

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

July 23, 2020

The Commission meeting was called to order by Chair Bill Rumpf at 1:00 p.m. via teleconference. Those Commissioners present were Diane Klontz, Wendy Lawrence, Jason Richter, Lowel Krueger, Randy Robinson, Albert Tripp, Rich Nafziger, Ken Larsen and Alishia Topper.

Approval of the Minutes

The minutes of the June 25, 2020 special meeting were approved as mailed.

Employee Recognition

Executive Director Steve Walker stated that there are several types of Employee Recognition Awards: Special Recognitions; Length of Service; and the peer chosen Employee of the Quarter.

Five Years

Val Pate

Fifteen Years

Matt Vickery

Twenty-five Years

Marji Johnson

Special Recognition (employee funded award)

Andrew Byrum

The staff wanted to express their thanks to this individual who has been basically the face of the Commission during the pandemic lockdown, answering phones, resetting computers, mailings and numerous other tasks. Thank you, Andrew Bynum, for all of your assistance.

Employee of the Second Quarter

Makena Ogata

“This employee goes above and beyond the call of duty time and time again. This employee handles stress and a heavy workload without blinking an eye and always remains calm, cool, and collected no matter the situation. This employee consistently maintains a positive attitude and quietly gets it done in a professional manner. He regularly seeks out additional work without being asked. He remains well respected by his co-workers as well as our clients and creates a welcoming work environment for his team. He consistently looks for ways to add value to the division and is the first to volunteer for projects including phone duty, homedocs, homebuyer education data input, archiving and phone duty. This past program year, this employee provided useful ideas to help eliminate paper at training which eliminates a major cost.

He is a team player in every aspect and consistently volunteers to put in extra hours during heavy times to keep on top of the files so the homeownership division can keep our lenders and homebuyers happy. He reviewed over 2,800 files thus far this fiscal year shattering records for speed and accuracy.

This employee has done nothing less than astonishing work and that is why he is employee of the quarter!

Congratulations Makena Ogata!”

**Public Hearing:
OID No. Eclipse
Fremont, OID # 20-
30A**

The Chair opened a public hearing on OID # 20-30A, Eclipse Fremont, at 1:10 p.m.

Claire Petersky, Manager of Multifamily Housing and Community Facilities Division, said this hearing is for the proposed issuance of one of more series of tax-exempt revenue notes to finance the acquisition, construction and equipping of a 153- unit multifamily housing facility located at 309 N. 39th Street, Seattle, WA 98103, to be owned by Eclipse Fremont 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 \$34,000,000. Ms. Petersky introduced Greg Dunfield, President and Owner, GMD Development.

Mr. Dunfield stated that this a pilot project that is using Recycled Bond Cap and funding from the City of Seattle. The funding from the City of Seattle will require income set-asides at 50%, 60%, and 70% of Area Median Income (AMI). There will be two large rooftop decks, a meeting room and views of Lake Union. These units will be 15-32% below market rate.

In response from a question from Mr. Richter, Lisa Vatske, Director of Multifamily Housing and Community Facilities Division, said that this is the first new construction project using Recycled Bond Cap only.

There were no other comments from members of the public and the hearing was closed at 1:20 p.m.

**Public Hearing:
Rockwood
Retirement
Communities, OID
20-75A**

The Chair opened a public hearing on OID # 20-75A, Rockwood Retirement Communities, at 1:20 p.m.

Ms. Petersky said this hearing is for the proposed issuance of one or more series of tax-exempt revenue bonds to finance the second phase of the replacement and expansion of an existing nonprofit continuing care retirement community, including the demolition of a portion of an existing facility and the construction and equipping of a 117-unit independent living facility with resident amenities, administrative facilities and an underground parking garage, all located at 101 E. Hawthorne Road, Spokane, WA 99218, and the renovation and improvement of independent living homes, apartments and common areas at an existing continuing care retirement community located at 2903 E 25th Avenue, Spokane, WA 99223, each owned by Spokane United Methodist Homes d/b/a/ Rockwood Retirement Communities, a Washington 501(c)(3) nonprofit corporation. Proceeds of the bonds may also be used to fund a debt service reserve and pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is

not expected to exceed \$90,000,000. Ms. Petersky introduced James Maxwell, CFO, Rockwood Retirement Communities.

Mr. Maxwell from Rockwood Retirement Communities said there are 600 units between these two addresses. As for Rockwood at Whitworth they have already received 97 deposits to reserve a unit. Other facilities include dining areas, an exercise facility and maintenance shops.

There were no other comments from members of the public and the hearing was closed at 1:26 p.m.

**Public Hearing:
Low Income
Housing Tax
Credits from the
2020 Round**

The Chair opened a public hearing on the recommended allocation of Low-Income Housing Tax Credits at 1:26 p.m.

Bob Peterson, Manager of Multifamily Housing and Community Facilities Division said the that there will be five projects to consider today.

Martin Way

2828 Martin Way E., Olympia, WA 98506

Mr. Peterson introduced Sharon Lee, Executive Director, Low Income Housing Institute. Ms. Lee stated that this project features a 2-unit condominium structure of 65 permanent supportive housing units and common space serving chronically mentally ill, homeless individuals on 4 levels above Interfaith Works, an enhanced homeless shelter with 60 beds and support facilities. City of Olympia provided the site. Fifty percent of the units will be at 50% of AMI and 50% at 30% of AMI with one unit for the manager. Construction is scheduled to start in November 2020.

The Meridian

3200 NE 78th Avenue, Vancouver, WA 98662

Mr. Peterson introduced Sierk Braam, Manager & CEO, Housing Initiatives. The Meridian is a project created by Housing Initiative LLC and its parent

nonprofit, Council for the Homeless (CFTH). The project will consist of three new three-story wood framed buildings that will contain 46 one-bedroom units in Vancouver, Washington. This supportive housing development will provide permanent housing for people exiting homelessness or at high risk. Fifty percent of the units will be at 50% of AMI and 50% at 30% of AMI. The project uses a garden-style layout, meaning that every apartment has a door directly to the outside and there are no interior corridors. There will be two offices in the building for supportive services and Community Services NW will be located half a block away. Additionally, there will be 3 handicap onsite parking spots and an offsite lot 150 feet away from the property.

Central Park Place

1900 Fort Vancouver Way, Vancouver, WA 98663-3500

Mr. Peterson introduced Victor Caesar, Development Manager at Vancouver Housing Authority. Mr. Caesar stated that Central Park Place is an existing 4% project that was completed in 1999. The 124 unit project will serve Veterans and individuals experiencing homelessness. The project is in the Veterans Affairs Vancouver Campus, which offers tenants easy access to clinics, services and programs. Fifty percent of the units will be at 50% of AMI and 50% at 30% of AMI. The planned rehabilitation of Central Park Place includes updating common areas to be ADA accessible, replacing vinyl siding, windows, doors, updating major building systems and converting existing studios to larger ADA accessible units. He mentioned that there is no other place like this in Clark County and there is lots of local support.

Warrior Ridge Supportive Housing Project

SW of Intersection of Little Boston Rd NE & Hansville Rd NE Kingston, WA 98346

Mr. Peterson introduced Craig Dougall, Executive Director at Port Gamble Housing Authority. Mr. Dougall stated that this project will consist of 30 units of both single-family homes and a multifamily building. Fifty percent of the units

will be set-aside for homeless/vulnerable individuals. The units will be designed with energy efficiency in mind. There will be a common space on the site, which will act as a community room and kitchen for the tenants to do laundry and prepare meals. There will be local supportive services on the reservation for individuals and families.

TC 8 Wishram

Gorge View Country Drive Wishram, WA 98617

Mr. Peterson introduced Elena Bassett, Vice Chair at Yakama Nation Housing Authority. Ms. Bassett stated that TC 8 Wishram consists of the new construction of 46 single family homes on 18 acres. At least 23 of the units will be reserved for homeless households. The tenants that qualify will have the option to purchase their homes at the end of the initial 15-year compliance period. The homeless population that is expected to be served are the displaced fishermen that have taken up residence in many of the campsites that were set up by the Army Corp of Engineers. These campsites were meant to be temporary and contain primitive amenities. However, because of the lack of housing and the desire to live near the river, many of the displaced fishermen and their families have taken up permanent residency at the campsites. These residences will have car ports, solar power installations, secured storage, and a common playground. The location will be close to a school (pre-school to 12th grade), post office and grocery store.

In response to a question by Mr. Richter, Ms. Bassett stated they plan to give residents a chance to purchase the property they have been renting after 15 years. This program is still being fully developed.

Ms. Topper stated that she wanted to thank Mr. Caesar for the Vancouver project, Central Park Place. She said that you don't see a 30% AMI project in Vancouver community.

Ms. Lawrence stated that she wanted to congratulate Ms. Bassett and is glad this project has come to fruition.

There were no other comments from members of the public and the hearing was closed at 1:53 p.m.

**Action Item:
Resolution No. 20-71, a Resolution for the 2020 Allocation of Credit for the Housing Tax Credit Program**

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division (MHFC), said this was a resolution authorizing the Executive Director to make reservations and/or allocations of 2020 Housing Tax Credits to the following projects:

- Martin Way
- The Meridian
- Central Park Place
- Warrior Ridge Supportive Housing Project
- TC 8 Wishram

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

**Action Item:
Resolution No. 20-74, Coronado Springs Tower, OID # 20-61**

Ms. Vatske said this is a resolution approving the issuance of one of more series of tax-exempt revenue notes to finance and refinance the acquisition, rehabilitation and equipping of an existing 184-unit housing facility located at 10670 14th Avenue SW, Seattle, WA 98146 to be owned by Coronado Springs Tower 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 \$24,000,000. The public hearing was held June 25, 2020.

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

**Action Item:
Resolution No. 20-
73, 2020 Boulevard
Place Senior Living
Reissuance,
OID # 11-44A**

Ms. Vatske said this is a resolution approving the reissuance of one or more series of tax-exempt revenue notes which financed the acquisition of land, and the construction and equipping of a 291-unit multifamily housing facility, located at 9920 Main Street, Bothell, WA 98011 to be owned by Boulevard Place Senior Living Associates, LLC, a Washington limited liability company. Proceeds of the notes will be used to pay a portion of the costs of reissuing the Notes, and to finance additional costs of the construction and equipping of the Facility. The total estimated note amount is not expected to exceed \$52,500,000. The public hearing was held July 9, 2020.

Ms. Vatske mentioned that this is the reissuance of notes originally issued in 2017 and the new issuance of \$2 million in Recycled Cap for a 292-unit mixed use, senior housing development located in Bothell, Washington.

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

**Action Item:
Resolution No. 20-
65, Ft. Vancouver
Terrace, OID # 19-
49A**

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 and rehabilitation of a 132-unit multifamily housing facility located at 4710 Plomondon Street, Vancouver, WA 98661, to be owned by Fort Vancouver Preservation, 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 \$27,000,000. The public hearing was held April 23, 2020.

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

**Action Item:
Resolution No. 20-
57, Quinn by
Vintage, OID # 19-
131A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue notes to finance a portion of the costs for the acquisition of land and the construction and equipping of a 227-unit multifamily housing facility located at 20022 15th Avenue NE & 20057 Ballinger Way, Shoreline, WA 98155, to be owned by Quinn by Vintage, 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 \$60,000,000, a portion of which may be taxable. The public hearing was held April 23, 2020.

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

**Action Item:
Resolution No. 20-72, South Wilbur Manor Apartments, OID # 19-135A**

This item was pulled from the agenda.

**Action Item:
Designation of funds into Program-Related Investments (PRI)**

Steve Walker, Executive Director, stated that each year shortly after the new fiscal year begins, staff requests designations of Program Related Investments (PRI) resources into ongoing, successful programs, retaining a relatively small amount of undesignated funds for additional allocation throughout the year.

Staff has prepared the following requests for allocation from PRI Undesignated to the programs as listed.

PRI Program	Current Program	Amount Requested	Program Description
Critical Community Response	\$22 million	\$2 million	Helps organizations with acquisition, rehabilitation, construction, preservation, and repurposing of community facilities critical to the population such as low-income housing or services that are not otherwise available in the community that have financing gaps.
Land Acquisition Program	\$32 million	\$7 million	Assists eligible organizations to purchase and hold undeveloped land and improved real property for future affordable housing development activities and/or community service facilities.
Manufactured	\$15 million	\$2 million	Assists in the preservation of manufactured home

Housing			communities which generally serve lower-income homeowners. Eligible organizations include Resident Owned Communities as well as non-profits.
Sustainable Energy Trust Program	\$17 million	\$2 million	Provides low interest loans for energy efficiency and renewable energy projects. The program has 3 focus areas, energy efficiency upgrades for multi-family housing, new construction of highly efficient single-family homes and other community clean energy projects.
HomeChoice	\$10 million	\$1 million	Provides downpayment assistance to homebuyers with disabled household members to assist in making accessibility modifications in addition to closing costs.
Habitat for Humanity of Washington State	\$15 million	\$3 million	Provides liquidity to local Habitat Affiliates through Habitat-WA by providing a loan to them for further development with a security pledge of their existing mortgage loans at 125% of the loan amount.
Single-family open indenture Commission Fund	\$15 million	\$15 million	Funding with the Single-family bond indenture used to provide liquidity for bond costs of issuance, interim funding of mortgage loan purchases before they are pooled into MBSs by the Master Servicer and providing capital to ensure the ongoing viability and development of Single-family programs in the face of change.

With these allocations, staff anticipate a remainder of about \$2 million remaining in undesignated. If more PRI designations were requested than funds available, staff would identify undeployed funds in existing programs and include the transfer of designation as part of the new request.

Mr. Walker asked the Commissioners to consider and act on a motion to designate Program-Related Investments into the funds and in the amounts as shown in the list above.

In response to a comment from Mr. Richter, Robert Cook, Senior Director of Finance, stated that funding with the Single-family bond indenture is used to provide liquidity for bond costs of issuance. The Commission could undesignated these funds and reallocate it into another program, if so approved by the Commission.

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

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

**Informational
Report on
Department of
Commerce
Activities**

Housing Finance Unit

Updates to Funding Rounds

Affordability Preservation NOFA announced June 1: Eight applicants requesting a total of \$14 million have been received so far.

2020 Traditional HTF Round (formerly known as "Stage 2") announced June 30: Award caps have been raised for rural projects to \$5 million for rental and \$1.5 million for homeownership.

Rural Incentivization Update

Commerce staff sent a survey to stakeholders to collect information on the technical assistance needs of these communities. The top three technical assistance needs from the survey are:

1. Funding for predevelopment activities
2. Predevelopment consultation (top three below):
 - 2.1. Acquisition/bridge funding
 - 2.2. Environmental reviews

2.3. Appraisals

3. Housing Finance Training and assistance: how to demonstrate sound financials, etc.

Unfortunately, the HTF cannot commit to any specific actions to address the technical assistance needs identified in the survey due to being understaffed and navigating mandatory furloughs and budget cuts. However, as opportunities arise and funding becomes available, we will reach out to stakeholders to continue the discussion around how to feasibly implement the types of technical assistance and incentivize more housing in rural areas of our state.

Homeownership Reporting

HTF staff reconvened the discussions with the homeownership program stakeholders to review and revise the annual reporting for homeownership projects. The hope is to be able to collect more accurate and complete data to show the overall success of the homeownership program and the families we are able to support. Eventually, the homeownership contracts will need to make their way into WBARS, where all HTF contractors submit annual reports.

Housing Assistance Unit

New Eviction Rent Assistance Program

\$100 million in federal CARES Act funding for an Eviction Rent Assistance Program to be announced before August. Funds will be awarded primarily to county governments, with some funds going directly to youth non-profits. The rental assistance will be provided directly to landlords for back and future rent, March through December 2020.

Growth Management

Housing Action Plans

Growth Management Services released guidance on how to develop housing action plans and held a webinar on July 8, 2020. The guidance includes 63 strategies on zoning, other regulations, permitting process improvements, affordable housing support and preventing displacement. Most jurisdictions have completed local housing needs assessments and are reviewing their local policies

and regulations. COVID-19 has delayed public engagement efforts, but jurisdictions are gathering and sharing ideas on how to continue forward. Regional efforts are increasing. Any support that HFC and partners could provide to local governments as they work on this is important, and this work is somewhat controversial at the local level. For more information on this effort, visit <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/>.

Multi-Family Tax Exemptions (MFTE)

GMS is also finishing a draft of the MFTE annual report for 2020. There is available slide show showing a list of jurisdictions that got grants and a timeline for the funding, as well as background on the housing requirements for planning for housing under the GMA and HB 1923 grants.

Bond Cap Allocation Program

An allocation of \$361.7 million in private activity bond cap authority was made to the Commission on July 14, exhausting the remaining volume cap for 2020.

Executive Director's Report

Mr. Walker stated that the Homeownership Division has been working on a new and improved comprehensive monthly report regarding our downpayment assistance programs. They have had a long-standing report on our HomeChoice downpayment assistance program. Going forward they are replacing that report with a report regarding the numbers of families they serve not only for HomeChoice, but for all our downpayment assistance programs which includes our partnership dpa programs. They will also include the start dates of the programs as well as the sunset dates of the programs as applicable. The new report was included in the supplemental packet that went out. Staff welcomes your feedback.

The Washington State Department of Commerce has allocated \$2,000,000 in CARES Act funding to the Washington State Housing Finance Commission to assist homeowners facing the possibility of foreclosure, or other circumstances that impair owner-occupancy of affordable decent, safe, sanitary and accessible

housing because of the COVID-19 crisis. The intent of these funds is to reimburse eligible service providers for unreimbursed expenses incurred since March 1, 2020 and to ensure service providers are available to assist homeowners until December 30, 2020. These much-needed funds will go out to our current housing counseling network.

This morning the National Homebuyers Fund Inc. (NHF) argument in the Court of Appeals occurred. As you may recall, the Washington Supreme Court found the Commission had standing to sue NHF. The case is now remanded back to the Court of Appeals to address the substance of the Commission's claims. The argument was streamed live on TVW.

In June, for Home Advantage, we had over \$280 million in reservations assisting 902 families. For House Key Opportunity, Homeownership had over \$7 million in reservations assisting 35 families, totaling \$290 million and 937 families for the month. These numbers are in line with our production from last summer.

For the fiscal year, Homeownership assisted 9,321 families with purchasing a home: over \$2.6 billion in production, shattering last year's record of 7,862 families assisted.

Switching gears to the Multifamily Housing and Community Facilities Division (MHCF). Joining the MHCF this month is our new Marketing Coordinator, Keri Williams. Keri has a long history of experience in the affordable housing community in Seattle, having worked at Enterprise Community Partners, at the City of Seattle, and having served on boards and committees at several nonprofit housing development organizations. The Commission is excited to have her experience, creativity, and communication skills on our team as we endeavor to reach a wider client base for our bond programs, particularly for nonprofit facilities.

MHCF closed on the Mount Baker Housing Association, Intracorp Site, 236 units, \$2,000,000. This was a partnership with City of Seattle, using LAP (Land Acquisition Program) funds.

In partnership with Green Canopy Homes, the Sustainable Energy Trust was able to capitalize on uncertainties in Seattle's housing market due to COVID-19 to convert 7 net-zero energy rowhouses in Ballard from market rate sales to affordable rentals. This unique opportunity was made possible by a \$2,600,000 Sustainable Energy Trust loan to Green Canopy's Cedar Fund, which will allow the rowhouses to be rented at either 60% AMI or 80% AMI.

Deep green affordable rentals have long been missing from Seattle's housing market and this partnership will finally begin to address that need. Additionally, because the rowhouses are "Built Green" certified, they will not only substantially lower the tenant's utility bills but will also provide them with a healthy and comfortable environment in which to live with excellent indoor air quality.

Bond Program Update

The allocation list has been posted for the June 2020 round. MHCF was able to allocate approximately \$350 million in bond cap, to 10 projects, creating/preserving 2,073 units. Staff plans to hold a stakeholder meeting August 6 to continue to discuss potential policy changes for 2021 and expects to provide additional analysis and policy proposals to the Board shortly.

Asset Management and Compliance Division (AMC) continues to develop and produce trainings using an online format. The subject matter posted on our website. Within about a week, we will be providing broader training in a live format for property managers. Everyone is excited about being able to provide this resource, as well as the potential for using this method to reach a broader audience even when staff are able to go back to regular, in person training.

Now that the IRS has released official guidance providing pandemic-related waivers to some of our monitoring processes, AMC is working on revising its processes to accommodate the changes. The main challenge is making sure that we are still ensuring that our buildings are safe and in good repair for their

residents. Staff continue to participate in discussions with HFA peers as they work through all of this.

AMC has recently completed the hiring process for a Commerce Specialist 2, which has been a temporary position up until now. Staff is pleased to welcome Mary Lightle, a former temporary employee, to the Commission officially.

Commissioners have expressed their desire for a less formal meeting, so the Work Session will be brought back at the August 27, 2020 Board meeting.

Commissioners' Reports

The Chair expressed his thanks to everyone for a successful meeting. He stated he believes this is a strong set of Commissioners. Virtual meetings will be here for some time and he appreciates adding the work session to the meetings since this will be our new normal.

Mr. Rumpf also mentioned he attended a virtual groundbreaking at the Roosevelt Light Rail station for the Cedar Crossing project.

Consent Agenda

The consent agenda was approved as mailed.

Adjournment

The meeting was adjourned at 2:35 p.m.

Signature
