the steps required to transfer rental units to tenant ownership.

Galanda's picture of tribal communities exploited by greedy "profiteers," enabled by uncaring state leaders, is simply not the reality of LIHTC housing or the actual housing challenges faced by tribal communities.

Here's why we opposed Rep. Gerry Pollet's bill (HB 2527) during the 2026 session: The bill had good intentions in seeking to increase LIHTC investor accountability, but by confusing the roles of the developer and investor, it would not have achieved its goal and instead risked doing harm to tribal owners.

We are now working constructively with Rep. Pollet toward our shared goal of empowering tribes to implement the housing solutions that work for their communities, including tenant ownership.

Misrepresentations of the LIHTC program are counterproductive to this goal. These are matters of fact, not opinion. LIHTC financing in our state, like others, starts with a competitive process in which developers including nonprofits, for-profits, housing authorities and tribes submit their planned housing projects. The developer can earn two extra points (out of more than 150) by choosing to add tenant ownership.

If awarded tax credits, the developer — in this case, the tribe — sells them to an investor. The investor pays the tribe millions of dollars up front to build the housing project, in exchange for major income tax write-offs over time.

For the first 15 years of the project, the investor and tribe form an owning partnership. The investor is the "limited partner" having no role in operations, but is at risk of losing the tax credits if the property is out of compliance with LIHTC rules.

The tribal housing authority, as the "general partner," is the operator and manager of the property, responsible for compliance including rent and income limits, maintenance and safety, tenant relations and a tenant ownership plan, if applicable. After the investor exits the partnership at year 15, the tribe can convert units to tenant ownership.

We fully acknowledge that we at the Housing Finance Commission failed to ensure tribal owners were prepared and equipped to implement tenant ownership. This was the subject of a thorough audit by the state auditor's office in 2024.

Even before the audit concluded, we had addressed our shortcomings through a new set of policies which provide guidance and hold the owning partnership accountable for implementing tenant ownership and protecting the rights of tenants. We can and will take action against bad actors who fail to honor these commitments.

Meanwhile, tribal housing authorities across the state have been working with us for the past three years on the complex legal and procedural steps required to transfer units to tenant ownership. Again, these are steps only they can take.

Last July, the Spokane Tribe was the first to complete tenant transfers, with 17 tenants becoming homeowners. The tribe pursued this course even though tenant ownership was not part of their LIHTC commitment.

By contrast, we have found that some tribes who chose tenant ownership years ago are now skeptical that it is the best course either for their communities or the tenants themselves. They — not the investor — are cautious about proceeding.

That's why the Housing Finance Commission is approaching tenant-ownership compliance with patience and respect. No one knows the housing challenges in Washington's Indian Country better than the tribal communities and leaders themselves. We need to listen to them and support *their* goals and priorities.

Steve Walker is the executive director of the Washington State Housing Finance Commission.

The Founders built safeguards. Our politics rendered them useless

By Lynn Schmidt
Syndicated columnist

AARON SCHWARTZ/GETTY IMAGES NORTH AMERICA/TNS

Congress is the branch the Founders designed to be the most powerful and responsive to the people, writes Lynn Schmidt.

The men who gathered in Philadelphia in 1787 were students of history, and it taught them a singular lesson: power corrupts, and unchecked power can destroy a republic.

They designed our experiment with overlapping safeguards to ensure that no single faction, branch, or man could hold the nation hostage. What remained unresolved was agency: who, exactly, can determine when to trigger those safeguards? History has since exposed this as the system's deepest vulnerability.

The Constitution assigns Congress the power of impeachment but says nothing about the political will required to use it. It grants the cabinet the authority to remove an incapacitated president but assumes that cabinet members will prioritize constitutional duty over personal loyalty. It tasks Congress with checking executive overreach, yet it cannot compel a partisan legislature to act.

In each case, accountability mechanisms exist. The decision about when to use it was delegated to individuals in a political system. The Founders hoped this system would produce honorable leaders, though they could not guarantee it. Nearly two and a half centuries later, we are forced to confront the consequences when it fails to do so.

Impeachment has become a partisan exercise. The 25th Amendment, ratified in 1967 for genuine incapacity, remains a theoretical option no cabinet has ever invoked, regardless of circumstances.

Congress is the branch the Founders designed to be the most powerful and responsive to the people. Yet it has retreated into near-total dysfunction, unable to check the executive even when majorities of its members privately believe it should.

One need look no further than April 7 for a clarifying illustration of how completely those safeguards have collapsed. President Donald Trump posted on Truth Social that "a whole civilization (Iran) will die tonight, never to be brought back again," coupled with vows to destroy every bridge and power plant in the country.

Legal experts quickly warned that threatened strikes on civilian infrastructure could be war crimes. Congressional Democrats demanded that Republicans invoke the 25th Amendment or call Congress back for impeachment. Neither happened. Congressional Republicans stayed mostly silent. The cabinet did not meet. Congress remained on vacation. The guardrails, in other words, held as well as they ever did now—not at all.

Article II of the Constitution states the president "shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors." The phrase "high crimes and misdemeanors" is intentionally vague. The Founders knew future abuses might take unexpected forms.

They did not anticipate the Senate trial becoming a foregone conclusion before the first witness was called. Now, acquittal or conviction is predetermined by the party that holds the chamber. When a remedy exists only on paper and cannot be applied, it is not a remedy; it is theater.

The 25th Amendment presents a different, but equally sobering, dilemma. Section 4 allows the vice president and a majority of the cabinet to declare a president unable to discharge his duties. It has never been used. Not once.

The issue is not that modern presidents have never shown troubling behavior. Instead, cabinet members are political appointees loyal to the person who selected them, not to an abstract constitutional duty.

The question is not if April 7 alone warranted action but whether any situation today would prompt the Cabinet to act.

And then there is Congress, or rather, the hollow shell where Congress used to be. The body the Founders envisioned as the most muscular branch of government was also the branch closest to the people. It has spent decades ceding authority to the executive. At the same time, it has become too partisan to use the powers it keeps.

The Founders feared factionalism above almost everything else. George Washington devoted much of his Farewell Address to warning against "the baneful effects of the spirit of party."

James Madison, in Federalist No. 10, acknowledged the danger of faction. He believed the constitutional structure would contain it. He was right about the danger, and wrong about the cure. The constitutional structure did not contain faction. Faction consumed it.

None of this means the republic is doomed. But we must be honest about the distance between the Founders' safeguards and today's political culture. Impeachment is a high bar. The 25th Amendment is even higher. Yet a system that refuses even to ask whether those bars have been reached has forgotten how to protect itself.

One check remains — the voters. Whether that is enough is the defining question of our time.

Lynn Schmidt is a St. Louis Post-Dispatch columnist and editorial board member.

Events Calendar

Date	5/18/2026	**Length of Event**	9:00 AM - 4:30 PM
Event	Board Mtg. & Budget/Plng. Session(Hybrid	**Audience**	General Public
Address	Zoom/World Trade Ctr. 2200 Alaskan Wy	**Division**	Administration
City	Seattle, 98121	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	5/19/2026	**Length of Event**	8:00 AM - 12:00 PM
Event	Board Mtg. & Budget/Plng. Session(Hybrid	**Audience**	General Public
Address	Zoom/World Trade Ctr. 2200 Alaskan Wy	**Division**	Administration
City	Seattle, 98121	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/2/2026	**Length of Event**	Times TBA
Event	NCSHA Housing Credit Connect Conf.	**Audience**	Conf. Attendees
Address	Hyatt Regency St. Louis @ The Arch Hotel	**Division**	Administration
City	St. Louis, MO	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/3/2026	**Length of Event**	Times TBA
Event	NCSHA Housing Credit Connect Conf.	**Audience**	Conf. Attendees
Address	Hyatt Regency St. Louis @ The Arch Hotel	**Division**	Administration
City	St. Louis, MO	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/4/2026	**Length of Event**	Times TBA
Event	NCSHA Housing Credit Connect Conf.	**Audience**	Conf. Attendees
Address	Hyatt Regency St. Louis @ The Arch Hotel	**Division**	Administration
City	St. Louis, MO	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/5/2026	**Length of Event**	Times TBA
Event	NCSHA Housing Credit Connect Conf.	**Audience**	Conf. Attendees
Address	Hyatt Regency St. Louis @ The Arch Hotel	**Division**	Administration
City	St. Louis, MO	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	6/25/2026	**Length of Event**	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	**Audience**	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Rm.	**Division**	Administration
City	Seattle, 98104	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	7/23/2026	**Length of Event**	10:00 AM - 4:00 PM
Event	Board Meeting & Work Session (Hybrid)	**Audience**	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Rm.	**Division**	Administration
City	Seattle, 98104	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	8/27/2026	**Length of Event**	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	**Audience**	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Rm.	**Division**	Administration
City	Seattle, 98104	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	9/24/2026	**Length of Event**	10:00 AM - 4:00 PM
Event	Board Meeting & Work Session (Hybrid)	**Audience**	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Rm.	**Division**	Administration
City	Seattle, 98104	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/3/2026	**Length of Event**	Times TBA
Event	NCSHA Ann'l. Conference & Showplace	**Audience**	Conf. Attendees
Address	Detroit Marriott @ Renaissance Ctr. Hotel	**Division**	Administration
City	Detroit, MI	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/4/2026	**Length of Event**	Times TBA
Event	NCSHA Ann'l. Conference & Showplace	**Audience**	Conf. Attendees
Address	Detroit Marriott @ Renaissance Ctr. Hotel	**Division**	Administration
City	Detroit, MI	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/5/2026	**Length of Event**	Times TBA
Event	NCSHA Ann'l. Conference & Showplace	**Audience**	Conf. Attendees
Address	Detroit Marriott @ Renaissance Ctr. Hotel	**Division**	Administration
City	Detroit, MI	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/6/2026	**Length of Event**	Times TBA
Event	NCSHA Ann'l. Conference & Showplace	**Audience**	Conf. Attendees
Address	Detroit Marriott @ Renaissance Ctr. Hotel	**Division**	Administration
City	Detroit, MI	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/15/2026	**Length of Event**	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	**Audience**	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Rm.	**Division**	Administration
City	Seattle, 98104	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/20/2026	**Length of Event**	Times TBA
Event	2026 Housing Washington Conf.	**Audience**	Conf. Attendees
Address	Spokane Convention Center	**Division**	Administration
City	Spokane	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/21/2026	**Length of Event**	Times TBA
Event	2026 Housing Washington Conf.	**Audience**	Conf. Attendees
Address	Spokane Convention Center	**Division**	Administration
City	Spokane	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	10/22/2026	**Length of Event**	Times TBA
Event	2026 Housing Washington Conf.	**Audience**	Conf. Attendees
Address	Spokane Convention Center	**Division**	Administration
City	Spokane	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	11/19/2026	**Length of Event**	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	**Audience**	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Rm.	**Division**	Administration
City	Seattle, 98104	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470

Date	12/10/2026	**Length of Event**	1:00 PM - 4:00 PM
Event	Board Meeting (Hybrid)	**Audience**	General Public
Address	Zoom/1000 2nd Ave, Ste. 2700 Board Rm.	**Division**	Administration
City	Seattle, 98104	**Contact**	Tera Ahlborn
		Phone # of Contact	206-287-4470