

**WASHINGTON STATE  
HOUSING FINANCE COMMISSION  
MINUTES**

**May 18, 2020**

The Commission meeting was called to order by Vice Chair Lowel Krueger, at the request of the Chair, at 1:00 p.m. via teleconference. Those Commissioners present on the line were Richard Nafziger, Commerce designee Emily Grossman, Karen Miller, Wendy Lawrence, Jason Richter, Randy Robinson, Albert Tripp, Ken Larsen and Alishia Topper.

**Approval of the Minutes**

The minutes of the April 23, 2020 special meeting were approved as mailed.

**Public Hearing:  
YMCA of the  
Inland Northwest  
Projects, OID # 20-  
54**

This item was pulled from the agenda.

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

The Vice Chair opened a public hearing on the recommended allocation of Low-Income Housing Tax Credits at 1:06 p.m.

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

**Gonzaga Haven**

Mr. Peterson introduced Jonathan Mallahan, Vice President Housing of Catholic Charities of Eastern Washington (CCEW).

Mr. Mallahan stated that the Gonzaga Haven will house 72 families who have experienced homelessness and these units will be a permanent supportive housing complex where families can stabilize their lives through on-site case management, community events, as well as participate in groups and services

provided by partner organizations. Gonzaga University and Gonzaga Prep plan to embed long-term student volunteers on-site in a variety of innovative ways. Onsite services will include peer support relationships, adult education/employment readiness, personal health and wellness classes, case management, health and substance abuse counseling/treatment.

Amenities include an early learning center, health clinic, adult/youth Education/computer lab, in-door recreation space, 1/4-mile bike/pedestrian trail and splash pad.

### **Samish Way Redevelopment Phase II**

Mr. Peterson introduced Brien Thane, Executive Director of the Housing Authority of the City of Bellingham.

This project will provide affordable housing in Bellingham, where there is a drastic shortage of units available for seniors with very low incomes. The planned construction is a mixed-use 5 story building with 54 total units and this phase will include ground-level commercial space.

Mr. Thane stated that the housing authority bought the old Aloha Motel property from the city of Bellingham.

Samish Commons also will have amenities that include a technology lab, a fitness room and community meeting spaces.

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

**Action Item:  
Resolution No. 20-55, 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:

- Gonzaga Haven
- Samish Way Redevelopment Phase II

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

Karen Miller left the teleconference at 1:18 pm.

**Action Item:  
Resolution No. 20-  
29, Imagine  
Children's  
Museum, OID # 19-  
108A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt revenue bonds to finance a portion of the costs for the construction and equipping of an addition to an existing facility located at 1502 Wall Street, Everett, WA 98201 to be owned by Imagine Children's Museum, a Washington 501(c)(3) nonprofit corporation. Proceeds of the bonds may also be used to pay all or a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$14,000,000. The public hearing was held November 14, 2019.

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

**Action Item:  
Resolution No. 20-  
56, Othello Park  
Apartments, OID #  
19-128A**

Ms. Vatske said this is a resolution approving the issuance of one or more series of tax-exempt and taxable revenue bonds to finance a portion of the costs for the acquisition of land, the demolition of existing structures and the construction and equipping of a 106-unit multifamily housing facility located at 7349-7357 43rd Avenue S., Seattle, WA 98118, to be owned by Othello Park Development LLC, a Washington limited liability company. Proceeds of the bonds may also be used to pay a portion of the costs of issuing the bonds. The total estimated bond amount is not expected to exceed \$23,000,000 (a portion of which may be taxable). The public hearing was held April 23, 2020.

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

**Action Item:  
Resolution No. 20-  
53, Polaris at  
SeaTac, OID # 19-  
65A**

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 365-unit multifamily housing facility located at the Northwest corner of International Blvd. S. and S. 154th Street, SeaTac, WA 98199, to be owned by Polaris at SeaTac, 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 \$90,000,000, a portion of which may be taxable. The public hearing was held May 4, 2020.

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

**Action Item:  
Modifications to PRI  
policies for the  
CapitalPlus, LAP and  
Manufactured Housing  
Preservation Program**

Ms. Vatske recommended modifications to the Program-Related Investments (PRI) policies to allow for deferrals of loan payments for the CapitalPlus, Land Acquisition Program (LAP) and Manufactured Housing Preservation Program.

CapitalPlus is a twenty-year old partnership between the WSHFC and the Washington Community Reinvestment Association. The Commission provides up to \$11.5 million dollars in Program Related Investments to be lent to nonprofit capital facilities and affordable housing. WCRA underwrites, services, and administers these loans. CapitalPlus projects are owned and operated by 501(c)3 nonprofit organizations, tribal entities, and housing authorities, but are too small to be financially feasible for the Commission's bond program. Currently, CapitalPlus has 16 loans outstanding for a total of over \$5 million.

LAP is a 12-year-old program established by WSHFC and the Washington State Department of Commerce. The Department of Commerce has provided \$990,850 and the Commission has provided \$29 million dollars in Program Related Investments to be lent to nonprofit sponsors to purchase vacant or improved land on which to develop affordable housing and facilities intended to provide supportive services to affordable housing residents and low-income households.

The Manufactured Housing Preservation Program is an 8-year-old Commission program dedicated to providing low-interest loans to nonprofits and resident cooperatives to purchase manufactured housing communities. The program has provided financing to purchase 16 communities throughout the state.

The COVID-19 pandemic restrictions create unique challenges for CapitalPlus borrowers, manufactured housing community residents and LAP borrowers. We have already received notice that many tenants are out of work and having difficulty paying mortgages and rents. In affordable housing projects, tenants may not be paying rents; and the project owners may not raise rents under the governor's orders. Some facility projects, such as community centers and museums, are closed, and cannot hold programming which could bring in revenue. Further, spring is a key time for nonprofits to hold fundraising events, all of which have been canceled or postponed. While no project has yet requested forbearance of its loan in these programs, we want to be ready to respond to these unique conditions. A deferral policy is being created that would consider deferral on a case by case basis until the earliest of December 31, 2020 or a date three months after the Governor's phased plan allows for the opening of key activities that provide cash flow.

Ms. Vatske and WCRA staff proposed the following policy changes for the CapitalPlus program. Allow the Executive Director to waive the 15-year term length limit to extend the maturity date of an existing loan in temporary deferral. Allow WCRA to waive accruing interest while a loan is in temporary deferral.

Commission staff proposed the following policy changes to the LAP. Allow the Executive Director to waive the 8-year term length limit to extend the maturity date of an existing loan in temporary deferral. Allow Finance to waive accruing interest while a loan is in temporary deferral.

Commission staff proposed the following policy changes to the Manufactured Housing Preservation Program. Allow the Executive Director to waive the 10-year term length limit to extend the maturity date of an existing loan in temporary

deferral. Allow Finance to waive accruing interest while a loan is in temporary deferral.

In response to a question from Mr. Nafziger, Ms. Vatske stated that the loans maturity would extended, and only on a case-by-case bases.

Mr. Larsen moved the approval of the proposed recommendations. Mr. Tripp seconded the motion. The motion was unanimously approved.

**Adjournment**

The meeting was adjourned at 1:42 p.m.

**Signature**

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