

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

November 19, 2020

The Commission meeting was called to order by Chair Bill Rumpf at 1:00 p.m. via conference call. Those Commissioners present were Diane Klontz, Albert Tripp (joined at 1:30 p.m.), Jason Richter, Lowel Krueger, Wendy Lawrence, Ken Larsen and Alishia Topper.

**Approval of the
Minutes**

The minutes of the October 22, 2020 special meeting were approved as mailed

**Public Hearing:
Uncle Bob's Place,
OID # 19-77A**

The Chair opened a public hearing on OID # 19-77A Uncle Bob's Place at 1:04 p.m.

Claire Petersky, Manager of Multifamily Housing and Community Facilities Division (MHCF), said this is a proposed issuance of one or more series of revenue notes to finance a portion of the costs for the acquisition of land and the construction and equipping of a 126-unit multifamily housing facility located at 714 S. King Street, Seattle, WA 98104, to be owned by Uncle Bob's Place LLLP, a Washington limited liability limited partnership. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$28,000,000. Ms. Petersky introduced Leslie Morishita, Real Estate Development Director at InterIm Community Development Association (InterIm).

Ms. Morishita stated that Uncle Bob's Place will be an 8-story, new construction, mixed use building with 126 units, including studios, one-bedroom, two-bedroom, three-bedroom, all affordable at 60% Area Median Income (AMI). In addition to tax exempt bonds and 4% tax credits, financing from the City of Seattle and King County make this project possible. InterIm will bring culturally appropriate resident services and activities to Uncle Bob's Place. These will

generally include ESL, financial literacy, health literacy, wellbeing and nutrition, employment navigation, and civic engagement, with specific activities being shaped by the interests and needs of the residents. The building will stand at a prominent corner on South King Street across from the Wing Luke Museum and along the International District's primary commercial spine. As this will be the first new construction in the neighborhood's historic core and on South King Street for many decades, InterIm sought a design that would honor the neighborhood's historic and cultural character and would respectfully and sensitively address the surrounding historic buildings. The Four Seas Restaurant and Dynasty Room bar has operated on the site since the 1960s. The long-time owners of the Four Seas, the Chan family, wanted to close the restaurant, but didn't feel it was right to sell the property to the highest bidder. They approached InterIm to develop low-income housing that they knew was needed in the community. In the new building, the Chan family will own the commercial condo unit that includes 2 commercial storefronts designed to accommodate restaurants. InterIm is happy to be partnering with the Chan family and see retaining their ownership stake and engagement in the neighborhood as an anti-displacement strategy in itself –helping to keep the web of economic, cultural, and social relationships that are the glue that holds the community together, intact. The building is named for beloved community leader and legendary civil rights hero, Bob Santos, who passed away in 2016 and was affectionately known as Uncle Bob. InterIm is engaging community members to guide public art and interpretive elements in, on, and around the building. The ground floor corner space will hold the Bob Santos Community Room that we envision as a third place of sorts, for the ID community –a gathering place for community organizing, education, events, parties, and more. The commercial space adjacent to and separated from the Bob Santos Community Room by a flexible openable wall, is being planned for Bush Garden –a beloved legacy business, a Japanese restaurant and karaoke bar, that's operated out of its current location for 65 years. The historic building that houses Bush Garden is slated for demolition to make way for a high-rise apartment building.

There were no other comments from members of the public and the hearing was closed at 1:12 p.m.

**Action Item:
Resolution No. 20-
86, Auburn Court
Apartments, OID #
19-155A**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition and rehabilitation of a 296-unit senior housing facility located at 102 10th Street NE, 104 10th Street NE and 106 10th Street NE, Auburn, WA 98002, to be owned by Fairfield Auburn Court LP, a Washington limited partnership. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$39,900,000. The public hearing was held September 24, 2020. The anticipated note amount is slightly in excess of the amount noticed in the public hearing but is within the de minimus differential permitted by the tax code.

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

**Action Item:
Resolution No. 20-
87, Four Corners,
OID # 19-112A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition of land and the construction and equipping of a 430-unit multifamily housing facility, located at 8102 Evergreen Way, Everett, WA 98203, to be owned by Four Corners, LLC, a Washington limited liability company. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$110,000,000. The public hearing was held October 22, 2020.

Mr. Larsen moved to approve the resolution. Ms. Klontz seconded the motion. The resolution was approved 7-0, with one abstention from Ms. Lawrence due to her relationship with the Opportunity Council.

**Action Item:
Resolution No. 20-
88, Meridian Court
Apartments, OID #
19-158**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition and rehabilitation of a 200-unit senior housing facility located at 31420 and 31510 23rd Avenue South, Federal Way, WA 98003, to be owned by Fairfield Meridian Court LP, a Washington limited partnership. Proceeds of the

notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$30,500,000. The public hearing was held September 24, 2020. The anticipated note amount is slightly in excess of the amount noticed in the public hearing but is within the de minimus differential permitted by the tax code.

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

**Action Item:
Resolution No. 20-
89, Polaris at Lake
City, OID # 19-
134A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition of land and the construction and equipping of a 260-unit low-income multifamily housing facility, located at 12548 Lake City Way NE, Seattle, WA 98125, to be owned by Polaris at Lake City, LLC, a Washington limited liability company. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$55,700,000. The public hearing was held October 22, 2020.

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

**Action Item:
Resolution No. 20-
90, Polaris at
Together Center,
OID # 20-67A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue notes to finance a portion of the costs for the acquisition of land and the construction and equipping of a 200-unit low-income multifamily housing facility, located at 16225 NE 87th Street, Redmond, WA 98052, to be owned by Polaris at TC, LLC, a Washington limited liability company. Proceeds of the notes may also be used to pay a portion of the costs of issuing the notes. The total estimated note amount is not expected to exceed \$56,500,000. The public hearing was held October 22, 2020.

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

**Action Item:
Resolution No. 20-
83, The Maddux,
OID # 18-139**

This item was pulled from the agenda.

**Action Item: 2021
Commission
Meeting Calendar**

Mr. Walker requested approval of the 2021 Commission meeting calendar.

Ms. Topper moved to approve the 2021 Commission meeting calendar. Mr. Krueger seconded the motion. The request to approve the 2021 Commission meeting calendar was unanimously approved.

**Informational
Report on
Department of
Commerce
Activities**

Ms. Klontz from the Department of Commerce (“Commerce”) gave a report as follows:

Housing Finance Unit (HFU)

Increasing HTF Award Caps

The Policy Advisory Team (PAT) formed a subcommittee to discuss increasing the Housing Trust Fund (HTF) per project/per applicant/per biennium award limits policy. Subcommittee members drafted and reviewed a policy during a Nov. 9 meeting. Final comments and feedback on the revised draft are due from subcommittee members to the HTF on Nov. 19. The PAT will discuss a final draft at the Dec. 2 meeting.

Housing Assistance Unit

Eviction Rent Assistance Program

Commerce expanded income eligibility from 50% to 80% of Area Median Income, and allowable payments from three to six months. Commerce is seeking an additional \$20 million to add to the existing \$100 million for use through Dec. 2020.

**Executive
Director’s Report**

Mr. Walker stated he wanted to highlight some bright spots in the Executive Director’s Report that was included the Commissioners board meeting packets this month.

In October, we had over \$331 million in new reservations assisting 1055 families. The overall dollar value is higher compared to last year. We've now had four months in a row with reservations over \$300 million! However, these numbers are in line with our production from last year at this time in terms of the number of families we are assisting.

Field work for the annual independent audit by Moss Adams was completed at the end of October. A final draft of the audited statements is to be reviewed by the Audit Committee prior to the Commission meeting. A copy of the final report will be distributed to the Commissioners with materials for the December Commission meeting.

Applications for the 9% Tax Credit program were due on Nov 4th. We received 27 applications! Staff are in the process of reviewing the self-scoring and threshold criteria for all submitted applications and preparing to discuss priorities and coordination with the partnering public funders.

This past Monday, Claire Petersky presented an application workshop for the upcoming January 2021 Bond/4% program application round. There were approximately 50 participants.

The Multifamily and Community Facilities (MHCF) hosted a virtual booth at the Leading Age conference and Keri Williams with help from Vanessa Thomas on the communications team made a wonderful video introducing the Commission.

Asset Management and Compliance (AMC) is working on the logistics for the next reporting year. In the past, in addition to records submitted online via WBARS, the Commission also received selected paper files to audit for our properties. Because of the pandemic, this will be the first year we will be relying on an electronic submission method for all of those files. AMC has been working with IT, and our vendors, to implement the Commission's new content management system to manage our electronic files. Hopefully, before long, paper will be a thing of the past for us.

- Recent release of a proposed IRS rule on income averaging just a few weeks ago means that AMC and MHCF are working together to analyze and respond to the changes. In addition to providing insight and resources to our partners, we will also be providing comments to the IRS. The proposed rules (in our opinion) will make managing multifamily properties more cumbersome for our owners, and riskier for investors.

Thanks to Tera Ahlborn after lengthy discussions, we have received three potential nominations for our labor representative board vacancy from the Pacific Northwest Regional Council of Carpenters. I have spoken with two out of the three candidates and may soon be sending their names to the Boards and Commission's office in Olympia for consideration. Stay tuned for more information.

Four members of the RJET committee attended the Facing Race Conference last week, a national conference put on by Race Forward. Staff attendees report it was remarkable and inspiring, with thought-provoking panels and keynotes as well as educational sessions. One track was "Institutional and Sectoral Change," providing the opportunity to learn about various methods and approaches to improving racial equity practices and policies within organizations. It's clear that there's a wide spectrum of existing levels of awareness of this problem, but a great deal of momentum across the country toward moving in a positive direction. Some example takeaways shared by one attending staff member included "this is uncomfortable work, and if it isn't, we aren't pushing enough"

In partnership with the Department of Commerce, we have been invited as one of 15 states, to join the Lincoln Institute of Land Policy's inaugural Accelerating Community Investment: Bringing New Partners to the Community Investment System (ACI) national community of practice. It is their hope that the project will increase the efficacy and impact of philanthropic impact investing portfolios on community investment and economic development outcomes through a combination of field research, convening leaders in the community investment system, and developing potential investment opportunities for mission investors.

(ACI) will explore opportunities between Local and State Development Finance Agencies (DFAs) and Housing Finance Agencies (HFAs) and CDFIs and/or other local capital outlets to scale their impact for low- and moderate-income communities.

Legislative Session – we continue our weekly meetings with Nick Federici to help us anticipate what the legislative session might bring. As of now the focus remains on budget deficit, the economy, COVID-19, racial justice, and housing.

**Commissioners’
Reports**

Ms. Topper gave the Audit Committee report and talked about the recent audit report. She highlighted that there were no difficulties and discrepancies during audit. She added that a copy of the audit report and financial statement will be provided in the next meeting packet.

Ms. Topper thanked all the staff for their hard work and the success of the audit.

Consent Agenda

The Consent agenda was approved as mailed.

Public Comment

Shukri Rodol, a Seattle resident and WSHFC employee stated that she lives in South Shore Court and she has been paying her rent on time via an automated system by Seattle Housing Authority, but her complex is constantly threatening her eviction due to nonpayment. Mr. Walker and the staff said they will help her with these issues.

Executive Session

At 2:00 p.m., Mr. Rumpf called an executive session as permitted by RCW 42.30.110 to discuss litigation issues.

Adjournment

The Commission reconvened at 2:41 p.m. No action was taken. The meeting was adjourned at 2:41 p.m.

Signature
